

**Item 1: Cover Page**

**Form ADV Part 2A: Firm Brochure  
A&M Capital Advisors, LP**

March 30, 2022

**Principal Office**

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This brochure provides information about the qualifications and business practices of A&M Capital Advisors, LP (“A&M Capital”). Throughout this brochure the words “we”, “us” and “our” refer to A&M Capital. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Barbara J. Gould at 203-742-5898 or email [barbara@a-mcapital.com](mailto:barbara@a-mcapital.com). Additional information about us is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We are registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this brochure has not been approved or verified by the SEC or by any state securities authority.

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**Item 2: Material Changes**

We filed our initial application to register as an investment adviser with the SEC in February of 2013. Accordingly, pursuant to disclosure rules under the Advisers Act, this brochure has been compiled by us to provide new and prospective investors with clearly written, meaningful, current disclosure of our business practices, conflicts of interest and background of our advisory personnel. We encourage all recipients of this brochure to read it carefully in its entirety.

There has not been a material change to this brochure since the last annual update in March 2021. However, Item 4 has been updated in connection with the establishment of A&M Capital Strategic Investments, LP (“AMCSI”), which pursues a new investment strategy, and the establishment of A&M Capital Partners III, LP (“AMCP III”) and, along with Items 5, 8, 10, 11 and 16, Item 4 has also been updated to reflect the addition of A&M Capital Partners III Advisor, LP (“AMCP III Advisor”) as a relying adviser and the sub-advisory agreement that AMCP III Advisor has entered into with A&M Capital in relation to certain pooled investment vehicles including AMCP III, as well as to update the amount under management and expand upon the description of certain risk factors, and certain potential conflicts of interests, respectively, including as related to the establishment of AMCSI, as well as refinements to the investment strategy.

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## Item 4: Advisory Business

We are an indirect subsidiary of private companies controlled by Antonio C. Alvarez II and Bryan P. Marsal, and we operate under the Alvarez & Marsal Capital business line. We are a separately capitalized company that is associated with Alvarez & Marsal Holdings, LLC and its direct and indirect subsidiaries (collectively, “A&M”), an industry-leading global consulting firm. While we have existing relationships and utilize the services of certain entities affiliated with A&M, the day-to-day investment activities of A&M Capital are separate from A&M and are led by Alvarez & Marsal Capital professionals Michael Odrich and Jack McCarthy. Certain investment strategies also have other investment professionals participating, who bring a wealth of investment, operational and financial expertise and experience to A&M Capital, and together with a number of other investment professionals, work to execute our investment strategy.

A&M Capital was established in 2009 and provides investment management services to private investment funds (the “Funds”) and employee securities companies (the “ESCs”) (the Funds and the ESCs are collectively referred to as the “Partnerships”). The Funds are exempt from registration under the Investment Company Act of 1940 (the “Investment Company Act”) and their securities are not registered under the Securities Act of 1933. The Partnerships are organized to primarily invest in both controlling and minority interests in middle-market companies with identifiable opportunities for operational improvements, business turnarounds and/or financial recapitalizations. Our services consist of investigating, identifying and evaluating investment and co-investment opportunities, structuring, negotiating and making investments and co-investments on behalf of the Partnerships, managing and monitoring performance of such investments, and disposing of such investments. The Partnerships’ investments are referred to herein as “Portfolio Investments” and the issuers of the securities or rights in which the Partnerships have invested are referred to herein as “Portfolio Companies.”

The ESCs are investment vehicles through which certain employees, members, officers, and independent contractors of A&M Capital, officers and employees of A&M Capital’s affiliates and/or their family members, certain business associates, or other persons close to us invest. It is expected that the ESCs will invest proportionately in all Portfolio Companies on the basis of their available capital and on effectively the same terms and conditions as the Funds, subject to applicable legal, tax and/or regulatory considerations, and will share proportionately in expenses. The terms of the ESCs differ from those of the Funds.

In providing services to the Partnerships, we manage the assets in accordance with the governing documents of such Partnerships, a separate investment management agreement, and/or side letters with investors (collectively, the “Governing Documents”). Investment advice is provided directly to the Partnerships and not individually to the limited partners of the Partnerships (the “Investors” or “Limited Partners”). Except as otherwise described in the Governing Documents, Limited Partners may not restrict investments by the Partnerships in any capacity, and except in limited circumstances, Limited Partners of the Partnerships are not permitted to withdraw prior to a Partnerships’ dissolution. Investment restrictions for the Partnerships, if any, are generally established in the Governing Documents. In addition, A&M Capital Partners II Advisor, LP (“AMCP II Advisor”) provides investment management services to certain Partnerships (the “AMCP II Partnerships”). Pursuant to a sub-advisory agreement that AMCP II Advisor has entered into with A&M Capital in relation to the AMCP II Partnerships, AMCP II Advisor has delegated

certain of its duties under its investment advisory agreements with the AMCP II Partnerships to A&M Capital; however, under this arrangement, all decisions, consents and other determinations to be made by AMCP II Advisor pursuant to these investment advisory agreements or the governing documents of the AMCP II Partnerships are to be made by AMCP II Advisor. AMCP II Advisor is registered with the SEC under the Advisers Act as a relying adviser in reliance on the Form ADV of A&M Capital (together, they file a single Form ADV). Michael Odrich and Jack McCarthy lead the day-to-day investment activities of AMCP II Advisor and also hold the largest equity interests in AMCP II Advisor (in part through trusts created and controlled by them). A&M Capital-GP Associates II, LP serves as the general partner to AMCP II Advisor.

In addition, A&M Capital Partners III Advisor, LP (“AMCP III Advisor”) provides investment management services to certain Partnerships (the “AMCP III Partnerships”). Pursuant to a sub-advisory agreement that AMCP III Advisor has entered into with A&M Capital in relation to the AMCP III Partnerships, AMCP III Advisor has delegated certain of its duties under its investment advisory agreements with the AMCP III Partnerships to A&M Capital; however, under this arrangement, all decisions, consents and other determinations to be made by AMCP III Advisor pursuant to these investment advisory agreements or the governing documents of the AMCP III Partnerships are to be made by AMCP III Advisor. AMCP III Advisor is registered with the SEC under the Advisers Act as a relying adviser in reliance on the Form ADV of A&M Capital (together, they file a single Form ADV). Michael Odrich and Jack McCarthy lead the day-to-day investment activities of AMCP III Advisor and also hold the largest equity interests in AMCP III Advisor (in part through trusts created and controlled by them). A&M Capital-GP Associates III, LP serves as the general partner to AMCP III Advisor.

References made throughout this brochure to “A&M Capital”, “we”, “us”, and “our” may include, where the context so requires, references to AMCP II Advisor or AMCP III Advisor, as applicable.

As of December 31, 2021 we managed \$4,386,069,349 of client assets, all of which is managed on a discretionary basis.

## Item 5: Fees and Compensation

### General

We typically receive compensation from fees based on a percentage of capital commitments to the Partnerships and/or assets under management, carried interest allocations and certain other fees or expenses related to transactions (see below). Investors should review all fees charged by us and others to fully understand the total amount of fees to be paid by the Partnerships and, indirectly, by their Limited Partners. Management Fees (as defined below) are paid by the Partnerships on behalf of the Limited Partners by (i) requiring Limited Partners to make capital contributions in respect of such fees, or (ii) withholding the amount of such fees from investment proceeds that would otherwise be distributable to the Limited Partners. Investors are generally not permitted to withdraw from the Partnerships as outlined in the Governing Documents.<sup>1</sup>

### Management Fee

The Partnerships pay an annual management fee (the “Management Fee”) semi-annually in advance. The Management Fee is calculated as a percentage of committed capital during the commitment period and invested capital thereafter, in each case in accordance with the Governing Documents. We reserve the right to waive or reduce management fees for certain investors, including employees, our affiliates, advisors and consultants, and others as may be determined in our sole discretion.

