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PLATINUM EQUITY ADVISORS, LLC  
Form ADV PART 2A - Brochure  
March 29, 2022

This brochure (this “Brochure”) provides information about the qualifications and business practices of Platinum Equity Advisors, LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Mary Ann Sigler, at (310) 228-9597. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Platinum Equity Advisors, LLC is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Brochure contains no material changes since Platinum Equity Advisors, LLC (“Advisors”) filed its last annual amendment brochure on March 29, 2021, except as pertains to routine annual updates to the previously filed brochure. We encourage all recipients of this Brochure to read it carefully in its entirety.

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## **Item 4 - Advisory Business**

Platinum Equity, LLC (“Platinum Equity” and together with Advisors, “Platinum”) was founded in 1995 by its Chairman and Chief Executive Officer, Tom Gores. In 2003, Platinum Equity sponsored its first investment fund and formed Advisors, an affiliate of Platinum Equity, to serve as the investment adviser to the investment funds described herein. In addition, affiliates of Platinum Equity manage and serve as the general partner or senior managing member of each of the Investment Funds (as defined below) described herein (each, a “General Partner” and, collectively, the “General Partners”). References to “we” or “us” herein refer to Advisors.

Advisors is principally owned and controlled by Tom Gores and his affiliates: Platinum Equity, Platinum Equity Investment Holdings, LLC, Platinum Equity Advisors Holdings, LLC, and the Gores 2003 Investment Trust. In addition, investment funds affiliated with Dyal GP Capital Solutions (f/k/a Dyal Capital Partners) (“Dyal”), a division of Blue Owl Capital Inc., hold a passive non-voting minority interest in Advisors. Dyal does not have any authority over the day-to-day operations or investment decisions of Advisors as they relate to the Investment Funds, but it does have certain customary minority protections with respect to its ownership interest in Advisors. Dyal does not have representation on the investment committees of the General Partners or any of their affiliates.

Advisors provides advisory services to private investment funds, including Platinum Equity Capital Partners L.P. (together with its Parallel Funds (as defined below) and alternative investment vehicles, “Fund I”), Platinum Equity Capital Partners II, L.P. (together with its Parallel Funds and alternative investment vehicles, “Fund II”), Platinum Equity Capital Partners III, L.P. (together with its Parallel Funds and alternative investment vehicles, “Fund III”), Platinum Equity Capital Partners IV, L.P. (together with its

Parallel Funds and alternative investment vehicles, “Fund IV”), Platinum Equity Capital Partners V, L.P. (together with its Parallel Funds and alternative investment vehicles, “Fund V” and together with Fund I, Fund II, Fund III and Fund IV, the “PECP Funds”), Platinum Equity Small Cap Fund, L.P. (together with its Parallel Funds and alternative investment vehicles, the “Small Cap Fund”; the Small Cap Fund, together with the PECP Funds, the “Platinum Funds”), Continuation Vehicles and Rollover Vehicles (each as defined below) formed in connection with Continuation Transactions (as defined below); certain other private investment vehicles that co-invest in each portfolio investment made by the Platinum Funds whose investors are limited to the Platinum Co-Investors (as defined below) (each such vehicle, a “Platinum Co-Invest Vehicle”) and certain other investment vehicles, including dedicated or “standing” vehicles, established to facilitate Third Party Co-Investments (as defined below) (each such vehicle, a “Third Party Co-Invest Vehicle,” each Third Party Co-Invest Vehicle and Platinum Co-Invest Vehicle, a “Co-Invest Vehicle,” and the Co-Invest Vehicles with the Platinum Funds and any other private investment funds to which Advisors provides advisory services from time to time, the “Investment Funds” and each such vehicle individually, an “Investment Fund”), which primarily make private equity investments in undervalued, undermanaged and/or underperforming businesses and execute operations-intensive transformations that seek to meaningfully create value. Limited partners or other investors within a particular Investment Fund are referred to herein as “Investors.”

As of December 31, 2021, we had approximately \$36 billion of assets under management on a discretionary basis.<sup>1</sup> Our investment objective is to generate significant capital appreciation for the Investors investing in the Investment Funds for which we provide investment advisory services. The Investment Funds seek to achieve this objective primarily by making private investments in equity, equity-oriented or debt securities or other instruments which offer equity-like returns of undervalued, undermanaged and/or underperforming businesses. When advising the Investment Funds, we consider a broad range of transactions, including without limitation management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, growth equity investments and debt investments.

Generally, the Investment Funds do not invest in other private investment funds. The Platinum Funds are prohibited from investing in other private investment funds that would result in a net increase in the management fee or carried interest paid by Investors. Accordingly, in those rare instances where a Platinum Fund has invested in another private investment fund, the Platinum Fund did not pay any management fees or carried interest to the private investment fund or its general partner.

Certain affiliates of Platinum and the General Partners co-invest in the portfolio investments of the Platinum Funds. The applicable General Partner is required to cause the General Partners, Platinum, and/or the partners, members, shareholders, officers, directors, executives, operating advisors and employees of Platinum, Advisors, the General Partners and their respective affiliates (and, in certain cases, estate planning vehicles, friends and family of the foregoing persons) (collectively, the “Platinum Co-Investors”) to co-invest, via a Co-Invest Vehicle, in each portfolio investment of the Platinum Funds on the same economic terms and conditions as any Platinum Fund making such investment (“Platinum Co-Investments”). The amount of such Platinum Co-Investment is determined as a percentage (“Co-Investment Percentage”) of the total investment opportunity, as determined by the General Partner and subject to the applicable Governing Agreements. All co-investments, regardless of size, are also subject to a maximum limit (the “Co-Investment Cap”), which is set by the relevant General Partner annually in advance. Platinum Co-

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<sup>1</sup> Assets under management is calculated as the sum of (i) the estimated fair value of cash and securities of the Investment Funds and (ii) any unfunded capital commitments for the Investment Funds that are still in their commitment period, each as of December 31, 2021 (adjusted for subsequent material transactions through March 25, 2022).

Investment opportunities (including the Co-Investment Percentage and the Co-Investment Cap) are subject in all cases to the terms of the relevant Platinum Fund's Governing Agreement (as defined below).

In addition to the required Platinum Co-Investment, as further described in "Performance-Based Fees and Side-by-Side Management" (Item 6), other co-investment opportunities, in particular, investments in the portfolio investments of the Platinum Funds, may be offered, and have been offered, to certain Investors and other third parties ("Third Party Co-Investments"), generally in the sole and absolute discretion of the General Partners (except in certain Platinum Funds where we have been contractually obligated to offer a co-investment opportunity to an Investor that has already been offered to other Investors), generally taking into account multiple factors, including without limitation the applicable Platinum Fund's investment limitations, the size of the investment opportunity and the demand among potential co-investors. In some cases, as described in the applicable Governing Agreement, the ability of the General Partners to offer co-investment opportunities to potential Third Party Co-Investors have been limited due to restrictions that may apply, including, without limitation conflicts concerns, confidentiality obligations, contractual obligations and legal and regulatory requirements. The terms of any such investment, including the fees and carried interest applicable to such co-investment, if any, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion.

The relevant General Partner manages the assets of each Investment Fund in accordance with its particular investment guidelines and the terms of the applicable governing documents of each Investment Fund (the "Governing Agreement"). Further details concerning each Investment Fund's investment guidelines are set forth in their respective Governing Agreements. When providing these services to the Investment Funds, the General Partners and Advisors direct and manage the investment of each Investment Fund's assets and provide reports to investors as described below under "Review of Accounts." Investment advice is provided directly to each Investment Fund and not individually to the Investors.

Interests in the Investment Funds are not registered under the U.S. Securities Act of 1933, as amended, and the Investment Funds are not registered under the U.S. Investment Company Act of 1940, as amended. Accordingly, interests in the Investment Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

## **Item 5 - Fees and Compensation**

The compensation we are eligible to receive comprises a management fee ("Management Fee") based on a percentage of assets under management; performance-based incentive allocations ("Carried Interest"); and other fees detailed below.

### *Management Fees*

As compensation for investment advisory services rendered to the Investment Funds, Advisors receives from each such Investment Fund a management fee that is typically calculated based on capital commitments during the applicable Investment Fund's commitment period or invested capital following the termination of such Investment Fund's commitment period. Generally, Advisors' eligible management fee during the commitment period has ranged from 1.65% to 2%, of capital commitments and Advisors' eligible management fee following the termination of the commitment period has ranged from 1.4% to 2% of invested capital. However, actual management fees collected have been adjusted downward by a dollar-for-dollar offset of certain portfolio company monitoring, transaction and other fees. Certain Investors, including those participating through Parallel Funds, may pay and have paid lower aggregate Management Fees than those stated above, pay Management Fees on a different schedule than other Investors or pay no Management Fees. Management Fees are generally paid to Advisors quarterly in advance and are pro-rated

based on the number of days elapsed in such period. In the case of the last period in which Management Fees are paid to Advisors with respect to a particular Platinum Fund, Advisors will refund the amount of Management Fees allocable to that portion of the quarter which is subsequent to the term of the applicable Platinum Fund. Platinum Co-Invest Vehicles are not charged any Management Fees. The terms of a Third Party Co-Invest Vehicle, including Management Fees paid by such Third Party Co-Invest Vehicle, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion and in that regard, certain investors in such vehicles do not pay Management Fees.

Management Fees, when charged, are subject to offset by a certain portion of Monitoring Fees and Other Fees (defined below) received by Advisors pursuant to an offset formula defined in the Governing Agreements. Details concerning Management Fee arrangements for each Investment Fund are set forth in its Governing Agreement.

### *Carried Interest*

Unless indicated otherwise herein, a portion of each Platinum Fund's net investment proceeds may be distributed to its General Partner as Carried Interest. The manner of calculation of any Carried Interest is disclosed in the relevant Governing Agreement. Generally, however, 20% of the investment profits of the Platinum Funds are allocated as Carried Interest to such Platinum Fund's General Partner, subject to a preferred return of 8% per annum to the Investors and such General Partner's clawback obligations as provided for in the relevant Governing Agreement. Platinum Co-Invest Vehicles are not charged any Carried Interest. The terms of a Third Party Co-Invest Vehicle, including Carried Interest paid by such Third Party Co-Invest Vehicle, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion and in that regard, certain investors in such vehicles do not bear Carried Interest.

### *Organizational and Fund Expenses*

In addition to Management Fees and Carried Interest, the General Partners and Investors bear certain operating and organizational expenses of the Investment Funds. These fees and expenses vary but typically include all reasonable legal, accounting, filing, capital raising (including travel and entertainment), and other organizational and offering expenses incurred in the formation of each Investment Fund and related entities ("Organizational Expenses"). Organizational Expenses in excess of a negotiated cap are paid by the Investment Funds but, in the case of the Platinum Funds, reduce the Management Fees otherwise payable by the Investors by an identical amount. Other Investment Fund fees and expenses (collectively, "Fund Expenses") can also include (i) all fees, costs and expenses of tax advisors, legal counsel, auditors, consultants, investment and other bankers, third-party valuation agents and other professionals and service providers (including the cost of third-party fund administrators); (ii) all out-of-pocket fees, costs and expenses incurred in developing, negotiating, structuring, holding, marketing and disposing of portfolio investments, including financing, legal, accounting, tax, audit, advisory and consulting and risk monitoring (including for example only, environmental, social and governance, cyber security, anti-corruption and other similar functions) expenses; (iii) 100% of all out-of-pocket fees, costs and expenses, if any, incurred in sourcing, developing, investigating, negotiating and structuring prospective portfolio investments and prospective portfolio investments or co-investments that are not ultimately made, including (a) any legal, accounting, advisory, market research, consulting, prime brokerage, loan servicing and pricing or other third-party expenses in connection therewith and any travel and accommodation expenses, (b) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources, and (c) any deposits or down payments of cash or other property which are forfeited in connection with a proposed portfolio investment or co-investment, in each case, to the extent not reimbursed by an entity in which the Investment Fund has invested or proposes to invest or by other third parties or capitalized as part

of the acquisition of a transaction (collectively, “Broken Deal Expenses”); (iv) brokerage commissions, issue and transfer taxes (to the extent payable by the Investment Fund) and custodial expenses; (v) the out-of-pocket fees, costs and expenses, if any, associated with any third-party examinations or audits (including other similar services) of the Investment Funds, General Partner or Advisors that are attributable to the operation of the Investment Funds or requested by the Investors; (vi) principal of, interest on and fees and expenses related to, or arising out of, all indebtedness incurred by the Investment Fund; (vii) cost of any litigation, directors’ and officers’ liability insurance, errors and omission or other insurance (which will include insurance premiums that will also benefit Advisors and the Platinum Co-Invest Vehicles, unless Advisors’ insurance broker indicates that the inclusion/exclusion of the Platinum Co-Invest Vehicles would have changed such premium), indemnification obligations or extraordinary expense (which Advisors allocates among the Investment Funds in accordance with Advisors’ expense allocation procedures); (viii) expenses of liquidating the Investment Fund; (ix) any taxes, fees or other governmental charges levied against the Investment Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Investment Fund; (x) the expenses of an applicable LP Advisory Committee; (xi) research and software expenses, subscription fees, Bloomberg fees, license fees and other expenses incurred in connection with data services providing market data, news feeds, securities and company information and company fundamental data and allocated to the Investment Fund in accordance with Advisors’ expense allocation procedures; (xii) travel and communications expenses (which includes accommodation and meal expenses of employees, private air transportation charged at first-class equivalent rates in accordance with Advisors’ travel policy and the cost of cellular telephones and other such devices used by employees of Advisors) allocated to the Investment Fund in accordance with Advisors’ expense allocation procedures; (xiii) all expenses and costs associated with reporting to and meetings of the Partners (which includes travel, meal and lodging expenses of employees of Advisors in connection with their attendance at such meetings and which Advisors allocates among the Investment Funds in accordance with Advisors’ expense allocation procedures); (xiv) legal, custodial and accounting expenses, including expenses associated with the procurement and operation of accounting systems and related maintenance and licensing fees, the preparation of financial statements, tax returns, Schedule K-1s and various other U.S. and non-U.S. tax withholding and treaty forms, the representation of the Investment Fund or the Partners by the partnership representative, compliance or registration expenses that are not related to Advisors’ status as a registered investment advisor, compliance with side letter provisions and with environmental, social and governance (“ESG”) matters, allocated to the Investment Fund in accordance with Advisors’ expense allocation procedures; (xv) expenses related to organizing entities through or in which investments may be made, including any Alternative Vehicles and any other subsidiaries of the Investment Fund; and (xvi) costs and expenses that are classified as extraordinary expenses under United States generally accepted accounting principles.

All Broken Deal Expenses are allocated to the Platinum Funds, including those Broken Deal Expenses attributable to the portion of a deal that would have been allocated to Co-Invest Vehicles (except that Broken Deal Expenses incurred by a portfolio investment’s operating company (“Portfolio Company”) with respect to a broken deal that would have been an add-on acquisition for such Portfolio Company are allocated 100% to such Portfolio Company). More specifically, Broken Deal Expenses are allocated to the Platinum Fund(s) (and not, for the avoidance of doubt, a Co-Invest Vehicle) that, at the time that Advisors determines the potential Portfolio Company to which a Broken Deal Expense relates has “broken,” had first priority over such potential Portfolio Company.

Fund Expenses that are not related to investment activity and generally benefit all of the Investment Funds (including, without limitation, expenses and costs associated with meetings of the Partners and liability insurance) are allocated to the Platinum Funds on a pro rata basis, based on aggregate capital commitments. No portion of such Fund Expenses are allocated to Platinum or the Platinum Co-Invest Vehicles, except that a reasonable portion of insurance premiums that also benefit Advisors and the Platinum Co-Invest

Vehicles are allocated to such Platinum Co-Invest Vehicles if Advisors' insurance broker indicates that the inclusion/exclusion of the Platinum Co-Invest Vehicles would have changed such premium.

The respective Governing Agreements set forth the specific arrangements regarding operating and organizational expenses for each Investment Fund. Prospective Investors are encouraged to inquire about and review all fees and expenses to be paid by the Investment Funds and, indirectly, their Investors.

#### *Monitoring Fees and Other Fees*

We charge our Portfolio Companies a monitoring fee (the "Monitoring Fees") which in the case of certain Investment Funds is subject to certain limitations set forth in a Governing Agreement. We will also, from time to time, receive certain cash and non-cash net directors', advisory, break-up, and topping fees which vary by investment ("Other Fees"). Monitoring Fees and Other Fees offset or reduce the Management Fees paid by Investors subject to the terms of the relevant Governing Agreement, which in an applicable Investment Fund include caps on certain fees and thresholds only after which certain such fees offset Management Fees paid by Investors. In addition, we and our affiliates may receive and have received fees from companies that are not Portfolio Companies of the Platinum Funds or their affiliates and from those companies involved in the Platinum Funds' unconsummated transactions, and such fees do not offset Management Fees.

#### *Placement Fees*

To the extent a Platinum Fund incurs fees and expenses of a placement agent or other person hired by its General Partner to solicit investors ("Placement Fees"), the Platinum Fund generally bears such Placement Fees, and its Investors' shares of the Management Fees (to the extent Placement Fees are paid by the Platinum Fund with respect to such Investors' respective investments in the Platinum Fund) are reduced on a dollar-for-dollar basis. Certain Investors who are prohibited by law or policy from directly or indirectly paying Placement Fees do not pay any share of a Platinum Fund's Placement Fees and thus do not receive any corresponding reduction of their Management Fees.

### **Item 6 - Performance-Based Fees and Side-by-Side Management**

Carried Interest is a performance-based fee based on a share of profits from the assets of a Platinum Fund or Third Party Co-Invest Vehicle. As described above, a portion of each Platinum Fund's net investment proceeds may be distributed to its General Partner as Carried Interest. The Platinum Funds are generally subject to a Carried Interest of 20% of the investment profits, subject to a preferred return of 8% per annum to the Investors and the applicable General Partner's clawback obligations as provided for in the relevant Governing Agreement. As described above, Platinum Co-Invest Vehicles are not charged any Carried Interest, and the terms of Third Party Co-Invest Vehicles, including performance-based fees such as Carried Interest, are negotiated by the relevant General Partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion and in that regard, certain investors in such vehicles do not bear Carried Interest.

Platinum believes it does not have an incentive to favor a Co-Invest Vehicle or Third Party Co-Investments over a Platinum Fund because none of the Platinum Co-Invest Vehicles are subject to a Management Fee or Carried Interest and Third Party Co-Investments are either prohibited by the Governing Agreements of the Platinum Funds from being subject to Management Fees or Carried Interests at rates higher than those governing the Platinum Funds or are generally required to disclose any such terms that are more favorable than in the applicable Governing Agreement to the applicable LP Advisory Committee (defined below). Consequently, we believe that no conflict exists in this regard. The fact that the General Partners are compensated based on a share of investment profits from a Platinum Fund or Third Party Co-Invest Vehicle

may create an incentive for the General Partners to have the Platinum Funds and Third Party Co-Invest Vehicles make investments that are riskier or more speculative than would be the case in the absence of such compensation. Platinum manages this potential conflict of interest by ensuring that no single person makes material investment decisions for the Platinum Funds and Third Party Co-Invest Vehicles that pay performance-based compensation; instead, investment decisions are made by the investment committee of each General Partner. In addition, Platinum and its affiliates maintain interests in each portfolio investment in connection with the Platinum Co-Investment and on the same basis as outside investors; this also serves to alleviate the incentive to engage in riskier or more speculative investments. The fact that a portion of each portfolio investment is allocated to a Platinum Co-Invest Vehicle mitigates any incentive for Platinum to disfavor such vehicles because they are not subject to carried interest.

Additionally, in order to mitigate and opine upon potential conflicts of interest in accordance with the applicable Governing Agreements, each of the Platinum Funds has a limited partner advisory committee (each, an “LP Advisory Committee”). Each respective LP Advisory Committee consists of Investors unaffiliated with Platinum who have been selected by the applicable General Partner as representatives of such Platinum Fund’s limited partners. The purpose of the LP Advisory Committee primarily is to, as set forth in the Governing Agreements: (i) review and approve any material conflicts of interest in any transaction between the Platinum Fund and the applicable General Partner or its employees or affiliates presented to the LP Advisory Committee by the applicable General Partner; (ii) give consents required of the “clients” under the Investment Advisers Act of 1940 (the “Advisers Act”), to the extent the applicable General Partner presents any such matter to the LP Advisory Committee for approval; and (iii) provide advice and counsel on other issues requested by the applicable General Partner or required pursuant to the Governing Agreement in connection with other potential conflicts of interest, valuation matters, additional fees received by the applicable General Partner and other matters relating to the Platinum Fund. No fees are paid to the members of an LP Advisory Committee, but the members are entitled to be reimbursed for reasonable expenses incurred in connection with attending meetings of an LP Advisory Committee. In addition, the Platinum Fund may, in the absence of fraud or willful misconduct on the part of members of the LP Advisory Committee, indemnify and hold harmless each member of an LP Advisory Committee against losses, damages or expenses actually incurred by such member in connection with any action, suit or proceeding by reason of any actions or omissions or alleged acts or omissions arising out of such member’s activities in connection with serving on such LP Advisory Committee, to the fullest extent permitted by law. A Platinum Fund’s allocable share of the reasonable fees and expenses of any third-party professional engaged by the respective LP Advisory Committee (upon requisite approval of such LP Advisory Committee) to advise members of such LP Advisory Committee in such capacity shall be treated as partnership expenses of such Platinum Fund.

A number of affiliated investment vehicles have been created within a fund’s structure for various legal, tax, investment or other reasons:

#### *Parallel Funds*

For certain Platinum Funds, one or more parallel funds (the “Parallel Funds”) have been organized by Platinum for legal, regulatory, tax or other reasons. The Parallel Funds generally invest on a side-by-side basis with the Platinum Fund pro rata in all applicable Platinum Fund investments. The terms of each Parallel Fund can vary from those of the Platinum Fund to which such Parallel Fund relates and each such Parallel Fund can contain certain special economic (including reduced Management Fees) and/or other terms. Certain of these changes are driven by laws, rules, regulations and policies applicable to certain investors which generally are not applicable to other investors. Other changes, including special economic terms, have been and may be granted to investors primarily because each of their capital commitments is significantly higher than the capital commitment of other investors in the applicable Platinum Fund. The terms of the Parallel Funds that differ from those of the related Platinum Fund have included, but are not



limited to: (i) lower Management Fees, Carried Interest and other performance-based fee terms and, in certain cases, different payment schedules or arrangements for offsetting or reducing such fees, (ii) different holdback, reserve and/or escrow arrangements, (iii) increased liability of certain guarantors of the applicable General Partner's obligations (up to a specified cap), (iv) restrictions on transfers, (v) limitation on indemnity, (vi) covenants regarding the incurrence of commercial activity income, (vii) specific excuse rights, (viii) restrictions on the admission of other limited partners to a Parallel Fund, (ix) different arrangements with respect to expenses, (x) access to portfolio information content and frequency of reports, (xi) co-investment rights (including MFN rights with respect to any co-investment arrangements), (xii) LP Advisory Committee membership, and (xiii) additional investment restrictions in respect of such Parallel Fund(s), including, without limitation, restrictions intended to comply with the interpretation of legal requirements, tax liability, religious principles or investment policies applicable to the investor(s) in such Parallel Fund(s). Any investments made by a Parallel Fund are divested on the same terms and at the same time as the related Platinum Fund's divestments, subject to applicable legal, tax, regulatory and other similar considerations.

#### *Third Party Co-Investment*

Platinum may determine in its sole and absolute discretion with respect to a particular investment to offer Third Party Co-Investments, taking into account multiple factors, including, without limitation, the particular investment opportunity, the third-party investors to whom such co-investment opportunity is offered (whether pursuant to contractual obligations to such investors or otherwise), the investment capacity of the Platinum Fund making such investment, the ability of such third-party investors to comply with the process and timeline of such co-investment opportunity (including the expected amount of negotiations required), the willingness of such third-party investors to pay management fees and carried interest or make potential commitments to Other Platinum Funds, whether such third-party investors have informed Platinum of their interest in co-investing and any contractual obligation of such Platinum Fund or Platinum to offer such co-investment opportunities to Investors (including in side letters) or other third parties. For example, Platinum has entered into side letters with investors to acknowledge their interest in co-investment opportunities, and, in connection with certain investors' investments in the Platinum Funds, to the extent an applicable General Partner determines to offer co-investment opportunities in a particular investment, Platinum has agreed to offer such investors an opportunity to co-invest in such portfolio investment through a Third Party Co-Invest Vehicle pursuant to the terms of such investors' letter agreement.

Platinum allocates the available investment among the relevant Platinum Fund, the applicable Platinum Co-Invest Vehicle, any Third Party Co-Invest Vehicle and any other third parties, as it may in its sole discretion determine, and, subject to the terms of each Governing Agreement, any such investments are typically divested on the same terms and at the same time as the Platinum Fund's divestments, subject to applicable legal, tax, regulatory and other similar considerations.

#### *Platinum Co-Investment*

A Platinum Co-Invest Vehicle invests in each Platinum Fund investment on a side-by-side basis outside of such Platinum Fund in an amount equal to the applicable Co-Investment Percentage of the total investment opportunity subject to the Co-Investment Cap. The relevant Co-Investment Percentage and Co-Investment Cap are determined on an annual basis or otherwise fixed pursuant to the applicable Governing Agreement. Co-Investment Percentages vary depending on the size of the investment opportunity, with smaller deals generally involving a higher co-investment percentage. Participants in such Platinum Co-Invest Vehicles include the Platinum Co-Investors, in order to allow such persons to invest in one or more particular portfolio investments made by a Platinum Fund. Any such investments made by a Platinum Co-Invest Vehicle is divested on the same terms and at the same time as such Platinum Fund's divestments, subject

to applicable legal, tax, regulatory and other similar considerations. The Platinum Co-Invest Vehicles are not subject to a Management Fee or Carried Interest (*i.e.*, no-fee/no-carry).

#### *Successor Funds*

Platinum, the General Partners, and their affiliates will not collect fees from or invest the assets on behalf of successor funds to the extent prohibited by a Platinum Fund's Governing Agreement (a "Successor Fund") until at least 75% of the capital commitments in existing Platinum Funds have been invested, committed or reserved for investments, management fees, indebtedness of the Platinum Funds, partnership expenses or organizational expenses or until the end of the applicable commitment period. If a Successor Fund is closed after at least 75% of the capital commitments in existing Platinum Funds are invested, committed or reserved, then until the earlier of the end of the commitment period or 85% of the capital commitments in the existing Platinum Funds are invested, committed or reserved, a Successor Fund may also co-invest alongside the applicable Platinum Fund on the same terms and conditions in all material respects. In this case, the investment opportunity is generally allocated 75% to the Platinum Funds and 25% to the Successor Fund, unless the General Partners determine in good faith that an alternative allocation is fair and reasonable, the investment by the Platinum Funds is legally or contractually prohibited or, as a result of the application of law, the investment could have a material adverse effect on the Platinum Funds or the General Partners.

#### *Alternative Investment Vehicles*

Alternative investment vehicles are used whenever a General Partner determines in good faith that for legal, tax, regulatory, national security, accounting or other reasons it is in the best interests of any or all of the Investors of a Platinum Fund that all or any portion of a particular investment be made through an investment structure outside of the Platinum Fund. Participants in such investments are generally required to make all or a portion of their investments through such alternative investment vehicle, which invests on a parallel basis with or in lieu of the Platinum Fund, and are required to make capital contributions directly to each such alternative investment vehicle to the same extent, for the same purposes and on the same terms and conditions as Investors are typically required to make capital contributions to the applicable Platinum Fund. Each such Investor has the same economic interest in all material respects in the investment made through an alternative investment vehicle as such Investor would have if such investment had been made solely by the Platinum Fund, and the other terms of such alternative investment vehicle are generally substantially identical in all material respects to those of the Platinum Fund, to the extent applicable.

In the future and subject to the terms and conditions of the Governing Agreements, we may modify the fund structures discussed above, and we may use other structures to address legal, tax, regulatory or other investment considerations.

### **Item 7 - Types of Clients**

We provide advisory services to the Investment Funds, as described under "Advisory Business" above.

Investors in the Platinum Funds and Third Party Co-Invest Vehicles, to the extent applicable, consist primarily of high net worth individuals and related trusts, family offices, corporate and public pension plans, state and municipal government agencies, pooled investment vehicles (e.g., funds of funds), school trusts, charitable foundations and endowments, sovereign wealth funds, banks and investment banks, corporations, insurance companies and other financial institutions. Investors in the Platinum Co-Invest Vehicles consist of the applicable General Partner, Platinum, and/or the Platinum Co-Investors. The minimum capital commitment for an Investor of a Platinum Fund is outlined in such Platinum Fund's private placement memorandum, although the relevant General Partner typically has the authority to waive such minimum.

In the applicable subscription documents, investors are required to make certain representations when investing in an Investment Fund, including, but not limited to, that: (i) they are acquiring an interest for their own account; (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment; and (iii) they have the ability to bear the economic risk of an investment in the Investment Fund. Each investor will be furnished with a copy of the applicable Governing Agreement.

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

### *Investment Strategy and Analysis*

Platinum's investment strategy is to focus on control buyouts of undervalued, undermanaged and/or underperforming companies with the potential for operational improvement that Platinum believes will meaningfully create value. As discussed in more detail below, the Small Cap Fund invests primarily in Small Cap businesses. Platinum may pursue additional strategies from time to time, including in different sectors such as private credit.

To that end, we opportunistically target companies with room for significant operational improvements but that exhibit strong underlying business characteristics, including: (i) long-term customer relationships; (ii) products and services or other elements that make the customer base and associated revenues "sticky" and predictable; (iii) established brands; (iv) sizable market shares and (v) value locked in the balance sheet. Because of our comprehensive operations focus and capabilities, we believe we are able to identify and acquire non-core or underperforming assets of large companies whose value is being negatively impacted by operating challenges, establish those assets as improved standalone businesses, and create and extract value by improving the companies' operations and integrating add-on acquisitions. The Investment Funds make private investments in equity, equity-oriented, or debt securities or other instruments (including preferred equity, bank loans and participations) in business that offer equity-like returns of undervalued, undermanaged and/or underperforming businesses (with the Small Cap Fund making such investments primarily in companies having revenue and EBITDA under certain thresholds defined in its Governing Agreement). The Investment Funds consider a broad range of transactions, including without limitation management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, consolidations and roll-ups, spin-offs and carve-outs, growth equity investments and debt investments.

The Platinum Funds invest primarily in North America but also take advantage of investment opportunities in other geographies with a focus on Western Europe. Platinum's approach is not industry-specific.