Pursuant to the sub-advisory agreement between AMCP II Advisor and A&M Capital in relation to the AMCP II Partnerships, A&M Capital provides investment advisory services to AMCP II Advisor with respect to the AMCP II Partnerships in exchange for a fee. Specifically, AMCP II Advisor, following its receipt of Management Fees from the AMCP II Partnerships, is required under the sub-advisory agreement to pay A&M Capital a fee that generally equals the excess, if any, of (i) Management Fees that AMCP II Advisor received from the AMCP II Partnerships for a given period over (ii) the costs, expenses and liabilities incurred by AMCP II Advisor for the same period (including reserves for anticipated liabilities, but excluding the sub-advisory fee paid to A&M Capital, certain expenses relating to AMCP II Partnership investments, and amounts for which AMCP II Advisor is entitled to be reimbursed).

The General Partner intends to implement the Executive Capital Program (as defined below) pursuant to the terms of the governing documents of the AMCP II Partnerships whereby AMCP II Advisor (in such capacity, a “Special Contribution Entity”) shall receive a percentage of distributions under certain circumstances. Under the Executive Capital Program, the Management Fee with respect to the AMCP II Partnerships will be reduced by a Special Contribution Amount (as defined for purposes of this paragraph below) on subsequent Management Fee payment date(s) after such Special Contribution Amount is contributed by limited partners of the AMCP II Partnerships. For each investment, the “Special Contribution Amount” is an amount equal to a fixed percentage of the aggregate amount to be invested by the AMCP II Partnerships in such

<sup>1</sup> Investors generally may not withdraw any amount from the Partnerships, except that a non-voluntary withdrawal may be permitted to avoid a prohibited transaction under the Employee Retirement Income Security Act of 1974. In the event of a “non-voluntary withdrawal,” or other termination of the advisory agreement between us and the Partnership, we will refund all pre-paid fees that have not been earned.

investment. This percentage has been communicated in writing to the limited partners of the AMCP II Partnerships. The Special Contribution Amount will reduce (i) the amount the General Partner and/or its affiliates (including certain employees of A&M Capital and other persons, in each case to the extent approved by the General Partner in connection with their participation in the Executive Capital Program) are otherwise required to fund with respect to their unfunded commitments and (ii) the Management Fee with respect to the AMCP II Partnerships on a dollar for dollar basis. The Special Contribution Entity will be entitled to the amount of distributions otherwise distributable to the limited partners of the AMCP II Partnerships related to the Special Contribution Amount, but solely out of profits from portfolio investments. The foregoing is referred to herein as the “Executive Capital Program.” The Executive Capital Program is not expected to affect the total amount of capital limited partners of the AMCP II Partnerships must contribute to the AMCP II Partnerships over the life of the AMCP II Partnerships.

Pursuant to the sub-advisory agreement between AMCP III Advisor and A&M Capital in relation to the AMCP III Partnerships, A&M Capital provides investment advisory services to AMCP III Advisor with respect to the AMCP III Partnerships in exchange for a fee. Specifically, AMCP III Advisor, following its receipt of Management Fees from the AMCP III Partnerships, is required under the sub-advisory agreement to pay A&M Capital a fee that generally equals the excess, if any, of (i) Management Fees that AMCP III Advisor received from the AMCP III Partnerships for a given period over (ii) the costs, expenses and liabilities incurred by AMCP III Advisor for the same period (including reserves for anticipated liabilities, but excluding the sub-advisory fee paid to A&M Capital, certain expenses relating to AMCP III Partnership investments, and amounts for which AMCP III Advisor is entitled to be reimbursed).

The General Partner intends to implement the Executive Capital Program pursuant to the terms of the governing documents of the AMCP III Partnerships whereby AMCP III Advisor, in its capacity as a Special Contribution Entity, shall receive a percentage of distributions under certain circumstances. Under the Executive Capital Program, the Management Fee with respect to the AMCP III Partnerships will be reduced by a Special Contribution Amount (as defined for purposes of this paragraph below) on subsequent Management Fee payment date(s) after such Special Contribution Amount is contributed by limited partners of the AMCP III Partnerships. For each investment, the “Special Contribution Amount” is an amount equal to a fixed percentage of the aggregate amount to be invested by the AMCP III Partnerships in such investment. This percentage has been communicated in writing to the limited partners of the AMCP III Partnerships. The Special Contribution Amount will reduce (i) the amount the General Partner and/or its affiliates (including certain employees of A&M Capital and other persons, in each case to the extent approved by the General Partner in connection with their participation in the Executive Capital Program) are otherwise required to fund with respect to their unfunded commitments and (ii) the Management Fee with respect to the AMCP III Partnerships on a dollar for dollar basis. The Special Contribution Entity will be entitled to the amount of distributions otherwise distributable to the limited partners of the AMCP III Partnerships related to the Special Contribution Amount, but solely out of profits from portfolio investments. The foregoing is referred to herein as the “Executive Capital Program.” The Executive Capital Program is not expected to affect the total amount of capital limited partners of the AMCP III Partnerships must contribute to the AMCP III Partnerships over the life of the AMCP III Partnerships.

### Carried Interest Distributions

A portion of a Partnership's net realized investment profit is distributed to its General Partner (with respect to the relevant Partnership, the "General Partner") as "carried interest." The manner of calculation of such carried interest is disclosed in the Governing Documents. Generally, however, 20% of the realized investment profits of the Partnerships are distributed as carried interest to such Partnerships' General Partner with a preferred return to the Limited Partners of 8% per annum, subject to a giveback, as defined in the Governing Documents. As is the case with Management Fees, the General Partner reserves the right to waive or reduce carried interest for certain investors, including employees, affiliates, advisors and consultants, and others as may be determined in the General Partner's sole discretion.

### Other Fees Earned by Us

We, the General Partner and/or our affiliates may be entitled to receive from Portfolio Companies cash and non-cash fees in respect of (i) set-up or other origination fees in connection with the origination by the Partnerships, us or the General Partner of a Portfolio Company other than a follow-on investment, (ii) topping or breakup fees in connection with proposed but unconsummated Portfolio Companies, (iii) directors' or monitoring fees paid by a Portfolio Company, (iv) commitment fees in connection with the Partnerships' commitment to acquire a Portfolio Company, and (v) investment banking, advisory or consulting fees and any similar fees or compensation paid by a Portfolio Company. A percentage of these fees will be applied to reduce the Management Fee pursuant to the relevant Partnerships' Governing Documents. As set forth in the applicable Partnership's Governing Documents, such fees are typically subject to an 80% offset against the Management Fee. We and our personnel can be expected to receive certain intangible and/or other benefits and/or discounts and/or perquisites arising or resulting from our activities on behalf of the Funds which will not be subject to Management Fee offset or otherwise shared with the Funds, the limited partners and/or Portfolio Companies. For example, airline travel or hotel stays incurred as Partnership Expenses may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to A&M Capital and/or such personnel (and not the Funds, limited partners and/or Portfolio Companies) even though the cost of the underlying service is borne by the Funds and/or Portfolio Companies. We, our personnel, and other related persons also may receive discounts on products and services provided by Portfolio Companies and/or customers or suppliers of such Portfolio Companies.

### Other Fees Earned by Affiliates

In addition, we have affiliates that provide or may provide a broad range of pre- and post-acquisition and consulting services to companies in which the Partnerships invest, including performance improvement, corporate advisory, business consulting, transaction advisory, turnaround advisory and other related services and are paid for such services. None of these fees for any of the foregoing will be shared with the Partnerships. These fees may be substantial. Additionally, Portfolio Companies may reimburse us or our affiliates for expenses (including, without limitation, travel expenses, which may include expenses for chartered or first-class travel) incurred in connection with the performance of such services.



Other Expenses

To the extent provided in the Governing Documents, a Partnership will pay all other costs, fees and expenses of such Partnership's operations (other than certain expenses specified in the Governing Documents) which generally include, without limitation:

- (i) (A) all fees, costs and expenses, if any, incurred in developing, bidding on, evaluating, negotiating, structuring, obtaining regulatory approval for, making, trading, settling, monitoring (including ongoing risk monitoring (such as ESG, cyber security, anti-corruption and other similar functions), holding and disposing of actual Portfolio Investments, including, without limitation, any financing, legal, accounting, audit, due diligence, advisory, placement, consulting and other third-party fees (including consulting services by other consultants, secondees from A&M Capital or outside service providers that provide services to or in connection with the Partnerships or any Portfolio Company) and travel, meal and accommodation expenses in connection therewith, costs of related information management and trading systems, deposits funded thereon, brokerage commissions, research and quotation service fees and expenses, custodial expenses, the costs of maintaining CRM systems, calling programs and pulsed marketing and origination programs, the costs of memberships and participation in industry associations and attending industry conferences and events within the scope of a Partnership's investment objective, costs of subscription or data services used in connection with making/monitoring investments, fees, costs and expenses of affiliate engagements and any other fees, costs, expenses and other amounts incurred with respect to Portfolio Investments, employee referral awards or other investment sourcing fees, costs and expenses, and topping or break-up fees in connection with proposed but unconsummated Portfolio Investment opportunities) and (B) all broken deal expenses (defined to include all fees, costs and expenses, if any, incurred (x) by or on behalf of a Partnership and any parallel fund, or any alternative vehicle in developing, conducting due diligence investigations into, negotiating, structuring and arranging financing for prospective or potential transactions which are not completed or (y) in connection with any co-investment opportunities offered by the General Partner that are not consummated, including, without limitation, any topping or break-up fees, any amounts payable to or by third parties, any travel, meal and accommodation expenses and all fees (including commitment fees), costs and expenses due, any legal, tax, financial, accounting, consulting, due diligence, bidding costs, advisory, lending, investment banking and other financing costs (including co-investment financing to the extent such costs and expenses are not borne by prospective co-investors) or other third-party expenses, any research and quotation service fees and expenses in connection therewith (including with respect to any advisory services provided by A&M in accordance with the Governing Documents) and any deposits or down payments of cash or other property that are forfeited in connection with proposed but unconsummated transactions, to the extent not reimbursed by an entity in which a Partnership has invested or proposes to invest or by other third parties or capitalized as part of the acquisition of a transaction;
- (ii) the out-of-pocket fees, costs and expenses incurred in connection with obtaining third-party financing in connection with a Portfolio Investment or a proposed Portfolio

Investment that is not ultimately made, including, without limitation, commitment fees, that are paid;

(iii) brokerage commissions, prime brokerage fees, custodial expenses, agent bank and other bank service fees and other investment costs, fees and expenses actually incurred in connection with making, holding or disposing of actual Portfolio Investments;

(iv) all fees, out-of-pocket costs and expenses of any accountants, auditors, counsel (including the cost of outside legal counsel retained by the General Partner or A&M Capital in connection with Limited Partner advisory committee matters), custodians, administrators, domiciliary agents, consultants (including operating executives and partners, senior advisors and other consultants, and including with respect to ESG, cyber security, anti-corruption and other similar matters), depositaries (including, for the avoidance of doubt, any paying agent), tax advisors, brokers, agents, valuation experts, data providers and other advisors and professionals and all ordinary out-of-pocket administrative expenses related to the operation, administration and liquidation of a Partnership, including, without limitation, audit and certification fees, the preparation, printing and distribution of reports, the holding of meetings of a Partnership and the costs of related information management systems;

(v) out-of-pocket fees, costs and expenses, if any, incurred in connection with offering and underwriting co-investment opportunities, including organizing and documenting co-investment vehicles, the formation of a consortium, incurring transaction costs, and/or any travel, meal and accommodation expenses in connection therewith, in each case to the extent such fees, costs and expenses have not been allocated to such parties;

(vi) interest on and fees and expenses arising out of all borrowings and guarantees (or other credit support obligations) made by a Partnership (including, for the avoidance of doubt, legal fees of any lender's counsel and the Partnerships' legal counsel incurred in connection therewith);

(vii) the out-of-pocket expenses incurred in connection with complying with provisions in side letters entered into with Limited Partners, including "most favored nations" provisions;

(viii) the costs, fees and expenses of any litigation, partnership, directors and officers liability, errors and omissions liability or other insurance (whether maintained by A&M, A&M Capital, a Partnership or their respective affiliates) and any indemnification (including any indemnification granted to and expense of any third-party placement agent or service provider engaged by a Partnership or its affiliates (including, for the avoidance of any doubt, any parallel funds, A&M Capital, the General Partner or their affiliates)) or extraordinary expense or liability relating to the affairs of a Partnership, such as expenses relating to the costs of any litigation, arbitration or other form of dispute resolution, of a Partnership, any parallel fund, intermediate entities, alternative vehicles or corporations, the General Partner, A&M Capital or any affiliate, director, manager, officer, employee, member, partner, shareholder, delegate, agent or contractor of any of them;

- (ix) expenses of winding-up and liquidating a Partnership or related entities;
- (x) expenses and fees related to facilities, support and back office services, including, without limitation, finance, investor relations and reporting, compliance, legal and information technology (certain of which are provided through utilization of, or support by, in-house personnel and systems of A&M) and the compensation and any costs and expenses related to performing audit and accounting services for a Partnership;
- (xi) any taxes (except as provided in the Governing Documents), fees or other governmental charges levied against a Partnership and all out-of-pocket expenses incurred in connection with any tax audit, investigation, settlement or review of a Partnership;
- (xii) to the extent not paid by a corporation or intermediate entity or the Limited Partners participating therein, its corporation expenses or intermediate entity expenses, as the case may be (which expenses shall be specially allocated to such Limited Partners with a direct or indirect interest in such corporation or intermediate entity as the case may be, but shall be deemed to be paid by such corporation or intermediate entity, as the case may be, for all purposes hereof);
- (xiii) all out-of-pocket reporting and compliance fees, costs and expenses, if any, incurred in connection with legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law or regulation relating to a Partnership's activities (including, without limitation, fees and expenses of third-party compliance consultants, expenses relating to the preparation and filing of Form PF, Form BE-10, Form BE-13, reports to be filed in connection with the requirements of the U.S. Commodity Futures Trading Commission, reports, disclosures, filings and notifications prepared in accordance with the Foreign Account Tax Compliance Act or the European Union Alternative Investment Fund Managers Directive (the "Directive"), the Common Reporting Standard and other regulatory filings of A&M Capital and its affiliates relating to a Partnership's activities);
- (xiv) any expenses related to the making of temporary investments;
- (xv) any expenses related to hedging transactions;
- (xvi) any expenses and costs incurred in connection with obtaining an independent or third-party valuation of Portfolio Investments or other assets;
- (xvii) any expenses related to collecting amounts pursuant to the Governing Documents;
- (xviii) out-of-pocket costs and expenses of members of the Limited Partner advisory committee (including the fees and expenses of counsel and other advisers retained in accordance with the governing documents of the Partnerships by the limited partner advisory committee to advise on a matter if the General Partner or A&M Capital has requested the Limited Partner advisory committee approve or take an action with respect to such matter);
- (xix) expenses of meetings of the Limited Partner advisory committee and of Limited Partners and limited partners of any parallel funds (including meetings and travel, meal