Platinum utilizes a disciplined approach that it has used to create meaningful enterprise value and generate attractive returns since its inception. We use what we call our M&A&O<sup>®</sup> process to execute a unique strategy that focuses on (i) transacting with strategic sellers who have a strong impetus to divest to a capable operating partner; (ii) acquiring companies that are underperforming operationally but have strong underlying business characteristics; (iii) emphasizing downside protection and limiting financial risk in executing transactions; and (iv) effecting operational change that stabilizes and improves the underlying business and puts it on a path to being a market leader.

Post-acquisition, Platinum implements a process-oriented transition that prioritizes the stabilization and strengthening of the Portfolio Company. A team of transition and operations specialists work together with a company's existing management to integrate a transition plan, focus on profitable growth, reduce costs, improve working capital positions and strengthen business processes. During some transitions, members of Platinum's operations team take on interim leadership positions at a Portfolio Company. In addition to

providing resources, the team imbues Portfolio Companies with Platinum's values of fiscally conservative operations and creation of sustainable value.

Senior members of Platinum's M&A&O execution teams are responsible for managing the full lifecycle of a Portfolio Company under Platinum's ownership, including the platform acquisition, carve-out and transition, growth through both organic initiatives and add-on acquisitions, and ultimate exit as well as ESG matters. In this regard, Platinum has always and will continue to incorporate ESG considerations into its M&A&O processes throughout the investment lifecycle.

### *Risk of Loss*

Acquiring an interest in any Investment Fund involves a number of risks. An investment in an Investment Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors and requires the financial ability and willingness to accept the high risks and lack of liquidity inherent in an investment in an Investment Fund. No guarantee or representation is made that any Investment Fund will achieve its investment objective or that Investors will receive a return of their capital.

All investing involves a risk of loss and the investments we make based on the strategies we offer could lose money over short or even long periods. The description contained below is a brief overview of some of the risks related to our investment strategies. Investors should review in detail the Investment Fund's Governing Agreement prior to making an investment in such Investment Fund. A more complete description of applicable risks is also available in the private placement memorandum or, as applicable, other disclosure documents of each Investment Fund.

**General Business and Management Risk.** Investments in Portfolio Companies subject the Investment Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations and other factors. With respect to management at the Portfolio Company level, many Portfolio Companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the Portfolio Company's performance. While in all cases Advisors will monitor Portfolio Company management, management of each Portfolio Company will have day-to-day responsibility of such Portfolio Company.

**Reliance on General Partner and Advisors.** Decisions with respect to the management of the Investment Funds will be made by the General Partners and Advisors. The General Partners and Advisors will have exclusive responsibility for the Investment Funds' activities, and other than as expressly set forth in the applicable Governing Agreement, Investors will not be able to make investment or other decisions in the management of the applicable Investment Fund. The success of each Investment Fund will depend on the skill and ability of Platinum to identify and consummate suitable investments, to improve the operating performance of investments and to dispose of investments of the Investment Fund at a profit. The loss of the services of one or more of Advisors' senior investment professionals, including through incapacitation or otherwise, could have an adverse impact on such Investment Fund's prospects, performance and its ability to realize its investment objectives. There can be no assurance that each of the senior investment professionals will continue to be affiliated with such Investment Fund throughout its anticipated term. The roles and responsibilities within Platinum of certain investment advisory professionals, including senior investment professionals, are likely to be modified during the life of an Investment Fund, including modifications that result in less time devoted to such Investment Fund. Any fiduciary duties owed by such professionals to such Investment Fund would be modified accordingly.

**Other Activities.** The senior investment professionals and other employees of Advisors will devote only such portion of their time to the affairs of a specific Investment Fund as they in good faith consider necessary for the proper performance of their duties. Other investment activities of Advisors, including ongoing obligations to the other Investment Funds, any other investment fund or account advised by Platinum and its portfolio companies, and any companies owned, directly or indirectly, by Advisors and/or Tom Gores as an individual, are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of any particular Investment Fund, including Platinum's existing portfolio of investments, which may pose conflicts in the allocation of management resources. Such investment activities may expand in the future and consequently demand more of those individuals' time. No particular Investment Fund will have any interest in these other activities. Further conflicts of interest may arise as a result of such persons having investments in both the existing Advisors' portfolio investments and an Investment Fund, as well as other investments, both public and private.

In this regard, it is expected that certain senior investment professionals and other employees of Advisors may be subject to a variety of conflicts of interest relating to their responsibilities to the Investment Funds and their respective Portfolio Companies, and their other business activities as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Investment Funds, including if such other entities compete with the Investment Funds for investment opportunities or other resources or otherwise transact or seek to transact with the Investment Funds. Such senior investment professionals and other employees of Advisors may have a greater financial interest in the performance of the other entities than the performance of the Investment Funds. This involvement may create conflicts of interest in making investments on behalf of the Investment Funds. Although Advisors will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Investment Funds. Also, senior investment professionals and other employees of Advisors are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as securities of other companies, some of which will be competitors of the Investment Funds. Clients (and Investors) will not receive any benefit from any such investments, and the financial incentives of senior investment professionals and other employees of Advisors in such other investments could be greater than their financial incentives in relation to the Investment Funds.

**Overlap Between Investment Funds and Allocation of Investments.** Platinum manages and expects to raise and/or manage in the future Investment Funds focused on a wide range of opportunities that have investment programs and investment objectives that are similar and, in certain circumstances, overlap with other Investment Funds, and therefore, potential portfolio investments that may be appropriate for one Investment Fund may also be appropriate for another Investment Fund (and accordingly, Investment Funds may participate with each other in investments). Thus, there is a potential for conflicts of interest in this regard and accordingly, as a general matter, there can be no assurances that all investment opportunities identified by or suitable for an Investment Fund will be made available to such Investment Fund.

In this regard, Investors should be aware that the PECP Funds have investment mandates that overlap with the Small Cap Fund, and historically, the PECP Funds have made investments of the type that are now made by the Small Cap Fund. Platinum will determine whether to allocate investment opportunities between the PECP Funds (and any successor fund) and the Small Cap Fund (and any successor fund) at or around the time a potential portfolio investment is identified and a non-disclosure, confidentiality or similar agreement is entered into by Platinum in connection with such potential portfolio investment. A potential portfolio investment that fulfills the criteria of having revenue and EBITDA under certain thresholds set forth in the applicable private placement memorandum of each Investment Fund, will typically be designated as a small cap investment, unless the potential portfolio investment is pursued as an add-on for or follow-on investment of one or more other Investment Fund(s). Subject to the considerations and

procedures described herein, once a potential portfolio investment is designated as a small cap investment, the Small Cap Fund generally will have first priority in such potential portfolio investment. For the avoidance of doubt, the applicable other Investment Fund(s) will have first priority in any potential portfolio investment that is pursued as an add-on investment for or follow-on investment of such other Investment Fund(s).

Although the foregoing procedures are generally applicable, Platinum may reevaluate the initial designation of whether a potential portfolio investment is a small cap investment if, in Platinum's good faith judgment, such potential portfolio investment (a "Reevaluated Investment") would be reasonably likely to in the future meet, or no longer meet, the identified small cap criteria described in the preceding paragraph or meets or misses such small cap criteria by a low margin. In such instances an allocation committee comprised of at least one member of the Investment Committee of each of the relevant Investment Funds, Platinum's investor relations team and Platinum's compliance team (the "Allocation Committee") shall evaluate the initial designation of the Reevaluated Investment and consider additional factors in good faith, which may include, but are not limited to, (a) the size, nature and type of the investment, (b) principles of diversification, (c) the investment guidelines and limitations governing any of such funds, (d) available capital, including cash that becomes available through leverage, (e) a determination by Platinum that the investment opportunity is inappropriate, in whole or in part, for one or more funds, (f) proximity of a fund to the end of its specified term, (g) applicable contractual, legal, regulatory, accounting and/or tax considerations or obligations, and/or (h) such other factors as the Allocation Committee may reasonably deem relevant. The Allocation Committee will make its determination regarding a Reevaluated Investment at or around the time a Reevaluated Investment is identified and a non-disclosure, confidentiality or similar agreement is entered into by Platinum in connection with such investment; provided, however, that the Allocation Committee may revisit any such determination at any time prior to the time that Platinum executes a letter of intent with respect to such investment if new factors are uncovered. Platinum will disclose the Allocation Committee's determination regarding any Reevaluated Investment in the annual LP Advisory Committee report of an applicable Investment Fund or otherwise in connection with the annual LP conference.

Consistent with and in addition to the foregoing, Platinum expects, from time to time, to be presented with investment opportunities that fall within the investment objective of more than one Investment Fund and in such circumstance, except as otherwise provided in the applicable Investment Fund's Governing Agreement, Platinum will allocate all or a portion of such opportunities (including any related co-investment opportunities) among the Investment Funds (including, without limitation, an allocation of 100% of such an opportunity to one or more (but not all) of the Investment Funds in respect of which such opportunity may be appropriate) on a basis that Platinum reasonably determines in good faith to be fair and reasonable taking into account all factors the applicable General Partner deems relevant, including, without limitation, the sourcing of the transaction, the nature of the investment objective, the investment focus, mandate or policies, target return profile or projected hold period of each Investment Fund, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals of the Investment Funds and other considerations deemed relevant by the General Partner in good faith. In this regard, Investment Funds may, from time to time, invest on a side-by-side basis with each other.

**Liquidity Issues.** The Investment Funds will make investments where there is likely to be no actively traded market. Moreover, many of the Investment Funds' investments may be held by relatively few other investors. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer or of the asset, the Investment Funds may find it more difficult to sell such instruments when Advisors believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Investment Funds may be further limited. Finally, dispositions of investments may be subject to contractual and other

limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms obtainable upon a disposition.

**Use of Leverage.** The Investment Funds' portfolio investments are expected to include investments in companies whose capital structures have significant leverage. While investments in leveraged companies can offer greater opportunity for capital appreciation than investments in unleveraged companies, such investments also involve a higher degree of risk. The Investment Funds' investments 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 the industries targeted by the Investment Funds) may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may significantly increase Portfolio Companies' 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, the Investment Funds may suffer a partial or total loss of capital invested in the Portfolio Company. In addition, borrowings by the Investment Funds may be secured by the Investors' capital commitments as well as by the Investment Funds' assets. In circumstances and in other transactions where the General Partners intend to refinance all or a portion of the capital invested, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of an Investment Fund having an unintended long-term investment as to a portion of the amount invested. To the extent a Portfolio Company in which the Investment Fund has invested receives additional funding in subsequent financings and the Investment Fund does not participate in such additional financing rounds, the interests of the Investment Fund in such Portfolio Company would be diluted.

**Capital Calls and Use of Subscription Lines.** A General Partner expects, from time to time, to fund the making of investments and other permissible items under the respective Governing Agreement with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of Investors) prior to calling commitments. The interest expense and other costs of any such borrowings will be expenses of the applicable Platinum Fund and, accordingly, decrease net returns of such Platinum Fund. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made. In light of the foregoing, the General Partners have an incentive to cause the Platinum Funds to borrow in this manner in lieu of drawing down commitments. As a general matter, use of leverage in lieu of drawing down commitments amplifies returns (either negative or positive) to such Platinum Fund's limited partners.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, acquiring and successfully disposing of Portfolio Companies is highly competitive and involves a high degree of uncertainty. The Investment Funds expect to encounter competition from other entities having similar investment objectives. The availability of investment opportunities generally will also be subject to market conditions. In particular, in light of changes in such conditions, including changes in the availability and cost of debt financing, certain types of investments may not be available to an Investment Fund on terms that are as attractive as the terms on which opportunities were available to predecessor funds. Potential competitors include strategic industry acquirers, other investment partnerships and corporations, business development companies and other financial investors. New competitors continually enter the market, and in some cases existing competitors combine in a way that increases their strength in the market. Further, in recent years, an increasing number of private equity funds and hedge funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Additionally, competition for investment opportunities from other investment vehicles has increased on a global scale. Private equity and other alternative asset management vehicles, whether located in the United States, Europe, Asia, or other emerging market regions, are making global competition increasingly intense. Some of these competitors may have more relevant experience,

greater financial resources and more personnel than the General Partners, the Investment Funds, Advisors and our affiliates. It is possible that competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to an Investment Fund and adversely affecting the terms upon which portfolio investments can be made. There can be no assurance that a General Partner will be able to identify or consummate portfolio investments satisfying the Investment Fund's investment criteria or that such investments will satisfy such Investment Fund's rate of return objectives. Likewise, there can be no assurance that such Investment Fund will be able to locate, complete, and exit investments that satisfy such Investment Fund's rate of return objectives, or realize upon the values of its investments or that it will be able to invest its committed capital. To the extent that such Investment Fund encounters competition for investments, returns to Investors may decrease.

**Market Conditions.** The success of the Investment Funds' activities will be affected by general economic and market conditions in the U.S. and globally, as well as by interest rates, availability of credit, credit defaults, inflation rates, economic and market uncertainty and volatility, changes in laws (including laws relating to taxation of the Investment Funds' investments), bilateral and multilateral trade flows and barriers, currency exchange controls, and other national and international economic, political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). In this regard, another U.S. or global recession could have an adverse impact on the availability of credit and other financial resources to businesses generally, including the ability of sponsors like Platinum to obtain favorable financing for investments or sell assets, and result in an overall weakening of the U.S. and global economies. Such marketplace events and certain adverse developments (including increased regulatory scrutiny of potential lenders) have also impacted, and may in the future impact, the availability and terms of financing for leveraged transactions, e.g., where regulators impose new or more burdensome capital or lending requirements on potential lenders. Moreover, governmental efforts to curb inflation often have negative effects on the level of economic activity. Accordingly, the Investment Funds' ability to generate attractive returns for its investors may be materially adversely affected in the event that such market and economic challenges and their attendant adverse effects arise during the anticipated hold periods of the Investment Funds' investments.

The Investment Funds may be adversely affected by the foregoing changes in economic and market conditions identified above, or by similar or other events in the future. In the longer term, there may be significant new regulations that could limit the Investment Funds' activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of severe worldwide economic downturn. Consequently, the Investment Funds may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

**Current Market Conditions.** The ongoing coronavirus pandemic, which is a novel and highly contagious form of coronavirus ("COVID-19") and the ensuing global market turmoil, unprecedented global travel restrictions and regional and country-wide quarantines that have been implemented by governments around the world and the slowing and/or complete idling of certain significant U.S. and global businesses and sectors, have led to economic downturns in North America, Europe and elsewhere.

To the extent that current conditions continue (or worsen), Platinum expects that there will be adverse impacts on the availability of credit to businesses as well as on asset prices, and more generally the public and private markets, which in each case, could impact an Investment Fund's ability to implement its investment objective, consummate transactions and/or adequately assess and react to actual and potential downside risks to such Investment Fund's portfolio of investments. In addition, the full impacts of the pandemic and resulting global turmoil are not yet fully identified or understood.

**Risk of Fewer, Larger Investments.** The Platinum Funds are expected to participate in a limited number of portfolio investments and, in addition, with respect to the PECP Funds, certain of these investments are



expected to require equity investments that are larger than were required in the funds' historical transactions. As a consequence, the aggregate returns of the Platinum Funds may be substantially adversely affected by the unfavorable performance of any single portfolio investment. Investors have no assurance as to the degree of diversification of the Platinum Funds' investments, either by geographic region, asset type or sector. Each Co-Invest Vehicle will typically only invest in a single portfolio investment, and so the investment performance of such Co-Invest Vehicle will be totally dependent on the performance of that portfolio investment.