and accommodation expenses incurred by personnel of the General Partner and/or A&M Capital in connection therewith), including the costs of any resolution passed by Limited Partners, and limited partners of any parallel funds, intermediate entities, alternative vehicles or corporations (excluding the costs of any time spent in relation to any such meeting) and entertainment and other costs of the annual meeting of a Partnership and any parallel funds determined by the General Partner in good faith to be reasonable;

(xx) the fees, out-of-pocket costs and expenses of the members of any advisory boards;

(xxi) fees, costs and expenses, if any, incurred in connection with legal and regulatory compliance with the Directive;

(xxii) any costs and expenses related to alternative vehicles, any master holding vehicles or special purpose vehicles through which a Partnership or any parallel funds hold investments; and

(xxiii) any fees, costs, expenses and liabilities incurred in respect of developing, structuring, operating and winding-up direct and indirect administrative and other investment structures (including, to avoid any doubt, vehicles referred to in (xxii) above) in various jurisdictions formed for or utilized by a Partnership to conduct a Partnership's investment activities (including any travel and accommodation expenses of A&M Capital and/or any other member of A&M Capital allocable to such structures, the salary and benefits of any personnel of A&M Capital and/or any other member of A&M Capital responsible for the maintenance of such structures and other related overhead fees, costs and expenses) to the extent not borne by the relevant Portfolio Company (together in each case with any value added tax and any other relevant taxes (if any)).

Travel and related expenses borne by the Partnerships include, without limitation, first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals, and social and entertainment events with Portfolio Company management, customers, clients, borrowers, brokers and service providers). Travel and related expenses in connection with a trip taken by employees of A&M Capital and/or the General Partner for purposes of multiple matters will be allocated by the General Partner at its discretion. To the extent we utilize the services of broker-dealers to place transactions, the Partnerships will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

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

As described above, we receive performance-based compensation in the form of “carried interest,” and the calculation is based on the profits generated on the sale or disposition of a Partnership’s assets. Such carried interest or incentive allocation based on investment profits may create an incentive for us to make investments on behalf of the Partnerships that are riskier or more speculative than would be the case in the absence of such amounts. We seek to address these conflicts through careful vetting of investment opportunities by our investment professionals, full disclosure of investments to Limited Partners by way of quarterly reports, as well as investment by a number of our investment professionals alongside the Partnerships, in an effort to align our interests with the Partnerships.

**Item 7: Types of Clients**

We currently provide investment supervisory services to the Partnerships. All Limited Partners are required to be “qualified purchasers” or employees who are deemed to be “knowledgeable employees” under the Investment Company Act, or otherwise be permitted to invest under applicable securities laws. All ESC Investors are required to be employees, members, officers, and/or independent contractors of A&M Capital, officers and/or employees of A&M Capital’s affiliates and/or their family members, certain business associates, or other persons close to us. Details concerning applicable Investor suitability criteria are set forth in the applicable Governing Documents and subscription materials, which are furnished to each Investor.

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

Our investment strategies are discussed in more detail below. The following descriptions are qualified in their entirety by reference to the Governing Documents of the Partnerships.

We seek to achieve capital appreciation primarily through investing in privately negotiated controlling or minority interests including equity and equity-oriented investments (such as preferred stock, debt securities purchased in connection with such equity and equity-oriented investments, or which have equity-like returns and bridge financings) in middle-market companies that are undergoing a management or ownership transition, or can benefit from access to significant operational expertise in the areas of corporate carve-outs, consolidation strategies, special situations or businesses seeking specific operational issues or management needs. The Partnerships may also seek to acquire significant minority positions with meaningful negative control provisions where it is possible to obtain board representation and control or significant influence over critical operational, capital structure, personnel, corporate governance and exit / liquidity decisions. The Partnerships will focus on investment and co-investment opportunities in North America, the United Kingdom and Europe, depending on the geographic focus with respect to any particular Partnership. The Partnerships may consider a broad range of industries and transactions, including, without limitation, management and leveraged buyouts, recapitalizations, privately negotiated control and minority investments, build-ups and consolidations, spin-offs, corporate divestitures and carve-outs. The Partnerships will not be limited in the industries or transaction types in which they may invest.

The investment decision making process is designed to maximize our ability to assess as many transactions as possible, while efficiently allocating time, effort and financial resources toward those transactions with the highest likelihood of a successful outcome. As such, the process places an emphasis on frequent, timely and efficient communication among members of the investment team with financial expenditures reserved for those deals we believe have a high likelihood of closing.

The steps of the investment process are:

1. Origination
2. Initial Screening
3. Active Review
4. Proposal - Detailed Internal Due Diligence
5. Execution - Detailed External Due Diligence
6. Investment Committee Meeting
7. Confirmatory Due Diligence and Closing
8. First 180 Days
9. Going Concern
10. Exit

We may modify any step of the investment process on a case-by-case basis as we deem in good faith is appropriate.

Investing in securities involves a substantial degree of risk. The Partnerships may lose all or a substantial portion of their investments and Investors in the Partnerships must be prepared to bear the risk of a complete loss of their investments. Investors should be aware that an investment in the Partnerships is speculative and involves a high degree of risk. The following is a summary of only certain considerations and is qualified in its entirety by the more detailed Governing Documents, which must be reviewed carefully.

**No Assurance of Investment Return or Diversification.** There can be no assurance that the Partnerships' objectives will be achieved or that an investor will receive any return on its investment in the Partnerships. Moreover, there can be no assurance that the Partnerships will be able to achieve their asset allocation targets and, as a result, may lack diversification. The Partnerships' performance may be volatile. An investment should only be considered by persons who can afford a loss of their entire investment. Past performance provides no assurance of future results.

**Leverage.** The Partnerships' investments are expected to include Portfolio Companies whose capital structures have significant leverage. These companies may be subject to restrictive financial and operating covenants. The leverage may impair these companies' ability to finance their future operations and capital needs. The leveraged capital structure of such investments will increase the exposure of the Portfolio Companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Portfolio Companies or its industry.

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that the Partnerships will be able to locate, consummate and exit investments that satisfy the Partnerships' rate of return objectives or realize upon their values or that it will be able to invest fully their committed capital.

**Reliance on Key Management Personnel.** The success of the Partnerships will depend, in large part, upon the skill and expertise of the investment team. In the event of the death, disability or departure of any of such key persons, the business and the performance of the Partnerships may be adversely affected.

**Lack of Liquidity.** There is no organized secondary market for investors' interests in the Partnerships, and none is expected to develop. There are restrictions on withdrawal and transfer of interests in the Partnerships. Interests in the Partnerships are long-term and illiquid.

**Material, Non-Public Information.** As a result of the advisory, consulting and related activities of our affiliates, we may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Partnerships will not be free to act upon any such information. Due to these restrictions and relationships, the Partnerships 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.

**Information Sharing and Potential Conflicts of Interest.** Although the Partnerships plan to leverage our restructuring and business consulting platform to help source, diligence and create



value for the Partnerships' investments, there are conflict identification and information screening policies and procedures as well as certain legal and contractual constraints and business objectives that could significantly limit the Partnerships' ability to do so.

**General Economic and Market Conditions.** The success of the Partnerships' activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws and regulations, trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances. Moreover, a recession, slowdown and/or sustained downturn in the U.S. or global economy or weakening of credit markets could adversely affect the Partnerships' profitability, impede the ability of the Partnerships' Portfolio Companies to make principal and interest payments on, or refinance, outstanding debt when due, and impair the Partnerships' ability to effectively exit investments on favorable terms. Economic downturns would reduce the availability of financing and any available financing would generally be on less favorable terms. In addition, any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of the Partnerships to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of the Partnerships, restrict the Partnerships' investment activities and/or impede the Partnerships' ability to effectively achieve their investment objectives.

General fluctuations in the market prices of securities and interest rates may adversely affect the value of the Partnerships' Portfolio Investments and/or increase the risks associated inherent in the Partnerships' Portfolio Investments. Interest rate changes may also affect the value of a debt instrument directly (in the case of adjustable rate instruments) or indirectly (in the case of fixed rate instruments). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. To the extent that the U.S. Federal Reserve at some point in the future tightens the monetary supply and increases benchmark interest rates, it could be expected to negatively impact the price of debt securities and could adversely affect the value of the Partnerships' investments. Such a marketplace may impair the Partnerships' ability to consummate certain transactions or cause the Partnerships to enter into certain transactions on less attractive terms.

**Interest Rate Risk.** General fluctuations in interest rates may adversely affect the value of the Partnerships' Portfolio Investments and/or increase the risks associated inherent in the Partnerships' Portfolio Investments. In the event that the Partnerships are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, the Partnerships 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. Interest rate changes may also affect the value of a debt instrument directly (in the case of adjustable rate instruments) or indirectly (in the case of fixed rate instruments). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. To the extent that the U.S. Federal Reserve at some point in the future tightens the monetary supply and increases benchmark interest rates, it could be expected to negatively impact the price of debt securities and could adversely affect the value of the Partnerships' investments.

In the event of payment default by Portfolio Companies, the Partnerships could lose both invested capital in and anticipated profits from the affected Portfolio Investment. Such a marketplace may impair the Partnerships' ability to consummate certain transactions or cause the Partnerships to enter into certain transactions on less attractive terms.

**Uncertainty of Financial Projections.** Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political, regulatory and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

**Regulatory and Legal Risks.** The Partnerships expect to make investments in a number of different industries, some of which are or may become subject to regulation by one or more agencies of the jurisdictions in which they operate. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance all may have a material negative impact on the performance of Portfolio Companies that operate in these industries. Whether new legislation or regulation governing those industries will be enacted by legislative bodies or governmental agencies, or what effect such legislation or regulation might have, cannot be predicted. There can be no assurance that new legislation or regulation, including changes to existing laws and regulations, will not have a material negative impact on the Partnerships' investment performance.

### **Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry**

There continues to be significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund 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 capital, leverage and liquidity requirements) if it determines that such company is systemically important, in that it poses a risk to the U.S. financial system. 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, although no such funds have been designated as systemically important by the FSOC to date.

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 (as amended by the Reform Act) 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 or 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), as principal, 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, to avoid being treated as “investment companies” under the 1940 Act. The Volcker Rule also requires certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above) to comply with additional capital requirements and comply with certain other quantitative limits on such activities, although such entities are not expressly prohibited from engaging in proprietary trading or sponsoring or investing in such funds. Potential investors that are “banking entities” should consult their bank regulatory counsel prior to making an investment. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on A&M Capital or the Partnership, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on A&M Capital or otherwise impede the Partnership’s activities.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or the Partnerships or A&M Capital, specifically. 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 so-called “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 additional revisions to the Volcker Rule’s current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds 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 are expected therefore to 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 Partnerships and their activities remain uncertain. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on, or otherwise impede, the Partnership’s or A&M Capital’s activities.

Additionally, 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 have a significant impact on A&M Capital and/or the Partnerships. 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 A&M Capital, the Partnerships and their operations, including increasing compliance burdens and associated regulatory costs, reducing the ability to receive expense or indemnification reimbursements, and enhancing the risk of regulatory action, including public regulatory sanctions and may result in a change to our 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 A&M Capital operates its business and/or the Partnerships, as well as A&M Capital's implementation of the Partnerships' investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on A&M Capital, the General Partner, the Partnerships, their portfolio investments and/or the limited partners. To the extent permitted under the applicable partnership agreement of the Partnerships, the incremental costs of compliance by A&M Capital, the General Partner and/or Partnerships with any new SEC rules may be borne by the Partnerships, which may be significant.

**United Kingdom Relations with 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 the both parties maintaining a level playing field in areas such as environmental protection, social and labour 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 recognised 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 Partnerships, the performance of their Portfolio Investments and their ability to fulfil their investment objectives (especially if their Portfolio Investments include, or expose them 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).

**Cyber Security Breaches and Identity Theft.** Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Each Partnership's, its Portfolio Companies', and their service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. 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 and material nonpublic information. Although A&M Capital has implemented, and the Partnerships' Portfolio Companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems 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. A&M Capital 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 A&M Capital, the Partnerships and/or a Portfolio Company, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. A&M Capital, the Partnerships, and/or a Portfolio Company 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 A&M Capital's, the Partnerships', and/or a Portfolio Company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Limited Partners (and their beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of A&M Capital and/or Portfolio Companies. Such a failure could harm A&M Capital's, the Partnerships' and/or a Portfolio Company's reputation, 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. In addition, A&M Capital and the Partnerships' Portfolio Companies are also subject to the risk of fraud. While systems and procedures may be in place which A&M Capital believes are designed to detect and deter fraud, such systems and procedures may not be effective in all circumstances to prevent the risk of fraud.

**Risks Relating to Due Diligence of and Conduct at Portfolio Companies.** Before making Portfolio Investments, the General Partner and/or A&M Capital will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances known at that time and applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants (including A&M), legal advisors, accountants, investment banks and other third parties may be involved at any stage of the due diligence process to varying degrees depending on the type of investment. Such due diligence will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Partnerships as being speculative and having a high degree of risk.

**Dependence on A&M Services.** Although the General Partner expects to have access to A&M's resources, relationships and expertise, there can be no assurance that such resources, relationships and expertise will be available. There may be circumstances in which one or more individuals associated with A&M will be precluded from providing services to the Partnerships because of client relationships or certain confidential information available to those individuals or to other parts of A&M. In addition, there can be no guarantee that the companies in which the Partnerships invest are necessarily the same size or type of company that A&M typically advises, which could diminish the relevance of the Partnerships' access to A&M expertise. In connection with its business, A&M is subject to certain legal, regulatory and other compliance-related restrictions, including bankruptcy court restrictions and internal conflicts and other policies and procedures, and may be subject to additional such restrictions, policies and procedures in the future. As a result, the Partnerships' activities may be constrained under certain circumstances.