**Minority Investments.** The Investment Funds may invest in minority positions in companies over which an Investment Fund has no right to exert significant influence. In such cases, such Investment Fund will be heavily reliant on the existing management and board of directors, which may include representatives of other investors with whom such Investment Fund is not affiliated and whose interests may conflict with the interests of such Investment Fund.

**Contingent Liabilities Upon Disposition.** In connection with the disposition of a Portfolio Company, an Investment Fund will typically be required to make representations about the business, financial affairs and other aspects (such as environmental, property, tax, insurance and litigation) of the Portfolio Company typical of those made in connection with the sale of any business or asset and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements could result in contingent liabilities that will be borne by the Investment Fund, and Investors may be required to return amounts distributed to them to pay for the Investment Fund's obligations, including indemnity obligations, subject to certain limitations set forth in the Governing Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act (the "Partnership Act"), the law under which most of the Investment Funds are formed, each Investor that receives a distribution in violation of the Partnership Act will, under certain circumstances, be obligated to recontribute such distribution to the Investment Fund. In addition, the Investment Fund may sell portfolio investments in public offerings. Such offerings can give rise to liability if the disclosure relating to such sales proves to be inaccurate or incomplete.

**Asset Valuations.** Generally, there will be no readily available markets for a substantial number of the portfolio investments made by the Investment Funds; hence, many of the portfolio investments will be difficult to value. Valuations of the portfolio investments will be determined by Platinum's Valuation Committee, which may include input from a third-party valuation agent, subject in some cases to review by the LP Advisory Committee, and generally will be final and conclusive. Valuations are only estimates of future results that are based upon assumptions made at the time that the valuations are developed. There can be no assurances that the projected results will be obtained, and actual results may vary significantly from the valuations. General economic, political, regulatory and market conditions and the actual operations of the Portfolio Companies, which are not predictable, can have a material impact on the reliability and accuracy of such valuations.

**Hedging Policies/Risks.** In connection with the acquisition, holding, financing, refinancing or disposition of certain portfolio investments, the Investment Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange or other risks. The costs of such hedging techniques are ultimately borne by the Investment Funds. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the Investment 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 any Investment Fund than if it had not entered into such hedging transactions.

**Material, Non-Public Information.** By reason of their responsibilities in connection with Portfolio Companies or their other activities, it is expected that Platinum, the General Partners, their affiliates or their employees will from time to time acquire confidential or material, non-public information or otherwise be restricted from initiating transactions in certain securities. The Investment Funds will not be free to act upon any such information. Due to these restrictions, the Investment Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

**Cyber security.** Cyber security incidents and cyberattacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. As part of its business, Platinum processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Platinum Funds and personally identifiable information of the Investors. Similarly, service providers of Platinum may process, store and transmit such information. Platinum does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Advisors, Platinum, the Platinum Funds and their portfolio companies, each of which could be negatively impacted as a result. Further, although Platinum has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches, such measures cannot provide absolute security. Platinum's information and technology systems may be vulnerable to damage or interruption from computer viruses or other malicious codes, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches, government surveillance, usage errors by their respective professionals, defects in design or manufacture, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, typhoons, earthquakes, wars, terrorist attacks and other similar events. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to Investors (and their beneficial owners) and material nonpublic information. Measures designed to manage risks relating to these types of events cannot provide absolute security and could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Platinum does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to Advisors, Platinum, the Platinum Funds and their Portfolio Companies, each of which could be negatively impacted as a result. Further, although Platinum has procedures and systems in place that it believes are reasonably designed to protect such information and prevent data loss and security breaches, such measures cannot provide absolute security and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, Platinum may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of Advisors, the Platinum Funds and/or the Portfolio Companies and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of Advisors, the Platinum Funds and/or Portfolio Companies. A cyber security incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the Platinum Funds. Breach of Platinum's information systems could cause information relating to the transactions of the Platinum Funds and personally identifiable information of the Investors to be lost or improperly accessed, used or disclosed. Cyber threats and/or incidents could cause financial costs from the theft of the Platinum Funds' assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs,

remediation costs and costs associated with reputational damage, any one of which could be materially adverse to the Platinum Funds. Such a failure could harm the reputation of Advisors, the Platinum Funds and/or a Portfolio Company, subject any such entity and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance. Any of the foregoing events could have a material adverse effect on the Platinum Funds and the Investors' investments therein.

The service providers of Platinum and/or the Platinum Funds are subject to the same electronic information security threats as Platinum. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Platinum Funds and personally identifiable information of the Investors could be lost or improperly accessed, used or disclosed.

Further, Platinum, the General Partners and the Portfolio Companies will not be able to make any prediction of specific scenarios with respect to the COVID-19 pandemic, and risk management and contingency plans Platinum and the Portfolio Companies have or may implement may not adequately protect their respective business from such events. An extended period of remote work arrangements could strain Platinum's or the Portfolio Companies' business continuity plans, introduce operational risk, including but not limited to cyber security risks, and impair Platinum's or the Portfolio Companies' ability to manage their respective business. The business operations of Advisors, Platinum, the Platinum Funds and the Portfolio Companies could be significantly disrupted if its critical workforce, key vendors, third-party suppliers or counterparties with whom they transact are unable to work effectively, including because of illness, quarantines, government actions in response to COVID-19, disruptions in access to remote working capabilities, including as a result of internet service outages, or other reasons. Advisors, Platinum, the Platinum Funds and the Portfolio Companies will outsource certain critical business activities to third parties. As a result, they will rely upon the successful implementation and execution of the business continuity planning of such entities in the current environment. Successful implementation and execution of business continuity strategies by these third parties are largely outside the control of Platinum and the Portfolio Companies. If one or more of the third parties to whom certain critical business activities are outsourced experience operational failures as a result of the impacts from the spread of COVID-19, or claim that they cannot perform due to a force majeure, it could cause a material adverse effect on the business, financial condition, results of operations and cash flows of Advisors, Platinum, the Platinum Funds and the Portfolio Companies.

**Coronavirus and Public Health Emergencies.** As of the date hereof, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a global pandemic. The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The extent and duration of such negative impact, to the private equity industry and global markets as a whole, is currently unknown. The global ramifications of the outbreak are rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Many businesses have also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, have created significant disruption in the global public and private markets, supply chains and economic activity and are especially impactful on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, in particular in certain nations and localities, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, to the extent COVID-19 continues to spread, the potential

impacts, including a global, regional or other economic recession (which recessions some financial experts opine have already arrived), are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Investment Funds and their investments and could meaningfully affect the Investment Funds' ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Investment Funds' and the 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 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 this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of the Portfolio Companies, the Investment Funds' ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and the Investment Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Investment Funds. Any such disruptions may continue for an extended period of time. The full impacts of the pandemic on markets, business activity and the U.S. and global economy, as well as the effects of changes in U.S. economic, monetary and fiscal policies that have been adopted and may in the future be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood. In implementing the Investment Funds' investment strategy, Platinum 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. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of the pandemic on economies and specific Portfolio Companies, may be detrimental to the Investment Funds and their investments. In addition, the operations of the Investment Funds, the Portfolio Companies, and Advisors may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of 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 is expected to continue to be substantial.

In connection with the impacts of the current pandemic and any future such public health crisis, the Investment Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to the Investment Funds' returns. For example, but not by limitation, the Investment Funds or their investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Investment Funds and/or their investments. 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 the Investment Funds or their investments 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. As newly developed vaccines, not all of the side effects are currently known. A substantial proportion of the population may choose to “wait and see” before getting vaccinated, which could prolong the effects of COVID-19. In addition, certain vaccines were initially found to be about 95 percent effective, however, the vaccines appear to have reduced efficacy against certain existing and emerging variants of COVID-19, and emerging variants may be more transmissible or deadly than existing variants of COVID-19. It is expected that many countries will continue to encounter issues with respect to the distribution, uptake and efficacy of COVID-19 vaccines and treatments. There can be no assurance on the continuing effects of COVID-19 on the economy generally or its effect on the Investment Funds and their ability to achieve its investment objectives.

**United Kingdom Exit from the European Union.** As part of the process of the United Kingdom (“UK”) leaving the European Union (“EU”), the EU and the UK agreed to 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.

UK regulated firms in the financial sector are adversely affected by these arrangements because the TCA does not provide for continued access by UK firms to the EU single market – 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 to operate through an establishment in the EU.

It will take some time to observe the many and varied effects on UK businesses of the consequences of 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 Partnership, the performance of its investments and its ability to fulfil its investment objectives (especially if its investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

**Cayman Islands Regulatory Oversight.** Certain Alternative Vehicles and intermediate entities (“Intermediate Entities”) of the Investment Funds established in the Cayman Islands, are registered and regulated as a private fund under the Private Funds Act, 2020 (the “Private Funds Act”) of the Cayman Islands. Since the registration, the Cayman Islands Monetary Authority (the “Authority”) has had supervisory and enforcement powers to ensure any such vehicle’s compliance with the Private Funds Act. The Authority may take certain actions if it is satisfied that a regulated private fund is or is likely to become unable to meet its obligations as they become due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or

is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of the general partner of such vehicle, to appoint a person to advise such vehicle on the proper conduct of its affairs or to appoint a person to assume control of the affairs of such vehicle. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

**European Union Alternative Investment Fund Managers Directive.** The European Union Alternative Investment Fund Managers Directive (the “AIFMD”), as transposed into national law within the member states of the European Economic Area (the “EEA”), imposes requirements on alternative investment fund managers (“AIFMs”) established in the EEA and/or that market alternative investment funds (“AIFs”) to professional investors within the EEA. The United Kingdom (“UK”) has retained and transposed the Directive into UK law (the “UK AIFM Law”, the UK AIFM Law and/or the AIFMD, as applicable, the “Directive”) following its withdrawal from the EU pursuant to the European Union (Withdrawal) Act 2018, as amended and substantially similar rules apply to AIFMs established in the UK and/or that market AIFs to professional investors in the UK.

Platinum does not currently market any of the Investment Funds to professional investors in the EEA and the UK and only accepts reverse enquiries from investors in those jurisdictions, so is not subject to the Directive.

The Directive imposes requirements on in-scope AIFMs that have the potential to adversely affect an Investment Fund, including by (i) affecting the range of investment and realization strategies that the Investment Fund is able to pursue, (ii) limiting the territories in which the Investment Fund may seek investors, and (iii) materially adding to the costs associated with compliance, monitoring and reporting. Restrictions on early distributions or reductions in capital in respect of EEA and UK based Portfolio Companies (so-called “anti-asset-stripping” rules) may limit the use of certain investment and realization strategies, such as dividend recapitalizations and reorganizations by the Investment Funds.

In addition, in November 2021, the European Commission published its draft proposal for amendments to be made to the Directive. The proposal focused in particular on delegation arrangements, liquidity risk management, supervisory reporting and loan origination by alternative investment funds. Whilst the legislation to amend the Directive still has to go through the EU legislative process and is subject to change, in-scope AIFMs may be subject to (i) new obligations to include increased disclosures in documentation it provides to investors and regulators and (ii) additional requirements relating to reporting on fees both at the level of its AIFs and its investments. It is unclear at this stage whether the UK would seek to implement any legislative proposal which is adopted in the EEA.

If Platinum sought to market the Investment Funds to professional investors in the EEA and/or the UK, this could have other adverse effects including, among other things, increasing the regulatory burden and costs of operating and managing an Investment Fund and its investments. It could also expose Platinum to disparate or conflicting regulatory requirements under the laws of the United States. The foregoing risks could adversely affect the Investment Funds and may restrict or limit Platinum’s ability to fundraise in the future.

**Rapid Completion of Complicated Investments.** The Investment Funds often conduct due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations. In such cases, the information available to a General Partner and Advisors at the time of an investment decision may be limited, and such General Partner and Advisors may not have access to the detailed information necessary for a full evaluation of the investment opportunity including for example only, entry valuation. Therefore, no assurance can be given that a General Partner and Advisors will have knowledge of all circumstances that may adversely affect an investment. In addition, the financial

information available to a General Partner and Advisors may not be accurate or proven based upon generally accepted accounting principles. As a result, the Investment Funds could be exposed to significant liabilities or obligations and/or initial entry valuation could prove inaccurate or unreliable. While a General Partner expects to negotiate purchase price adjustments, termination rights and other protections, such rights may not be available or, if available, a General Partner may elect not to exercise them. In addition, a General Partner and Advisors may retain independent consultants in connection with due diligence of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Investment Funds could incur liability as a result of such consultants' actions.

**Misconduct of Senior Investment Professionals and Other Employees of Advisors Third-Party Service Providers.** There have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry in recent years, and there is a risk that employee misconduct could occur with respect to the Investment Funds. Misconduct by employees or by third-party service providers could cause significant losses to the Investment Funds. Employee misconduct could include, among other things, binding the Investment Funds to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to the Investment Funds or Platinum. In addition, employees and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Investment Funds' business prospects or future activities. Furthermore, because of Platinum's diverse businesses and the regulatory regimes under which they operate, misdeeds by a Platinum entity (or its personnel) may result in foreclosing the Investment Funds' ability to conduct its activities in the manner otherwise intended. It is not always possible to deter misconduct by employees or service providers, and the precautions a General Partner takes to detect and prevent this activity may not be effective in all cases.

**Portfolio Company Relationships.** An Investment Fund's Portfolio Companies may be counterparties or participants in agreements, transactions or other arrangements with Portfolio Companies of other Investment Funds, with operating companies directly or indirectly owned by Platinum Equity or executives of Advisors, or other Platinum affiliates, that, although Platinum determines to be consistent with the requirements of such Investment Funds' Governing Agreements, may not have otherwise been entered into but for the affiliation with Platinum, and which may involve fees and/or servicing payments to Platinum-affiliated entities which are not subject to the management fee offset provisions. For example, Platinum may, like other private equity firms, in the future cause Portfolio Companies to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which may be pooled across Portfolio Companies and discounted due to scale) and other similar operational initiatives that may result in fees, commissions or similar payments and/or discounts being paid to Advisors or its affiliates, or a Portfolio Company, including related to a portion of the savings achieved by the Portfolio Company. In addition, portfolio companies of the Investment Funds may do business with, support, or have other relationships with competitors of another Investment Fund's Portfolio Companies, and in that regard prospective investors should not assume that a company related to or otherwise affiliated with Platinum will only take actions that are beneficial to or not opposed to the interests of another Investment Fund and its Portfolio Companies. For example, it is possible that certain portfolio companies of an Investment Fund or companies in which an Investment Fund has an interest will compete with another Investment Fund for one or more investment opportunities. In addition, it is possible that one or more Portfolio Companies of an Investment Fund may look to buy or sell a business or asset to or from a Portfolio Company of another Investment Fund (or to or from another Investment Fund itself).

Additionally, affiliates of Platinum may hold equity or other investments in companies or businesses that provide services to or otherwise contract with Portfolio Companies. In connection with such relationships, affiliates of Platinum may also make referrals and/or introductions to Portfolio Companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Advisors that are tied or related to participation by Portfolio Companies). The Investment Fund and the Investors will not share in any fees or economics accruing to Advisors as a result of these relationships and/or participation by Portfolio Companies and as a result of the foregoing. Platinum could have incentives to recommend and sign agreements with such other Portfolio Companies.