Furthermore, certain back-office services provided by A&M Capital to the Partnerships, such as financial reporting, compliance, investor relations and IT, among others, are provided through utilization of, or support by, in-house personnel and systems of A&M. A&M in-house personnel and systems, such as IT, human resources and accounting, also support and assist A&M Capital and its affiliates in carrying out their day-to-day operations.

**Investments in Less Established Companies; Risk of Fraud in Investee Companies.** The Partnerships may invest in less established companies (*e.g.*, companies in the growth stage) or companies which have been unaudited. Investments in middle market Portfolio Companies may involve greater risks than are generally associated with investments in larger companies. Less established companies tend to have lower capitalizations and fewer resources, and therefore, are often more vulnerable to financial failure, which could result in the loss of some or all of a Partnership's entire investment in any such company. Less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. Small regional or family-owned businesses are generally privately held and there is less public information available with respect to such companies for the General Partner to base its investment decisions upon. There can be no assurance that A&M Capital, the General Partner, the Partnerships or outside advisors or

consultants (including A&M) will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the Portfolio Investments on an ongoing basis.

**Additional Capital.** Certain of the Partnerships' Portfolio Companies are expected to require additional financing to satisfy their working capital requirements or business development strategies. A Portfolio Company may have to raise additional capital at a price unfavorable to the existing investors, including the Partnerships. To the extent a Portfolio Company in which a Partnership has invested receives additional funding in subsequent financings and such Partnership does not participate in such additional financing rounds, the interests of such Partnership in such Portfolio Company would be diluted. The availability of capital is generally a function of capital market conditions that are beyond the control of the Partnerships or any Portfolio Company. There can be no assurance that the Partnerships will want to make follow-on investments or that there is sufficient funds or the ability to do so, including due to restrictions that may be contained in the Governing Documents or the General Partner's overall determinations regarding portfolio management. Any decision by the Partnerships not to make follow-on investments or the inability to make them or a Portfolio Company's inability to raise additional capital when needed (on favorable terms or otherwise) can have a substantial negative impact on Portfolio Companies in need of such an investment and/or additional capital and/or may diminish the Partnerships' ability to influence the Portfolio Company's future development. The failure to successfully raise additional capital for a Portfolio Company may result in the complete write-off of the investment therein. In addition, in circumstances where the Partnerships are co-investing alongside a lead sponsor, the Partnerships will not typically be in a position to determine the structure, timing, or terms of the raising of additional capital.

**Co-Investment Risk.** The Partnerships are expected to co-invest together, with third parties through joint ventures, Investors or other entities ("Co-Investors"). Such investments involve risks not present in investments where a Co-Investor is not involved, including the possibility that a Co-Investor has economic or business interests or goals which are inconsistent with those of the Partnerships, or is in a position to take action contrary to the Partnerships' investment objectives. In addition, there will be a limited amount of interests available for investing. Thus the Partnerships are expected to receive a limited offering due to the Co-Investors investing with the Partnerships.

In addition, in circumstances where the Partnerships are co-investing alongside a lead sponsor, the Partnerships will not have the opportunity to participate in structuring Portfolio Investments or to determine the terms under which such Portfolio Investments will be made. In such circumstances, since the structure and terms of a co-investment opportunity and its disposition will be primarily negotiated by the investment team of the lead sponsor, the terms and structure of such co-investment opportunity may not necessarily take fully into account the interests of the Partnerships. Investors in the Partnerships may also have different rights and benefits, and be subject to different terms, than investors in a fund, vehicle or account managed by a lead sponsor. Such differences include the timing of capital contributions, different economic terms such as management fee, carried interest and incentive allocation, and different information rights, which results in the Partnerships' investors having a different return profile than if they had invested in a fund, vehicle or account managed by a lead sponsor. Furthermore, conflicts may also arise to the extent there are disparities if the Partnerships' co-investment is not made at the same time or at the same terms

as the lead sponsor, including differences in investment valuation, access to reporting, voting rights and access to and allocation of co-investment opportunities.

**Hedging Policies / Risks.** The Partnerships may, but are not required to, employ hedging techniques in connection with the acquisition, holding, financing, refinancing or disposition of any Portfolio Investments and Portfolio Companies themselves may also utilize hedging techniques designed to reduce certain risks, including, among others, adverse movements in interest rates, securities prices and currency exchange rates. Such transactions themselves entail additional risks, such as counterparty default, bankruptcy or insolvency, convergence and other risks all related with derivative instruments. Unanticipated changes in interest rates, securities prices, commodity prices, currency exchange rates and/or other events relating to such hedging transactions may result in a poorer overall performance for the Partnerships than if they or their Portfolio Companies had not entered into such hedging transactions. There can be no assurance that any risk management procedure will be effective in reducing risks associated with the use of hedging techniques. Hedging transactions, if entered into, may not eliminate the Partnerships' exposure to the risks hedged.

**Public Company Holdings.** The Partnerships' investment portfolios may contain securities issued by publicly held companies. Such investments subject the Partnerships 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 Partnerships to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including employees, directors or other personnel of A&M Capital and its affiliates and increased costs associated with each of the aforementioned risks. In addition, when investing in public securities, the Partnerships may be unable to obtain financial covenants or other contractual rights, including management rights that it might otherwise be able to obtain in making privately negotiated investments. Moreover, the Partnerships may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to privately negotiated investments.

**Investment in Undermanaged or Underperforming Middle-Market Companies.** The Partnerships are expected to make investments in undermanaged or underperforming companies which involve a degree of financial risk and are experiencing or are expected to experience difficulties that may never be overcome and, as a result, lead to a loss of some or all of the Partnerships' investments. The success of such investments may hinge on the General Partner, A&M Capital, and the Portfolio Company's ability to implement its business plan to achieve performance improvements or business turnarounds. There can be no assurance that the General Partner, Portfolio Company, or the Partnerships will be successful in such endeavors. The Partnerships' focus on middle-market companies may involve greater risks than those generally associated with investments in larger companies. For example, middle-market companies generally have a lower capitalization and fewer resources (including cash) and may be more vulnerable to failure. Middle-market companies may be more vulnerable to general economic trends and to specific changes in markets and technology. There is a more limited market for the sale of smaller, private companies, which makes realizations more difficult. The illiquidity of



private investments in middle-market companies may cause difficulty for the Partnerships to react quickly to negative economic or political developments.

**Implementation of Business Plans and Growth Initiatives.** The performance of investments by the Partnerships will be dependent, in large part, upon the General Partner's and A&M Capital's ability to successfully implement and execute its business plans and growth initiatives with respect to Portfolio Companies. Changes beyond A&M Capital's control may have an adverse impact on the value of the Portfolio Companies. There can be no assurance that the General Partner or A&M Capital will be able to successfully implement its business plans and/or growth initiatives with respect to the Partnerships' Portfolio Companies.