With respect to transactions or agreements with Portfolio Companies, if unrelated officers of a Portfolio Company have not yet been appointed, Advisors may be negotiating and executing agreements between Advisors and/or an Investment Fund on the one hand, and the Portfolio Company or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. Among the measures Advisors may use to mitigate such conflicts is involving outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

**Financial Market Fluctuations.** Fluctuations in the global financial markets may reduce the availability of attractive investment opportunities and could affect an Investment Fund's ability to make investments and the value of the investments. In particular, the value of investments may be adversely affected by increases in interest rates or declines in the capital markets. Volatility in interest rates and the securities markets may also increase the risks inherent in an Investment Fund's portfolio investments. Volatility in the capital markets, and the dislocations in the credit markets specifically, may impact the ability of companies to obtain financing for ongoing operations. It is unclear what the repercussions of any market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) would have a positive or negative effect on market conditions. There can be no assurance that the market will in the future have adequate liquidity for efficient capital markets transactions. The ability of Portfolio Companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt or equity markets or to borrow from banks or other lenders, which may not be achievable on favorable terms or at all. Companies within certain industries have generally experienced higher volatility than the overall securities markets and hence are subject to greater risk. Any deterioration of the global debt markets (particularly the U.S. debt markets), any possible future failures of certain U.S. financial services companies, or a significant rise in market perception of counterparty default risk are likely to significantly reduce investor demand and liquidity for investment grade, high-yield and senior bank debt, which in turn is likely to lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the recent past. An Investment Fund's ability to generate attractive investment returns may be materially adversely affected to the extent the Investment Fund is unable to obtain favorable financing terms for its investments. In the event that the Investment Fund is unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, the Investment Fund may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, either of which could lead to a decrease in the investment income earned.

**U.S. Dollar Denomination of Interests; Foreign Currency and Exchange Rate Risks.** Interests in the Investment Funds are denominated in U.S. dollars. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions. The Investment Funds' assets generally will be denominated in the currency of the jurisdiction in which the assets are located. Consequently, the return realized on any investment by investors whose functional currency is not the currency of the jurisdiction in which the assets are located may be adversely affected by movements in currency exchange rates, costs of conversion and exchange control regulations, in addition to the performance of the investment itself. The Investment Funds may also incur costs or experience substantial delays when, or be prohibited from,



converting one currency into another. While the General Partners may enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would achieve their intended results. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Investment Funds' costs or losses associated with such hedging transactions. The Investment Funds may also experience gains attributable solely, or in large part, to favorable movements in exchange rates as of any date of valuation or realization of a portfolio investment, even despite relatively adverse performance of the relevant portfolio company.

**Investment Advisers Act of 1940 and Other U.S. Regulations.** The Investment Funds' ability to achieve its investment objectives, as well as the ability of the Investment Funds to conduct their operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Future legislative, judicial or administrative action could adversely affect the Investment Funds' ability to achieve their investment objectives, as well as their ability to conduct their operations.

There continues to be significant legislative and regulatory developments affecting the private equity industry and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private equity industry.

On July 21, 2010, then-President Obama signed into law the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve") to nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "FSOC"), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve, including regulation imposing certain capital, leverage and liquidity requirements on the nonbank financial company, if the FSOC determines that such a company is systemically important, in that its material financial distress or the riskiness of its activities could pose a threat to the financial stability of the United States. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC and it is possible that it could be applied to private funds, particularly large, highly leveraged funds.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity funds and hedge funds and other provisions that affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called "Volcker Rule," which takes the form of Section 13 of the U.S. Bank Holding Company Act of 1956. Among other things, the Volcker Rule prohibits any "banking entity" (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law, and any affiliate or subsidiary of the foregoing entities) from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the 1940 Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act. The Volcker Rule also authorizes the imposition of additional capital requirements and certain other quantitative limits on such activities engaged in by certain nonbank financial companies that have been determined to be systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above), although such entities are not expressly prohibited from engaging in sponsoring or investing in such funds.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on Platinum, Advisors, the General Partner or the Investment Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Platinum, Advisors or the General Partner or otherwise impede the Investment Funds' activities. The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted certain clarifying amendments to the Volcker Rule's restrictions on sponsoring and investing in certain covered hedge funds and private equity funds, along with certain new exemptions that allow banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments should therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and these regulatory developments on the Investment Funds and their activities remain uncertain. In that regard, prospective investors should note that any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Investment Funds and their investments.

In February 2022, the SEC voted to propose new rules and amendments (collectively, the "SEC Proposed Rule") to existing rules under the Advisers Act specifically related to registered advisers and their activities with respect to private funds. If enacted, the SEC Proposed Rule could create additional regulatory uncertainty and may have a significant impact on Advisors and/or the Investment Funds. In particular, the SEC has proposed to limit circumstances in which a fund manager can be indemnified by a private fund; increase reporting requirements by private funds to investors concerning performance, fees and expenses; require registered advisers to obtain an annual audit for private funds and also require such fund's auditor to notify the SEC upon the occurrence of certain material events; enhanced requirements, including the need to obtain a fairness opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); prohibit advisers from engaging in certain practices, such as, without limitation, charging accelerated fees for unperformed services or fees and expenses associated with an examination to private fund clients and seeking reimbursement, indemnification, exculpation or otherwise limiting an adviser's liability for certain activities; and impose limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. If adopted, including with modifications, this new SEC Proposed Rule could have a significant effect on Advisors, Investment Funds and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and increasing the risk of regulatory action, including public regulatory sanctions, and may result in a change to Platinum's practices and create additional regulatory uncertainty. Further, we note that in connection with the SEC Proposed Rule, if such rule were to be enacted, it could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable. The SEC Proposed Rule, if adopted, may result in material alterations to how Platinum operates its business and/or the Investment Funds, as well as Platinum's implementation

of the Investment Funds' investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on Platinum, Advisors, the General Partners, the Investment Funds, their portfolio investments and/or the limited partners. To the extent permitted under the applicable Partnership Agreement, the incremental costs of compliance by the applicable Advisor, General Partner and/or Investment Fund with any new SEC rules may be borne by the Platinum, which may be significant.

**Data Protection.** Privacy and data protection are receiving increased amounts of attention and scrutiny from regulators globally. Among other privacy regimes, the legislation at a EU level with respect to data protection is the General Data Protection Regulation ("GDPR"), which came into effect on May 25, 2018 and replaced Directive 95/46/EC (the "Data Protection Directive"). The United Kingdom 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. Other privacy laws have recently come into force in other jurisdictions, including the California Consumer Privacy Act in the US (the "CCPA") and the Data Protection Act, 2017 in the Cayman Islands (the "DPA"). The purpose of these laws is broadly to increase the protection of individuals' rights and freedoms in relation to their privacy and with respect to the processing of their personal data.

New data protection laws, like the GDPR, CCPA, and DPA, often require more stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, in the case of GDPR, requiring formal records of processing, expanded disclosures inter alia about how, why, and by whom personal data is to be used, limitations on retention of personal data, implementation of appropriate technical and organizational security measures to protect personal data, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained valid consent or have another relevant legal basis in place to justify their data processing activities. These laws also include data subject rights, such as the rights to access personal data about them and the right to have such data deleted. These rights are not absolute; however, they will require that Platinum have in place the necessary mechanisms to allow individuals to exercise them.

While Platinum and the Investment Funds intend to comply with any applicable privacy and data protection obligations under the GDPR, CCPA, DPA, and other applicable privacy and data protection laws, they may not be able to accurately anticipate the ways in which regulators and the courts will apply or interpret the law. In addition, because privacy and data protection laws are constantly changing and there are new laws in different jurisdictions constantly being implemented, it is difficult for the Investment Funds and Platinum to understand all laws applicable to them at any given time. The failure by Platinum or the Investment Funds to comply with applicable privacy and data protection laws could result in negative publicity and may subject them to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities, or (actual or contingent) fines and penalties. For example, under the GDPR, fines of up to the higher of €20 million or 4% of the total worldwide annual turnover of the preceding financial year, may be imposed for non-compliance.

These new laws also could cause Platinum's, the Investment Funds' and its investments' costs to increase and result in further administrative costs as part of their compliance efforts, which is likely to reduce capital that can be deployed for making investments. If the current trend in the development of such laws continues in other relevant jurisdictions, such costs may be exacerbated further as new or different compliance obligations arise. Similarly, if privacy or data protection laws are implemented, interpreted or applied in a manner inconsistent with Platinum's or the Investment Funds' expectations, that may result in business practices changing in a manner that adversely impacts Platinum or the Investment Funds. Moreover, if Platinum or the Investment Funds suffer a security breach impacting personal data, there may be obligations to notify government authorities or data subjects, which may divert Platinum's or the Investment Funds' time and effort and entail substantial expense.

The provisions of the GDPR, CCPA, and DPA and other existing or new privacy and data protection laws also apply to the portfolio companies. On the basis that global data protection laws are evolving, the portfolio companies may be subject to new laws, regulations, or standards. These laws could affect the value of the portfolio companies if they incur additional costs and restrict business operations. Similarly to the above, failure by the portfolio companies to comply with applicable requirements may result in governmental enforcement actions, litigation, (actual or contingent) fines and penalties, or adverse publicity, which could have an adverse effect on their and the Investment Funds' reputation and adversely affect the business and the value of the Investment Funds' investments.

Prospective Investors should note that it is expected that they will provide Personal Data (as defined in the GDPR and which may include special categories of Personal Data pursuant to Article 9 thereof), as part of their subscription to the Investment Funds and in their interactions with the Investment Funds, its affiliates, and/or delegates. The Investment Funds may obtain Personal Data concerning Investors and prospective Investors from internal and external sources. All prospective investors will receive an advance copy of the standalone Investor Privacy Notice as part of the process of making an investment in the Investment Funds, and should read the Investor Privacy Notice, which includes detailed information concerning the control and processing of personal data.

**Economic Sanctions and Anti-Corruption Considerations.** Economic sanction laws in the United States and other jurisdictions may prohibit Platinum, Platinum's professionals and/or the Investment Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals and other parties subject to OFAC sanctions and embargo programs. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Besides the economic sanctions enforced by OFAC, other jurisdictions maintain and enforce their own economic sanctions. These jurisdictions include the United Nations, the European Union and the United Kingdom. Platinum maintains policies and procedures to prevent violations of economic sanctions in all jurisdictions to which it is subject but compliance cannot be guaranteed. In addition, in spite of Platinum's policies and procedures, affiliates of the Investment Funds' Portfolio Companies, particularly in cases where the Investment Funds or another Platinum sponsored fund or vehicle does not control such Portfolio Company, may engage in activities that could result in OFAC violations. An allegation of a violation may cause Advisors to bear material legal and compliance fees and a finding of a violation of economic sanctions by OFAC or other relevant authorities may subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could materially and adversely affect Advisors' business prospects and/or financial position, as well as the Investment Funds' ability to achieve its investment objective and/or conduct its operations.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities and of corruption. These factors, along with others, may increase the prevalence of corrupt activity in business dealings in certain countries. Platinum, the Platinum professionals and the Investment Fund are committed to complying with the Foreign Corrupt Practices Act (the "FCPA") and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Investment Funds may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Investment Funds to act successfully on investment opportunities and for investments to obtain or retain business. In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK Bribery Act of 2010 (the "UK Bribery

Act”) is broader in scope than the FCPA and applies to private and public sector corruption and holds companies liable for failure to prevent bribery unless they have adequate procedure in place to prevent bribery. Other countries have also adopted or improved their anti-corruption legal regimes in recent years. While Platinum has developed and implemented policies and procedures designed to cause compliance by Platinum and its personnel with the FCPA, the UK Bribery Act and other similar laws, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of Platinum’s policies and procedures, affiliates of the Investment Funds’ Portfolio Companies, particularly in cases where the Investment Funds or another Platinum sponsored fund or vehicle do not control such Portfolio Company, may engage in activities that could result in a violation of the FCPA, UK Bribery Act or other similar laws. An allegation of a violation may cause Advisors to bear material legal and compliance costs. Any determination that Platinum has violated the FCPA or other applicable anti-corruption laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could materially and adversely affect Advisors’ business prospects and/or financial position, as well as the Investment Funds’ ability to achieve its investment objective and/or conduct its operations. The Investment Funds may incur costs and expenses associated with engaging external counsel or other third-party consultants or professionals in connection with inquiries or investigations relating to FCPA or other applicable anti-corruption laws or anti-bribery laws.

**In-Kind Distributions.** Investors should be aware that dispositions may also take the form of in-kind distributions to the Investors. When securities or other assets are distributed to the Investors, such Investors generally would be unable to protect their interests as effectively as the Investment Funds. In certain circumstances provided for in the applicable Governing Agreement, securities or other assets of the Investment Funds may be distributed that are not marketable or are otherwise illiquid. The risk of loss and delay in liquidating securities or other assets distributed in-kind will be borne by the recipient Investor, with the result that such Investor may receive less cash than was reflected in the fair value of such securities or other assets as determined by a General Partner pursuant to the applicable Governing Agreement.

**Secondments and Internships.** Certain personnel of Advisors and its affiliates may be seconded to one or more Portfolio Companies, vendors, service providers and vendors or Investors of the Investment Funds to provide services, including the sourcing of investments for the Investment Fund or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne (in whole or in part) by Advisors and its affiliates or the organization for which the personnel are working or both. In addition, personnel of Portfolio Companies, vendors, service providers (including law firms and accounting firms) and Investors of the Investment Funds may be seconded to, or serve internships at, Platinum and Portfolio Companies of the Investment Funds. While often the Investment Funds and its Portfolio Companies are the beneficiaries of these types of arrangements, Advisors is from time to time a beneficiary of these arrangements as well, including in circumstances where the vendor or service provider also provides services to the Investment Funds in the ordinary course. Advisors or the Portfolio Company may or may not pay salary or cover expenses associated with such secondees and interns, and if a Portfolio Company pays the cost it will be borne directly or indirectly by the Investment Funds.

**Big Data.** Advisors receives various kinds of entity data and information (including from portfolio companies and/or entities of the Investment Funds), such as data and information relating to business operations, trends, budgets, customers and other metrics (this data is sometimes referred to as “big data”). As a result, Advisors may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of information learned from a portfolio company. In furtherance of the foregoing, Advisors may enter into information sharing and use arrangements with portfolio companies and/or entities. Advisors believes that access to this information furthers the interests of the Investment Fund and underlying Investors by providing opportunities for operational improvements across portfolio companies and/or entities and in connection with the Investment Funds’ investment management activities.

Advisors may also utilize such information outside of the Investment Funds' activities in a manner that provides a material benefit to Advisors and/or its affiliates, but not to the Investment Funds. The sharing and use of such information presents potential conflicts of interest, and any corresponding/resulting benefits received by Advisors may not be subject to the management fee offset provisions or otherwise shared with the Investors.

**Credit Risk.** One of the fundamental risks associated with Investment Funds' investments in debt and similar investments is credit risk, which is the risk that an issuer or borrower will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise defaults on its obligations to the Investment Funds and/or that the guarantors or other sources of credit support for such persons do not satisfy their obligations. An Investment Fund's return to limited partners would be adversely impacted if an issuer of debt securities or a borrower under a loan in which an Investment Fund invests becomes unable to make such payments when due. Although an Investment Fund may make investments that the applicable General Partner believes are secured by specific collateral the value of which may initially exceed the principal amount of such investments or an Investment Fund's fair value 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, an Investment Fund could experience delays or limitations with respect to its ability to enforce rights against and realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of such Investment Fund or such Investment Fund's expected rights to such collateral could, under certain circumstances, be voided or disregarded. The Investment Funds' 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, the Investment Funds may not have priority over other creditors as anticipated. Furthermore, the Investment Funds' right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of the senior lender. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payments-in-kind payments, which have a similar effect of deferring current cash payments. In both cases, a Portfolio Company's ability to repay the principal of an investment may be dependent upon a liquidity event or the long-term success of the company, the likelihood of which is uncertain. With respect to the Investment Funds' investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the indenture governing notes or the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Investment Funds. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of an Investment Fund's investment or result in a pre-payment (in whole or in part) of such Investment Fund's investment. As it relates to all of the foregoing risks and related considerations discussed above, it should also be noted that the Investment Funds may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans.