**Risks of Focus on Certain Targeted Industry Sectors and Sub-Sectors.** It is anticipated that the Partnerships will concentrate its focus on certain targeted industry sectors and subsectors, with particular areas of focus including (i) Industrial Products, (ii) Consumer Products and Services, (iii) Healthcare, (iv) Business Services, and (v) Government Services, and targeted sub-sectors including Environmental Services, Facility Services, Food & Beverage, Government Services, Human Capital Management, Industrial Services, IT & BPO Services, Marketing Services, Packaging, Specialty Distribution and Transportation & Logistics. Such targeted industry sectors and subsectors may, to varying degrees, be subject to governmental regulation as well as the rapid development of technologies. The products and services offered by Portfolio Companies in such targeted industry sectors and sub-sectors will, in certain circumstances, become obsolete due to changes in technology, products and services being developed or to be developed in the future by other entities and other factors. These factors may result in abrupt advances and declines in the valuation of particular companies and, in some cases, may have a broad effect on the valuations of companies in such industry sectors and sub-sectors. Potential reform of applicable laws, rules and regulations continues to be a significant factor in the profitability of companies in which the Partnerships may invest. The efforts to reform certain industries in North America and internationally have resulted in increased pressure on target industry operators and service providers and other participants in their respective industries to reduce costs. These competitive forces place constraints on the levels of overall pricing, and thus could have a material adverse effect on profit margins for the companies in which the Partnerships invest. Various segments of the targeted sectors industry are (or may become) (i) highly regulated at both the federal and state levels in the United States, and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government programs or private funding. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements, could have a material adverse effect on the operations of the companies in which the Partnerships invest. In some instances, the making or acquisition of an investment in a more highly regulated targeted industry sector or sub-sector could involve substantive continuing involvement by, or an ongoing commitment to, a government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency. The nature of these obligations exposes the owners of the relevant investments to a higher level of regulatory control than typically imposed on other businesses.

There is no assurance that the Partnerships will be able to anticipate and minimize the exposure of its Portfolio Investments to the risks that may adversely affect Portfolio Companies in such targeted industry sectors and sub-sectors, as well as industrial, manufacturing and other industry sectors more generally, with such risks including, without limitation, product liabilities, product

recalls, workplace safety, equipment failures, property damage, supply chain interruptions, or suspended operations. Portfolio Companies that cannot meet delivery targets due to an interruption in their operations for any reason are at a greater risk of losing revenue and profits, threatening the business and reputation of such Portfolio Companies, which could adversely impact the Partnerships' ability to achieve its investment objectives with respect to such Portfolio Companies, all of which could result in significant losses to the Partnerships.

**Sustainability Risks.** The investments of the Partnerships may be exposed to “sustainability risks”: environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. A&M Capital (or its delegate), the Partnership, the Partnerships' Portfolio Companies, and other parties, such as service providers or Partnership or Portfolio Company counterparties, may be negatively affected by sustainability risks. If appropriate for an investment, sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment may be undertaken; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materializes. The Partnerships and the Partnerships' Portfolio Companies may maintain or bear the cost of insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance, if maintained, would be expected to be subject to customary deductibles, exclusions and coverage limits and may not be sufficient to recoup all losses and may not be maintained. Sustainability risks may therefore adversely affect the performance of the Partnerships and their investments.

**Benchmark Reform and the Impact on LIBOR and other Interest Rate Benchmarks.** The London Interbank Offered Rate (known as “LIBOR”) has historically been a commonly used reference rate in global financial markets. A major shift is underway to transition from LIBOR to alternative near Risk-Free-Rates (“RFRs”). Similar reforms are taking place in the context of other interest rate benchmarks based on interbank lending (in addition to LIBOR, “IBORs”).

From January 1, 2022, all sterling, euro, Swiss franc and Japanese yen LIBOR settings, and the 1-week and 2-month U.S. dollar LIBOR settings ceased to be available.

Six sterling and yen LIBOR settings (1-, 3-, and 6-month) will continue for the duration of 2022 but calculated in a way that does not rely on submissions from panel banks, and instead based on RFRs (“synthetic” LIBOR). There is a restriction on the new use of synthetic LIBOR which is intended for so-called ‘legacy’ contracts.

The remaining U.S. dollar LIBOR settings are expected to cease after June 30, 2023 but with restrictions on new use until then. It is not clear whether the continuing U.S. dollar LIBOR settings will operate on a synthetic basis for a period when the U.S. dollar LIBOR panel ends in June 2023.

It is not possible to predict with certainty the overall effect of LIBOR reform, but the discontinuance of LIBOR and the transition to RFRs continues to pose a number of risks.

Where it is not possible to amend an existing LIBOR exposure to the relevant RFR (a process known as “remediation”), by the time the relevant rate ceases to be published, is declared unrepresentative by the FCA, or where applicable, synthetic LIBOR is no longer published, that asset is unlikely to function or perform as originally intended, its price may be negatively impacted

or value transferred, and it may become illiquid and hard to value. It may not be possible to remediate certain assets from LIBOR to the new RFRs, or to transition a hedge and its underlying position at the same time, causing a mismatch or “basis risk”. Remediation is likely to be particularly difficult for assets issued to multiple investors or with high consent thresholds to amend the rate. Delays or failures in obtaining investor or counterparty consent, or regulatory approval, may adversely impact transition.

Remediation from LIBOR to RFRs may lead to the Partnerships paying more or receiving less on an asset than if it had remained a LIBOR-referencing asset. Spread adjustments applied to RFRs to reflect the historical difference in performance with LIBOR are rough proxies and will not perfectly match the performance of the relevant LIBOR rate it replaces, meaning that some economic impact is inevitable. Borrowing costs under financing arrangements could be impacted where RFRs or other interest rates are used (directly or indirectly) instead of LIBOR. Interest on instruments which reference an RFR is only capable of being determined at the end of the relevant interest period and just prior to the relevant interest payment date. This may make it harder to reliably estimate the amount of interest that will be payable on such instruments.

Some of the RFRs are relatively new interest rate benchmarks compared to LIBOR and how these rates, and any adjustment spreads, will perform in stressed market conditions or over longer time periods is not well established. Industry and market solutions for transition from LIBOR to RFRs across different asset classes and currencies are not aligned and are have progressed at different rates. If remediation alters the legal, commercial, tax, accounting or other economic outcome of the relevant trade(s), including as between a trade and its hedge, there is a risk of detriment to the relevant Fund and consequently to its investors. For new investments, including where an existing LIBOR-referencing asset is sold and replaced with an RFR-referencing asset during transition, the market in the relevant RFR-referencing asset may lack liquidity and/or price transparency, particularly when compared with historical LIBOR volumes. Certain other LIBORs are affected by global benchmark reforms. The timings for transition from such rates vary but the broad risks set out in this section apply generally to those affected interest rate benchmarks.

**Trade Policy & Dispute Between U.S. and China.** Political leaders in the U.S. and certain European nations have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has recently imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. In April 2018, the U.S. government began imposing tariffs on Chinese imports. China, in turn, retaliated with its own tariffs on U.S. imports. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Partnerships and their Portfolio Investments. As time goes on, it can be expected that the U.S. and/or China will threaten, and possibly implement, additional tariffs on goods and services from each country. Although the U.S. and China signed the Phase I Economic and Trade Agreement relating to the trade disputes between U.S. and China, there are still ongoing

trade disputes, which have already had, and if they remain unresolved, could lead to additional adverse economic effects on global markets, and may negatively affect the Partnerships' Portfolio Investments. In addition, a continued trade dispute between the U.S. and China would be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise), which could present similar and/or additional potential risks and consequences for the Partnerships and their Portfolio Investments. While this dispute (including the recent trans-Pacific dispute relating to TikTok and WeChat) has already had negative economic consequences on the U.S. markets, to the extent that this trade dispute escalates into a "trade war" between the U.S. and China, there could be additional significant impacts on the industries in which the Partnerships participate and other adverse impacts on the Partnerships and their Portfolio Investments. In addition, trade disputes may develop between other countries, which have similar or more pronounced risks and consequences for the Partnerships or their Portfolio Investments.