**European Action Plan on Financing Sustainable Growth.** In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "Action Plan") with the aim of transforming the financial system to reorient capital flows towards sustainable investment. The Action Plan envisages multiple legislative initiatives that are calculated to influence investment decisions and redirect capital toward sustainable investment. Two of the Action Plan initiatives that affect AIFMs directly are the Sustainable Finance Disclosure Regulation (2019/2088) (the "SFDR") and the Regulation on the establishment of a framework to facilitate sustainable investment (2020/852) (the "Taxonomy Regulation").

It is difficult to predict whether the Action Plan will succeed in reorienting capital flows in the manner intended and, if successful, the extent of the impact it will have on the investment strategy and the returns to investors in the Investment Funds. There is a risk that the value of investments made by an Investment Fund in pursuing its investment strategy could be adversely affected over the life of such Investment Fund by changes to economic conditions brought about by the Action Plan initiatives.

Moreover, both the SFDR and the Taxonomy Regulation are intended to produce greater transparency for, among others, investors being marketed AIFs in the European Union (the “EU”). The SFDR introduced measures to clarify the responsibilities of, among others, AIFMs that are in-scope of the AIFMD in relation to the integration of environmental, social and governance (“ESG”) factors and sustainability risks into their investment processes, and standardize their transparency obligations and ESG reporting in relation to AIFs. The Taxonomy Regulation supplements the rules on sustainability related disclosures in the SFDR by establishing an EU-wide common framework to identify to what degree economic activities can be considered environmentally sustainable and requiring additional disclosures for certain financial products.

SFDR and the Taxonomy Regulation do not directly apply to non-EEA AIFMs that are not marketing their AIFs to professional investors in the EEA and given that Platinum does not currently market any of the Investment Funds to professional investors in the EEA and only accepts reverse enquiries from investors in those jurisdictions it is not in-scope of the SFDR and the Taxonomy Regulation. If Platinum sought to market an Investment Fund to professional investors in the EEA and/or the UK, this could have other adverse effects including, among other things, increasing the regulatory burden and costs of operating and managing the Investment Fund and its investments and increased transparency as to how Platinum considers as part of its investment decisions sustainability risks and adverse principal adverse impacts. There is also a risk that an Investment Fund’s classification or categorisation relative to the legislative initiatives implementing the Action Plan could affect the pool of investors the Investment Fund will be able to attract.

Moreover, the SFDR and the Taxonomy Regulation may indirectly apply in relation to an Investment Fund if in the future an EEA advisor is engaged to provide certain investment services and in such instances, compliance with the additional requirements are likely to result in greater overall complexity, and higher compliance and administration costs.

To the extent applicable, the Investment Funds will bear the costs and expenses of compliance with the SFDR, the Taxonomy Regulation and any regulations or legislative initiatives relating to the Action Plan or, more generally, sustainable finance, including costs and expenses of collecting data and the preparation of any notices, disclosures, reports and/or filings.

**Investments in Public Companies.** The Investment Funds may make investments in the securities or instruments of portfolio companies that have gone public and in the securities of other publicly traded companies. Such investments will subject the Investment Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Investment Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies’ board members and/or insider trading allegations against such companies’ executives and board members, and increased costs associated with each of the aforementioned risks.

The securities or instruments of public portfolio companies may be thinly traded, relatively illiquid, or may cease to be publicly traded after the Investment Funds invest. In addition, the Investment Funds may be involved in “PIPEs” or private financing of public companies. PIPE transactions may involve the sale of equity-like securities of an already public company. In a PIPE transaction, the Investment Funds may bear the price risk from the time of pricing until the time of closing. In addition, the Investment Funds may have

to commit to purchase a specified number of shares at a fixed price, with the closing conditioned upon, among other things, the SEC preparedness to declare effective a resale registration statement covering the resale, from time to time, of the shares sold in the private financing. In addition, since the Investment Funds may take large ownership positions as part of PIPE transactions, even after the securities are saleable, it may take a significant period of time for them to be sold or distributed in an orderly manner during which time profit could have otherwise been realized or loss avoided, and in some cases the Investment Funds may be prohibited by securities laws or by contract from selling such public company securities for a period of time. In addition, the Investment Funds' sales of thinly traded securities could depress the market value of such securities. These circumstances or events could reduce the Investment Funds' returns.

Disposition of the Investment Funds' public company investments may result in distributions in-kind to Limited Partners. If the market price of the distributed securities decline rapidly after such distribution, Limited Partners may not be able to realize the full value of the securities at the time of distribution. General fluctuations in the market prices of securities may affect the value of the investments held by the Investment Funds. Instability in the securities markets may also increase the risks inherent in the Investment Funds' investments.

**Senior Secured Loans.** The Investment Funds may invest in a variety of different types of structured equity and debt, including senior secured loans. When an Investment Fund makes a senior secured loan to a Portfolio Company, they generally shall take a security interest in the available assets of the Portfolio Company, including the equity interests of its subsidiaries, which should help mitigate the risk that such Investment Fund will not be repaid. However, there is a risk that the collateral securing an Investment Fund's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the Portfolio Company to raise additional capital. In some circumstances, an Investment Fund's lien could be subordinated to claims of other creditors. In addition, deterioration in a Portfolio Company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that an Investment Fund will receive principal and interest payments according to the loan's terms, or at all, or that an Investment Fund will be able to collect on the loan should it be forced to enforce its remedies.

**Second Lien, or Other Subordinated Loans or Debt.** The Investment Funds may invest in second lien or other subordinated loans (including "mezzanine" loans). In the event of a loss of value of the underlying assets that collateralize the loans, the subordinate portions of the loans may suffer a loss prior to the more senior portions suffering a loss. If a borrower defaults and lacks sufficient assets to satisfy an Investment Fund's loan, that Investment Fund may suffer a loss of principal or interest. If a borrower declares bankruptcy, an Investment Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. In addition, certain of an Investment Fund's loans may be subordinate to other debt of the borrower. As a result, if a borrower defaults on an Investment Fund's loan or on debt senior to an Investment Fund's loan, or in the event of the bankruptcy of a borrower, that Investment Fund's loan will be satisfied only after all senior debt is paid in full. The applicable General Partner's ability to amend the terms of an Investment Fund's loans, assign an Investment Fund's loans, accept prepayments, exercise an Investment Fund's remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers may be limited by intercreditor arrangements if debt senior to that Investment Fund's loans exists or due to self-imposed restrictions on voting intended to manage conflicts of interest, in the event of investments in Portfolio Companies in which other Investment Funds (whether in existence now or in the future) are invested.

**Unsecured Loans or Debt.** The Investment Funds may invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the



underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Investment Funds. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

**Speculative Nature of Investments in Stressed or Distressed Debt.** The Investment Funds may invest in stressed or distressed debt securities and instruments. Investments in stressed and 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 stressed and 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. Stressed and distressed debt securities and instruments are often more sensitive to company-specific developments and changes in economic conditions than other securities and instruments.

**Interest Rate Risks.** In order to seek to reduce the interest rate risk inherent in the Investment Funds' underlying investments and capital structure, the Investment Funds may enter into interest rate transactions, including but not limited to interest rate swaps and caps. For instance, interest rate swaps involve the exchange by the Investment Funds with a counterparty of fixed-rate payments for floating rate payments; the payment obligations would be based on the notional amount of the swap. In an interest rate cap, the Investment Funds would pay a premium to the counterparty to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Depending on the state of interest rates in general, the Investment Funds' use of interest rate transactions could enhance or harm the overall performance of the Investment Funds.

From January 1, 2022, most LIBOR-based rates ceased to be published. The remaining USD LIBOR-based rates will no longer be published after June 30, 2023 (although use of USD LIBOR in most contracts entered into after December 31, 2021 is also restricted). USD LIBOR can therefore still be used in contracts that were in place prior to January 1, 2022. On November 16, 2021, the FCA confirmed it will allow the temporary use of 'synthetic' sterling and yen LIBOR settings in various types of legacy contracts denominated in the relevant currencies until the end of 2022. There therefore remain certain circumstances where LIBOR-based rates continue to be used in financial instruments for various currencies. Consequently the interest rate on some of the financial arrangements entered into by Platinum and/or the Investment Funds may continue to be based in whole or in part on a LIBOR-based rate that will still need to be transitioned to an alternative rate. However, as existing financial arrangements reach their scheduled termination date the use of LIBOR across Platinum's business will decline and eventually cease.

**Borrower Fraud; Breach of Covenant.** The Investment Funds will typically seek to obtain structural, covenant and/or other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. Of paramount concern in originating or acquiring the financing contemplated by the Investment Funds 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 the Investment Funds to perfect or effectuate a lien on the collateral securing the

loan or otherwise realize on the investment. The Investment Funds will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable but cannot guarantee such accuracy or completeness.

**Non-U.S. Investments.** The Investment Funds expect to invest a portion of their capital commitments outside of the United States. Non-U.S. investments involve certain factors not typically associated with investing in U.S. transactions, 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 the Investment Funds' 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 differences in rules and regulations, potential price volatility in and relative illiquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange-control regulations, restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation; (iv) the possible imposition of withholding or other taxes on income and gains recognized with respect to such investments; and (v) less-developed corporate laws regarding fiduciary duties and the protection of investors; (vi) exposure to fluctuations in interest rates payable with respect to the instruments in which the Investment Funds invests; and (vii) less publicly available information. No assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Investment Funds. In addition, certain of the aforementioned risks may be increased with respect to any investments by the Investment Funds in developing and emerging markets.

**Convertible Securities.** The Investment Funds may invest in convertible securities, which are bonds, debentures, notes, preferred stock, or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a 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. The ability of a Portfolio Company to pay a dividend is limited to the extent that the Portfolio Company does not have sufficient legally available funds for distribution. 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. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is largely determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. 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. If a convertible security held by the Investment Funds is called for redemption, the

Investment Funds 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 the Investment Funds' ability to achieve its investment objective.

**Warrants.** The Investment Funds may receive or invest in warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Investment Funds' ability to exercise the warrants or rights at such time, or in such quantities, as the Investment Funds would otherwise wish.

**Special Purpose Acquisition Companies.** The Investment Funds may invest in, form or seek to have portfolio companies enter into business combination with a special purpose acquisition company (a "SPAC"), which is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition, or other similar business combination, of one or more operating businesses, that, at the time of investment or formation, has not selected or approached any prospective target businesses with respect to a business combination. There is no assurance that if the Investment Funds invested in or formed a SPAC that it will be successful in acquiring a target company in the timeframe prescribed by the terms of the SPAC or that the business combination with a SPAC would be ultimately consummated. In the event that a SPAC is unable to locate and acquire a target company by a pre-determined period of time, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC that would be borne by the Investment Funds (and a portfolio company's intended business combination with a SPAC could encounter significant legal, tax, regulatory or transactional events as a result of the relatively uncertain nature of SPAC and SPAC transactions in the current market environment).

**U.S. Tax Reform.** According to publicly released statements, a top legislative priority of President Biden's administration and of Democrats in the Senate and the House of Representatives is significant tax increases and various other changes to U.S. tax rules. Legislation has been proposed that includes, among other changes, increases in the corporate and capital gains rates, an overhaul of the international tax rules, modifications to the exemption for portfolio interest, and further restrictions on the taxation of carried interest. It is unclear whether any legislation will be enacted into law or, if enacted, what form it would take, and it is also unclear whether there could be regulatory or administrative action that could affect U.S. tax rules. The impact of any potential tax changes on an investment in the Investment Funds is uncertain. Prospective investors should consult their own tax advisors regarding potential changes in tax laws and the impact on their investment in the Investment Funds and the impact on the Investment Funds and any potential investments.

**Force Majeure.** Investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, hurricanes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, trade, war, cyber security breaches, terrorism, or similar events such as "active shooters," labor strikes and nationalization of industry). Some force majeure events may adversely affect a party's ability (including a Portfolio Company or a counterparty to the Investment Funds or a Portfolio Company) to perform its obligations until it is able to remedy the force majeure event. In some cases, agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by the Investment Funds or a Portfolio Company. Certain force majeure events (such as war or an outbreak of an infectious disease) could

have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Investment Funds may invest specifically. Additionally, a major governmental intervention into an industry, including the nationalization of an industry or the assertion of control over one or more Portfolio Companies or its assets (including recent government action in response to COVID-19), could result in a loss to the Investment Funds, including if their investment in such Portfolio Company or asset is canceled, unwound or acquired (which could be without what the Investment Funds consider to be adequate compensation) and any compensation provided by the relevant government may not be adequate. Deterioration in economic conditions could cause decreases in or delays in spending and reduce and/or negatively impact the Investment Funds' or Portfolio Companies' short-term ability to grow revenues. Further, any early termination of agreements due to deterioration in economic conditions could negatively impact results of operations of Portfolio Companies. Any of the foregoing may therefore adversely affect the performance of the Investment Funds and their investments.

**Environmental Matters.** Environmental laws, regulations and regulatory initiatives play a significant role in certain industries and can have a substantial impact on investments in these industries. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non- governmental organizations and special interest groups. The Investment Funds may invest in investments 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. 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 investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of the Investment Funds' investments will not cause injury to the environment or to people under all circumstances or that the Investment Funds' investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have a material adverse effect on a Portfolio Company or project, and 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, including costs of investigating and remediating contaminated properties. Any noncompliance with these laws and regulations could subject the Investment Funds and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the Investors subject to environmental liability. However, an Investor may reduce its risk of such personal liability by avoiding activities with respect to the respective Investment Fund's investments other than as specifically contemplated by the Governing Agreement.

**Market Disruption, Health Crises, Terrorism, and Geopolitical Risk.** The Investment Funds are subject to the risk that war, terrorism, global health crises, or similar pandemics, and other related geopolitical events or emergencies may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Investment Funds' investments. War, terrorism, and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political, and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of an Investment Fund's investments and could adversely affect Platinum's ability to fulfill an Investment Fund's investment objectives which could result

in significant losses such Investment Fund. At such times, the Investment Funds' exposure to a number of other risks can increase.

**Economic, Political and Social Risks.** Certain countries have in the past, and may in the future, experience religious, political and social instability that could adversely affect the Investment Funds. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, or social conditions or government policies. Governments of many countries have exercised and continue to exercise substantial influence over many aspects of the private sector, and certain industries may be subject to significant government regulation. Additionally, exchange control regulations, expropriation, confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, nationalization, restrictions on foreign capital inflows, repatriation of investment income or capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of the Investment Funds. For example, trade disputes between the United States and China have had negative economic consequences on the U.S. markets and to the extent trade disputes escalate into a "trade war" between the U.S. and China, there could be additional significant impacts on the industries in which the Investment Funds participates and other adverse impacts on Investment Funds' investments. Additionally, the availability of attractive investment opportunities for the Investment Funds is expected to depend in part on governments in certain countries maintaining, or continuing to liberalize, their policies regarding foreign investment and, in some cases, to further encourage private sector initiatives. In addition, countries may be in the initial stages of their industrial development and have a lower per capita gross national product or a low-income economy as compared to the more developed economies. Markets for investments in such countries are not as developed and may be less liquid than markets in more developed countries. Investments in companies domiciled in emerging market countries may be subject to potentially higher risks as compared to the average among investments in more developed countries. In particular, emerging market countries may be disproportionately impacted by COVID-19 and the related consequences thereof, and are expected to be similarly vulnerable to other global phenomena. Additionally, the Investment Funds may be less influential than other market participants in jurisdictions where it or Platinum does not have a significant presence.

**Russian Invasion of Ukraine.** Commencing in 2021, Russian President Vladimir Putin ordered the Russian military to begin massing thousands of military personnel and equipment near its border with Ukraine and in Crimea, representing the largest mobilization since the illegal annexation of Crimea in 2014. On February 22, 2022, the United States and several European nations announced sanctions against Russia in response to Russia's actions. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, which could have a negative impact on the economy and business activity globally (including in the countries in which Platinum invests), and therefore could adversely affect the performance of the Investment Funds investments. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The conflict between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to an Investment Fund and the performance of its investments or operations, and the ability of the Investment Funds to achieve their investment objectives. See also "Force Majeure" herein. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas, they may have adverse consequences related to the ongoing conflict.

**Actions of the Committee on Foreign Investment in the United States.** A number of jurisdictions have restrictions on foreign direct investment pursuant to which their respective heads of state and/or regulatory

bodies have the authority to block or impose conditions with respect to certain transactions, such as investments, acquisitions and divestitures, if such transaction threatens to impair national security. In addition, many jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. These U.S. and foreign laws could limit the Investment Funds' ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. For example, 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 by, a foreign person. CFIUS may recommend that the President block such transactions, or CFIUS may impose conditions on such transactions, certain of which may materially and adversely affect the Investment Funds' ability to execute its investment strategy. In addition, the CFIUS process will continue to evolve. In particular, a set of reform measures known as the Foreign Investment Risk Review Modernization Act ("FIRRMA") was enacted into law and has broadened the jurisdiction of CFIUS with respect to certain investments, including investments in certain companies that do not confer potential control over a U.S. business by a foreign person. Such legislation could impact the participation in the Investment Funds' investments by non-U.S. Limited Partners, which in the aggregate are expected to hold a significant portion of the interests in the Investment Funds, and may impair the Investment Funds' ability to execute its investment strategy. The reforms enacted by FIRRMA include (i) a requirement of mandatory disclosures to CFIUS of all transactions in which a foreign government owned or controlled entity proposes to acquire a substantial interest in a U.S. business active in critical infrastructure, critical technologies, or which has access to sensitive personal data of U.S. citizens if such data might be exploited in a manner that threatens national security, and (ii) jurisdiction for CFIUS to review any investment (other than truly passive investment) by a foreign person in the same types of companies regardless of the percentage ownership interest of the foreign person. Proposed rules implementing the FIRRMA legislation became effective on February 13, 2020. FIRRMA will likely increase the number of transactions involving the Investment Funds that would be subject to CFIUS review and investigation and the timing and substantive risks described above. The outcome of the CFIUS process may be difficult to predict, and there is no guarantee that, if applicable to a Portfolio Company, the decisions of CFIUS would not adversely impact the Investment Funds' investment in such company. The Investment Funds' Governing Agreement may contain certain provisions that may require certain Investors to be excluded from participating in an investment, for example where their participation is at risk of jeopardizing the Investment Funds' 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, notwithstanding anything to the contrary contained in the Governing Agreement or any side letter or similar agreement, the Investors shall be restricted from any physical, logical, or other access to material nonpublic technical information in the possession of any Portfolio Company. Material nonpublic technical information 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 cyber security, 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.

An Investment Fund's investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes and rapidly-

changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, which could have a corresponding effect of limiting the Investment Funds' ability to make investments in such countries. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for the Investment Funds to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company. As a result of such regimes, the Investment Funds may incur significant delays and costs, be altogether prohibited from making a particular investment or impede or restrict syndication or sale of certain assets to certain buyers, all of which could adversely affect the performance of such Investment Fund and in turn, materially reduce such Investment Fund's revenues and cash flow.

**Control Position Risk.** The Investment Funds may own a significant portion of the securities of its portfolio companies, including ownership positions which may represent a majority of a Portfolio Company's voting securities. These investments may entitle the Investment Funds to elect substantially all of a Portfolio Company's directors and exert significant influence over a Portfolio Company's business, operations, affairs, and transactions. These capabilities could lead the Investment Funds to be viewed as controlling a Portfolio Company or being considered a controlling stockholder and, as a result, could (i) expose the assets of the Investment Funds to claims, lawsuits, or investigations by such Portfolio Company, its security holders, creditors, government, or regulatory authorities or other persons or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations, and other types of liability in which the limited liability generally characteristic of business operations may be ignored. In the event any such claims are successful, the Investment Funds may be held liable for any damages that are awarded or be required to fund any settlement with such parties. Even if such claims, lawsuits or investigations prove to be without merit, the Investment Funds may be required to expend significant resources defending itself and its affiliates. In addition, the Investment Funds' reputation and goodwill may be harmed if it is considered a controlling stockholder of a Portfolio Company that is subject to negative publicity.

**Environmental, Social and Governance Matters.** While Advisors may consider ESG factors as one of the many factors it considers in respect of its advisory activities, and may engage with companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such considerations or engagements will achieve the desired financial and social results, or the market or society will view any enhancements as desirable. Further, there can be no guarantee that any such ESG considerations or engagements will in any case lead to improvements in investment returns and could have unintended impacts on investment returns and/or an Investment Fund's ability to implement its investment strategy or achieve its investment objectives. In addition, successful engagement efforts on the part of Advisors will depend in part on its 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 (whether for identification of opportunities or implementation of strategies) will be successful. In this regard, considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on Advisors' view of certain ESG-related and other factors, which view could ultimately prove to be incorrect. In particular, there is also a risk that the Investment Funds may underperform other funds that do not take ESG-related factors into account or conversely, underperform specialized funds that are largely or exclusively focused on sustainable investing principles. Further, applying ESG considerations to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by a General Partner and/or Advisors or any judgment exercised by a General Partner and/or Advisors will reflect the beliefs or values of any particular investor or group of investors. In evaluating a company in respect of ESG, a General Partner and Advisors are dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause them to incorrectly assess a company's ESG practices and/or related risks and opportunities. In addition, a General Partner and/or Advisors make 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 a General Partner's and Advisors' control, may not conform to a General Partner's and Advisors' expectations in respect of ESG. Further, ESG-related practices differ by region, industry and issue, market participants may vary in their categorization of ESG-related matters and ESG is a rapidly evolving area. Accordingly, a company's ESG-related practices or a General Partner's and Advisors' assessment of such practices is likely to change over time.

**Other Benefits.** Advisors and General Partners (and their affiliates and their personnel and related parties) will receive intangible and other benefits, discounts and perquisites arising or resulting from their activities on behalf of the Investment Funds, which will not offset or reduce Management Fees or otherwise be shared with the Investment Funds, its Portfolio Companies or the Platinum Fund's limited partners. For example, airline travel or hotel stays will result in "miles" or "points" or credit in loyalty or status programs, and such benefits will, whether or not de minimis or difficult to value, inure exclusively to the benefit of Advisors and General Partners (and their affiliates or their personnel or related parties) receiving it, even though the cost of the underlying service is borne by the Investment Funds as partnership expenses or by its Portfolio Companies. Similarly, Advisors and General Partners (and their affiliates and their personnel and related parties, and third parties designated by the foregoing), also receive discounts on products and services provided by Portfolio Companies and customers or suppliers of such Portfolio Companies.

**Continuation Transactions.** Platinum has in the past established, and may, from time to time in the future, establish, investment vehicles for the purpose of purchasing one or more investments from a Platinum Fund and/or for the purpose of purchasing one or more investments from one Platinum Fund (often where the selling Platinum Fund is approaching the end of its term) in connection with or alongside another Platinum Fund making an investment (such transactions, "Continuation Transactions" and such investment vehicle a "Continuation Vehicle"). As part of a Continuation Transaction, the selling Platinum Fund's Investors from time to time may be, and have in the past been, given an election to rollover their existing Platinum Fund investment into a new investment vehicle through which they continue to invest in the underlying portfolio company or companies together with the purchasing Continuation Vehicle and, where applicable, Funds (a "Rollover Vehicle"). The affiliated nature of these transactions and Platinum's involvement with both the selling and purchasing entities give rise to conflicts of interests. In addition, Platinum has an incentive to maximize the purchase price for the investments on behalf of the selling Platinum Fund which would benefit Platinum by potentially making it more likely that Platinum will earn carried interest (or will earn more carried interest) with respect to the selling Platinum Fund to the detriment of a purchasing Platinum Fund and/or Continuation Vehicle. Furthermore, following a Continuation Transaction, Platinum will from time to time be entitled to receive management fees and potentially a carried interest with respect to the purchasing Continuation Vehicles and where applicable Rollover Vehicle(s) and/or Platinum Fund(s), which it would not receive if the investments were sold to an unrelated third-party. Accordingly, a Continuation Transaction benefits Platinum because Platinum may receive an aggregate amount of fees and carried interest greater than it otherwise would have received in a sale transaction to an unrelated third-party.

A Continuation Transaction also gives rise to conflicts relating to the initial allocation of the transferred investments. A Continuation Vehicle and/or purchasing Platinum Fund's investment may be subject to allocations elected by Rollover Vehicle Investors which will reduce the portion of an investment available to such Continuation Vehicle and/or purchasing Platinum Fund(s). Where the purchase is a Continuation Vehicle made together with another Platinum Fund(s), the Continuation Vehicle may be subject to certain minimum allocation requirements, which would reduce the portion of the investment available to such other purchasing Platinum Fund(s). As a result, in each case the Continuation Vehicle and, where applicable, purchasing Platinum Fund(s) may be allocated a smaller or larger amount of an investment than Platinum originally anticipated.



Further, there may be no other third-party market check or bidding process involved in a Continuation Transaction. Accordingly, the consideration paid by a Continuation Vehicle and, where applicable, such other purchasing Platinum Fund(s), may be more or less than what the transferred investments are ultimately worth had they been sold to one or more other buyers in one or more separate transactions, including an outright sale to a third party.

Following a Continuation Transaction, a Continuation Vehicle and/or Rollover Vehicle will often be invested in the same portfolio company as other Platinum Fund(s). Investments in the same portfolio company give rise to the conflicts of interest. Furthermore, as part of a Continuation Transaction, a Continuation Vehicle and/or Platinum Fund(s) may be required to exit an investment at the same time and on the same terms. A conflict of interest exists because one Continuation Vehicle or Platinum Fund(s) will from time to time have differences in strategy, existing portfolio, maturity of investments or liquidity needs and may be forced to exit an investment based on the strategy, existing portfolio, or liquidity needs of another Continuation Vehicle or Platinum Fund(s) which can be to the detriment of the first Continuation Vehicle and/or Platinum Fund(s). As a result, liquidity decisions may not be made in the best interest of each Continuation Vehicle and/or Platinum Fund and there can be no assurance that the return of a Continuation Vehicle and/or Platinum Fund would be equal to and not less than another Continuation Vehicle and/or Platinum Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. Additionally, with LP Advisory Committee consent, certain entities, such as Continuation Vehicles and/or Rollover Vehicles, may be given the opportunity to exit prior to other Continuation Vehicles, Rollover Vehicles and/or Platinum Fund(s).

#### **Item 9 - Disciplinary Information**

On September 21, 2017, Advisors consented to an order relating to past disclosure of its allocation methodology for broken deal expenses. The SEC asserted that Advisors' historic disclosure of the allocation methodology was inadequate (but did not contend that the methodology itself was improper, or that Advisors engaged in intentional misconduct). The SEC further asserted that Advisors' approach to allocating broken deal expenses was not adequately spelled out in Advisors' written policies and procedures. Without admitting or denying the SEC's findings, we agreed to a settlement that included payment of approximately \$1.9 million, including interest, to certain impacted clients and a \$1.5 million civil penalty. Advisors has also substantially enhanced the relevant disclosures.

There are no other legal or disciplinary events with respect to Advisors or our management that are material to a client's or prospective client's evaluation of Advisors or the integrity of our management.

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

Neither Advisors nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

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

Certain affiliates, investment professionals and/or employees of Platinum are involved with the activities of and hold ownership interests in 3L Capital Management, LLC ("3L Capital"), an investment firm separately registered as an investment adviser under the Advisers Act and reported as a "related person" under Advisors' Form ADV 1A. Such affiliates, investment professionals and/or employees of Platinum receive a financial benefit in connection with such relationship (e.g., carried interest). This ownership structure is further described in 3L Capital's Form ADV 1A and 2A. Additionally, investment professionals

and/or employees of Platinum or its affiliates also participate on the investment committee for 3L Capital funds. 3L Capital focuses on investments in venture capital and growth equity investments, principally in expansion stage tech-enabled consumer and enterprise companies and therefore, Platinum expects limited overlap, if any, in investment opportunities presented to 3L Capital's investment committee with that of Platinum. To the extent there is any overlap, any conflicts will be addressed by the General Partners of the Investment Funds in the manner described elsewhere herein. Further, Platinum and 3L Capital maintain separate compliance policies and procedures that are intended to mitigate the impact of conflicts, to the extent they arise. Please also see "Methods of Analysis, Investment Strategies and Risk of Loss – Other Activities" for additional discussion in respect of potential conflicts of interest.

Further, by reason of the participation by investment professionals and/or employees of Platinum or its affiliates on the investment committee for 3L Capital funds, from time to time, such persons may come into possession of material, nonpublic and other confidential information from 3L Capital. Under applicable law, such persons are prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other person, including an Investment Fund. Accordingly, should such persons come into possession of material, nonpublic or other confidential information, they may be prohibited from communicating such information to, or using such information for the benefit of, the Investment Funds. Under applicable securities laws, this may limit Platinum's ability to buy or sell securities issued by certain companies and the Investment Funds may be unable to engage in certain transactions they would otherwise find attractive, or may be able to engage in such transactions only during limited periods of time. Due to these restrictions, Platinum 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. Similarly, Platinum may decline to receive material non-public information in order to avoid trading restrictions with regard to any other Investment Fund, even though access to such information may have been advantageous to a particular Investment Fund.

Platinum organizes and sponsors the Investment Funds, which are private investment companies. These pooled investment vehicles managed by Advisors are controlled by the General Partners. The General Partners will be responsible for all ultimate decisions regarding transactions of the Investment Funds and have full discretion over the management of the Investment Funds' investment activities. The General Partners are not separately registered as investment advisers with the SEC; Advisors will provide all investment advisory services to the Investment Funds subject to the Advisers Act and the rules thereunder. In addition, persons acting on behalf of the General Partners are subject to the supervision and control of Advisors. Thus, the General Partners and all of the persons acting on their behalf are "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners.

The General Partners are affiliates of Platinum. As such, there may be occasions when the General Partners and their affiliates encounter potential conflicts of interest in connection with the Investment Funds. If any matter arises that the General Partners determine in their good faith judgment constitutes an actual conflict of interest, the General Partners may take such actions as they determine in good faith may be necessary or appropriate to ameliorate the conflict (and upon taking such actions the General Partners will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied their fiduciary duties related thereto to the fullest extent permitted by law). Although the General Partner is not obligated to pursue any such actions, these actions may (but are not required to) include, by way of example and without limitation (i) refraining from investing in or disposing of the investment giving rise to the conflict of interest, (ii) appointing an independent fiduciary to act with respect to the matter giving rise to the conflict of interest, or (iii) consulting with the LP Advisory Committee regarding the conflict of interest and either obtaining a waiver from the LP Advisory Committee of such conflict of interest or acting in a manner, or pursuant to standards or procedures, approved by the LP Advisory Committee with respect to such conflict of interest.

There can be no assurance that Platinum will identify or resolve all conflicts of interest in a manner that is favorable to the Investment Funds or their respective investors. In addition, Investors should note that the Governing Agreements contain provisions that, subject to applicable law, (i) reduce or eliminate the duties, including fiduciary and other duties, to the Investment Fund and the Investors to which the relevant General Partner would otherwise be subject, (ii) waive duties or consent to the conduct of each General Partner that might not otherwise be permitted pursuant to such duties, and (iii) limit the remedies of Investors with respect to breaches of such duties.

Advisors receives certain fees from Portfolio Companies in connection with the purchase, monitoring or disposition of investments or in connection with unconsummated transactions or as compensation for consulting, advisory, management, investment banking and other services (e.g., directors', advisory, break-up, topping fees and Monitoring Fees). Except for certain exclusions set forth in the Governing Agreements, the Investors receive no benefit from such fees. See "Fees and Compensation—Monitoring Fees and Other Fees" (Item 5) above. Further, conflicts of interest may arise as a result of executives of Platinum having investments in multiple Investment Funds, as well as other investments both public and private. The applicable General Partner will endeavor to make sure that conflicts of interest do not work to the detriment of the Investment Funds in question. To the extent that conflicts of interest arise, they will in our discretion be presented to the relevant LP Advisory Committee(s) for review.

The Investment Funds are permitted to invest in the debt securities of companies in which it or another Investment Fund holds a significant equity interest. An Investment Fund will not make an investment in any company in which any other Investment Fund (other than related Co-Invest Vehicles) holds an investment in a class of such company's equity securities (or a different class of such company's debt securities) unless, at the time of investment by such Investment Fund, the applicable General Partner determines that (a) such investment is in the best interests of such Investment Fund and (b)(i) the possibility of a conflict between the interests of such different classes is remote, (ii) neither the potential investment by such Investment Fund nor the investment of such other Investment Fund is large enough to control any actions taken by the collective holders of securities of such company, or (iii) in light of the particular circumstances, the applicable General Partner believes such investment is appropriate for such Investment Fund, notwithstanding the potential for conflict. In addition, to address and mitigate potential conflicts of interest, Platinum has established guidelines intended to create clear parameters regarding its course of conduct with respect to investments in debt securities issued by Portfolio Companies of other Investment Funds. Abiding by such parameters may require that Platinum take certain actions or fail to take certain actions that have a negative impact on the Investment Fund.

The Investment Funds may acquire non-controlling interests in certain Portfolio Companies. The Investment Funds may not have control over these companies and, therefore, may have a limited ability to protect their positions therein. In addition, the Investment Funds may in certain circumstances be liable for the actions of their third-party partners or co-investors. Investments made with third parties in joint ventures or other entities may involve Carried Interests and/or other fees payable to such third-party partners or co-investors.

The Investors may have conflicting investment, tax and other interests with respect to their investments in an Investment Fund. The conflicting interests of individual Investors may relate to or arise from, among other things, the nature of investments made by an Investment Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by a General Partner, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations.

In connection with any Investor's subscription for interests in an Investment Fund, the applicable General Partner of such Investment Fund may enter into a side letter or other similar agreement with such Investor with respect to such Investment Fund which has the effect of establishing special economic terms (including reduced Management Fees) or rights under, or altering or supplementing the terms of, the Governing Agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors. Such terms or rights in any such side letter or other similar agreement include, for example only and without limitation, (i) 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); (ii) the applicable General Partner'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; (iii) modification of confidentiality obligations of such Investor; (iv) the applicable General Partner's agreement to consent to certain transfers by such Investor or other exercises by the applicable General Partner of its discretionary authority under the Governing Agreement for the benefit of such Investor; (v) restrictions on, or special rights of such Investor with respect to, the activities of the applicable General Partner; (vi) other rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such Investor; (vii) additional obligations and restrictions of the Investment Fund with respect to the structuring of Portfolio Companies (including with respect to alternative investment vehicles); (viii) adjustments with respect to certain economic provisions; or (ix) special rights with respect to co-investment allocation and participation. Any rights or terms so established in a side letter with an Investor govern solely with respect to such Investor and do not require the approval of any other Investor.

Advisors does not recommend or select other investment advisers for the Investment Funds.

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

We have adopted a written Code of Ethics (the "Code") designed to address and avoid potential conflicts of interest as required under Rule 204A-1 of the Advisers Act (the "Rule").

The Rule requires us to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of our employees. The Code contains policies and procedures that ensure that all personal securities trading by employees are conducted in such a manner as to avoid conflicts of interest or any abuse of an individual's position of trust and responsibility.

The Code requires, among other things, that employees and certain other individuals designated by our Chief Compliance Officer or General Counsel:

- Act with integrity, competence, dignity, integrity, and in an ethical manner with the public, investors, the public, prospects, third-party service providers, employers and fellow employees;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting Advisors' services and engaging in other professional activities;
- Adhere to the highest standards with respect to any potential conflicts of interest with the Investment Funds;
- Act in the Investment Funds' best interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;

- To the extent practicable, avoid or disclose any conflicts of interest that are material to the Investment Funds; and
- Conduct all personal securities transactions in a manner consistent with the Code.

The Code prohibits employees from engaging in insider trading, as well as buying or selling certain securities placed on an internal restricted list because Platinum has received material non-public information related to the issuer of the securities. Our policy requires employees to: (i) preclear certain personal securities transactions; (ii) report personal securities transactions on at least a quarterly basis; and (iii) provide us with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of the Code will be provided to any Investor or prospective Investor upon request.

We serve, directly or indirectly, as the manager or investment adviser and the General Partners, respectively, to the Investment Funds. Certain Partners and employees of Platinum will have material investments in the investments of the Investment Funds. Therefore, we are considered to participate in transactions effected for the Investment Funds. We do not believe this arrangement presents any material conflicts of interest because our interests and our employees' interests are aligned with the interest of Investors in the Investment Funds.

In one instance, certain Investment Funds invested in another private investment fund that has a general partner and investment advisor in which certain affiliates of Platinum own a minority interest. We mitigated the conflict inherent in this arrangement by having the LP Advisory Committee approve the investment by the Investment Funds in advance, having the Investment Funds not pay any fees or carried interest to the private investment fund or its general partner, and ensuring that the investment in the private investment fund was subject to the standard review of the Investment Funds' investment committee. See also Item 10 above.

From time to time, Portfolio Companies elect to transact business with operating companies directly or indirectly owned by Platinum Equity and/or executives of Advisors. Platinum (i) is not involved in the day-to-day management of such operating companies and does not direct such operating companies to pursue Portfolio Companies as potential customers and (ii) does not direct such executives to pursue Portfolio Companies as potential customers. The respective management teams of the Portfolio Company and such operating companies or such executives, as applicable, independently make their own determinations with regard to any business transacted between them. Moreover, any such business is on arms-length terms consistent with pricing that such operating companies charge their non-Platinum affiliated customers.

Dyal and certain of its affiliates will, subject to certain conditions, make investment commitments to certain future Investment Funds on the same terms and conditions as those applicable to executives of Advisors. In connection with each such commitment, the applicable General Partner of each such Investment Fund will enter into a side letter or other similar agreement with Dyal or such affiliate with respect to such Investment Fund establishing such terms and conditions with respect to Dyal or such affiliate (including no or reduced Management Fees and no or reduced Carried Interest), which may be more favorable than those applicable to unaffiliated Investors.

#### *Portfolio Company Representation*

From time to time, employees of Platinum serve as directors and officers of certain Portfolio Companies and, in that capacity, are required to make decisions that consider the best interests of such Portfolio

Companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Portfolio Company, actions that may be in the best interests of the Portfolio Company may not be in the best interests of the Investment Funds, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Advisors and such individual's duties as a director or officer of such Portfolio Company.

## **Item 12 - Brokerage Practices**

We focus on making investments, through the Investment Funds, in both private and public securities. To the extent an Investment Fund acquires private securities, we do not ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. In a few limited situations we have paid third-parties who possess industry specific contacts or knowledge for introducing a potential investment opportunity to us. To the extent an Investment Fund transacts in public securities, we intend to select brokers based upon the broker's ability to provide best execution for the applicable Investment Funds. The General Partners are authorized to determine:

- Which securities or other instruments to buy or sell;
- The total amount of securities or other instruments to buy or sell;
- The executing broker or dealer for any transaction; and
- The commission rates or commission equivalents charged for transactions.

The General Partners generally seek competitive commission rates and commission equivalents, but they will not necessarily pay the lowest commission or equivalent. In making their decisions regarding the allocation of brokerage transactions for a particular Investment Fund and determining best execution, the General Partners consider a variety of factors in addition to cost, including but not limited to:

- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any);
- The operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution;
- The financial strength, integrity and stability of the broker-dealer or counter party;
- The competitiveness of commission rates in comparison with other broker-dealers;
- The nature and extent of customer services (i.e., proprietary research and access to third-party research services, the need for anonymity, trade adjustments and the like);
- Past performance and experience with transactions completed on behalf of other Investment Funds;
- Nature and frequency of investment coverage; and
- General responsiveness.

In addition, certain transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services. The applicable

General Partner may also select a broker-dealer for a particular buy or sell transaction on behalf of an Investment Fund based, at least in part, on the volume or quality of similar services provided by such broker-dealer to other Investment Funds where we believe all of the Investment Funds, taken as a whole, can benefit from such arrangements.

We do not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers supplement our own research efforts. To the best of our knowledge, these services are generally made available to all institutional investors doing comparable business with such broker-dealers. Research services furnished by brokers may include: written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; and discussion with research personnel.

Because the Investment Funds generally do not invest in the same Portfolio Companies (other than related Co-Invest Vehicles and as set forth in Item 8 above), the aggregation of the purchase or sale of securities for multiple accounts is generally not relevant. However, as discussed above under “Performance-Based Fees” and “Side-by-Side Management—Third Party Co-Investment,” the Investment Funds may co-invest with third parties and such investments may involve risks not present in investments where a co-investor is not involved, including the possibility that a co-investor may at any time have economic or business interests or goals which are inconsistent with those of the Investment Funds, or may be in a position to take action contrary to the Investment Funds’ investment objectives. In addition, there may be a limited amount of securities available for investing. Thus, the Investment Funds may receive a limited offering due to the presence of co-investors investing with the Investment Funds. Additionally, where one Platinum Fund shares an investment opportunity with a Successor Fund or another Platinum Fund, such investment opportunity, and thus the aggregate purchase and sale of securities with respect to such investment opportunity, will be allocated as set forth above under “Overlap Between Funds and Allocation of Investments” and/or in the relevant disclosure documents and/or Governing Agreement of such Platinum Fund.

### **Item 13 - Review of Accounts**

Investments held by the Investment Funds are reviewed on a regular basis by our professional operations and investment staff. The operations and investment teams meet regularly to discuss the Investment Funds’ portfolios, investment ideas, economic developments, current events, and other issues related to current portfolio investments and potential investment opportunities. All Investment Fund investment and disposition decisions are made by the respective General Partners’ Investment Committees, each of which is chaired by Tom Gores and includes Jacob T. Kotzubei, Johnny O. Lopez, Philip E. Norment, Louis Samson, Robert J. Wentworth and Bryan Kelln.

We provide written quarterly and annual reports to the Investors of the Platinum Funds in accordance with the terms of each Platinum Fund’s Governing Agreement. We provide written annual reports to the Investors of the Co-Invest Vehicles in accordance with the terms of each Co-Invest Vehicle’s Governing Agreement. The quarterly package includes investor summary capital account information and asset allocation statements, as well as an investment letter updating Investors on the activity in the applicable Platinum Fund’s portfolio that occurred during the quarter. The annual reports include audited financial statements and summary capital account information.

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

We periodically pay Placement Fees to placement agents (who may be affiliated with Platinum) for referring investors to the Investment Funds. Such Placement Fees are borne by the Platinum Funds but

offset the Investors' shares of the Management Fees (to the extent Placement Fees are paid by the Platinum Fund with respect to such Investors) on a dollar for dollar basis. Certain Investors who are prohibited by law or policy from directly or indirectly paying Placement Fees do not pay any share of a Platinum Fund's Placement Fees and thus do not receive any corresponding reduction of their Management Fees.

If Platinum or its employees receive advisory fees, break-up fees, topping fees, Monitoring Fees, or other similar fees relating to investments made by a Platinum Fund from third parties, then a portion of such fees reduces Management Fees paid by the Investors in such Platinum Fund pursuant to a formula set forth in the relevant Governing Agreement and as disclosed above in "Fees and Compensation" (Item 5). In addition, Platinum and its affiliates from time to time receive fees from companies that are not Portfolio Companies of the Platinum Funds or their affiliates and from those companies involved in the Platinum Funds' unconsummated transactions, and such fees do not reduce Management Fees.

Also, employees of Platinum who serve on the boards of directors of Portfolio Companies from time to time receive compensation (in the form of cash, stock options or other equity awards) in their capacity as directors. Such direct and indirect compensation received by an employee of Advisors in his or her capacity as a member of the board of directors of a Portfolio Company will be considered directors' fees and will offset or reduce the Management Fees paid by Investors pursuant to a formula set forth in the relevant Governing Agreement.

#### **Item 15 - Custody**

Even though all assets of the Investment Funds are held in custody by unaffiliated qualified custodians, we are considered to have custody over the Investment Funds' assets. This is because we, directly or through an affiliate, act as the General Partner or managing member to a limited partnership or other comparable pooled investment vehicle that gives us legal ownership or control over the Investment Funds' funds and securities. Because Advisors is an SEC-registered investment adviser, it is subject to a number of requirements imposed by Rule 206(4)-2 of the Advisers Act.

To comply with Rule 206(4)-2 and to provide meaningful protection to investors, each Investment Fund is subject to an annual financial statement audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles, and are distributed to each Investor in an Investment Fund within 120 days after the end of such Investment Fund's fiscal year end (unless otherwise required to be delivered sooner pursuant to the applicable Governing Agreement).

#### **Item 16 - Investment Discretion**

The Governing Agreement of each Investment Fund provides that we or an affiliate, as the ultimate General Partner of such Investment Fund, have exclusive and complete authority and discretion in managing the business and affairs of such Investment Fund, subject only to specific and express limitations provided therein. Thus, without obtaining specific consent from an Investment Fund or its Investors for each transaction, we have discretionary authority to transact in securities for the Investment Fund.

#### **Item 17 - Voting Client Securities**

The General Partners vote proxies on behalf of each of the Investment Funds. Advisors' Chief Compliance Officer or General Counsel will consult with and provide relevant proxy solicitation information and materials to the appropriate members of Platinum's investment professionals for their review and consideration. The General Partners are responsible for making voting decisions in the best interests of the



Investment Funds and for providing all required documentation to the Chief Compliance Officer or the General Counsel, in order to comply with Advisors' record keeping requirements.

Upon request, we will provide Investors with information about how the proxies relevant to such Investment Funds are voted. Our complete proxy voting policy and procedures are available to Investors upon request. The Investment Funds' proxy voting record is also available to Investors upon request.

#### **Item 18 - Financial Information**

Advisors is not required to provide an audited balance sheet because it does not solicit fees six months or more in advance and does not have a financial condition that is likely to impair its ability to meet contractual commitments to the Investment Funds or the Investors. None of Advisors, Platinum Equity or the General Partners have ever filed for bankruptcy. Advisors is not aware of any financial condition that is expected to affect its or the General Partners' ability to manage the Investment Funds.