**OFAC and Sanctions.** Economic sanction laws in the U.S. and other jurisdictions prohibit A&M Capital, A&M Capital's professionals and the Partnerships from transacting in certain countries and with certain individuals and companies. In the U.S., 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 transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties. 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. Accordingly, these types of sanction laws may prohibit or limit the Partnerships' investment activities. Although A&M Capital expends significant effort to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by A&M Capital's or the Partnerships' activities, which would adversely affect the Partnerships.

**CFIUS.** The actions of the Committee on Foreign Investment in the United States ("CFIUS"), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person, 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 Partnerships' ability to execute their 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, which broadens the jurisdiction of CFIUS with respect to certain investments. Such legislation could impact the ability of non-U.S. limited partners to participate in the Partnerships' investments, which may impair the Partnerships' ability to execute their investment strategy. FIRRMA expands the ability of CFIUS to review the Partnerships' acquisition or disposition of certain investments including certain non-controlling investments by foreign persons over certain U.S. businesses involved in critical technologies or critical infrastructure or that collect and store sensitive personal data of U.S. citizens, as well as acquisitions of real estate and leaseholds near U.S. military or other sensitive government facilities. 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 that has access to sensitive personal data of U.S. citizens, 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. CFIUS published final regulations on January 13, 2020 that will implement many of FIRRMA's provisions. These final regulations took effect on February 13, 2020, and may increase the number of transactions involving the Partnerships that would be subject to CFIUS review and investigation and the timing and substantive risks described above. The outcome of 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 Partnerships' investment in such entity. The partnership agreements of the Partnerships contain certain provisions that may require certain limited partners to be excluded from participating in an investment, for example where their participation is at risk of jeopardizing the Partnerships' ability to successfully acquire, hold, operate, sell, transfer, exchange, pledge or dispose of a prospective portfolio investment in light of legal, regulatory or other similar considerations.

**EU Risk Retention Requirements.** Risk retention and due diligence requirements (the "EU Risk Retention Rules") apply under EU legislation in respect of various types of investors, including credit institutions, investment firms, authorized AIFMs and insurance and reinsurance undertakings (together, "Affected Investors"). The current EU Risk Retention Rules are contained in the Regulation (EU) 2017/2402 (the "Securitization Regulation"), which repealed and replaced the prior EU Risk Retention Rules and has applied from January 1, 2019 (subject to certain transitional provisions regarding securitizations the securities of which were issued before January 1, 2019). Amongst other things, such requirements restrict an investor who is subject to the EU Risk Retention Rules (including the AIFM acting on behalf of the Partnership) from investing in securitizations issued on or after January 1, 2019 (or securitizations issued before that date but in respect of which new securities are issued on or after January 1, 2019), unless certain provisions of the EU Risk Retention Rules are complied with, including that the originator, sponsor or original lender in respect of the relevant securitization (the "Risk Retention Holder") has explicitly disclosed that it will retain, on an ongoing basis, a net economic interest of not less than 5%. Risk Retention Holders must hold the retained net economic interest throughout the life of the securitization, and may not enter into any arrangement designed to mitigate the credit risk in relation thereto. Investors should be aware that there are material differences between the EU Risk Retention Rules imposed prior to January 1, 2019 and the EU Risk Retention Rules contained in the Securitization Regulation. For example, the Securitization Regulation imposes a direct retention obligation on sponsors and originators of securitizations. Moreover, the Securitization Regulation expands on the types of Affected Investor to which the due diligence requirements apply.

Investments by the Partnerships which involve the tranching of credit risk associated with an exposure or pool of exposures (such as CLOs) are likely to be treated as "securitisations" under the EU Risk Retention Rules. If such investments are "securitisations" within the EU Risk Retention Rules, the sponsor or originator of the transaction (which could be the General Partner or the Partnerships in certain cases) may be required to act as the Risk Retention Holder. The requirements in the EU Risk Retention Rules could increase the costs of such investments for the Partnerships. Further, the range of investment strategies and investments that the Partnerships is able to pursue may be limited by the EU Risk Retention Rules, for example, where, as may be

determined by A&M Capital, the Partnerships is ineligible to invest in certain CLOs and other securitization investments in which the Partnerships is eligible to invest, because such investments are not compliant with the EU Risk Retention Rules. As a result, the Partnerships may be adversely affected, the Partnerships may not be able to invest in opportunities they might otherwise be able to invest in, and the performance and the portfolio of the Partnerships may diverge from that of the Partnership, such that the investment returns generated by the applicable Partnership may be more or less than those generated by the Partnerships. There may be other adverse consequences for investors and their Capital Commitments in the Partnerships as a result of the EU Risk Retention Rules, including the changes to the EU Risk Retention Rules introduced through the Securitization Regulation.

The EU Risk Retention Rules and Securitization Regulation may be subject to change, or their application or interpretation may change. Such changes may adversely affect the Partnership, including that the Partnerships may dispose of such investments when it would not otherwise have determined to do so or at a price that is not as advantageous as it would have otherwise. To the extent that there is any lack of clarity regarding the application of such regulations to investments made by the Partnership, there may be risks to the Partnerships of non-compliance, including because A&M Capital's interpretation of the regulations is ultimately not the same as a regulatory authority's interpretation of the regulations. Prospective investors, including Affected Investors, should consult with their own legal, accounting, regulatory and other advisors and/or regulators to determine whether, and to what extent, the information set out in this form and in any investor report provided in relation to this offering is sufficient for the purpose of satisfying any of obligations under the Securitization Regulation and the EU Risk Retention Rules, and such investors are required to independently assess and determine the sufficiency of the information for such purpose. Prospective investors are themselves also responsible for monitoring and assessing changes to the EU Risk Retention Rules, and any regulatory capital requirements applicable to the investor, including any such changes introduced through the Securitization Regulation.

**European and UK Regulatory Environment.** The European and UK regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming.

The EU's re-cast Markets in Financial Instruments Directive (2014/65/EU) ("MiFID II Directive"), delegated and implementing EU regulations made thereunder, laws and regulations introduced by Member States of the EU to implement the MiFID II Directive, and the EU's Markets in Financial Instruments Regulation (600/2014) (in the case of the UK, as such laws and regulations form part of the domestic law of the UK) (together, "MiFID II") require investment firms in the EEA and the UK to comply with obligations in relation to such things as: costs and charges disclosure, product design and governance, the receipt and payment of inducements, the receipt of investment research, suitability and appropriateness, conflicts of interest, record-keeping, best execution, transaction and trade reporting, remuneration, training and competence and corporate governance. The EU continues to review various aspects of the functioning of the MiFID II regime within the EU, giving rise to the possibility of further changes thereto. Although MiFID II principally applies to EEA and UK authorized firms that provide investment services (rather than to third-country AIFMs such as A&M Capital), such changes may also result in AIFMs and third country advisers being subject to more onerous requirements when engaging an investment firm authorized under MiFID to provide investment services. Further amendments to

the regulatory obligations imposed by MiFID II may also impact on, and constrain the implementation of, the investment strategy of the Partnerships and lead to increased compliance obligations upon and accrued expenses for A&M Capital and/or the Partnerships.

Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance based investment products entered into force in the EU in January 2018. This regulation (in the case of the UK, as retained and transposed into UK domestic law) makes it materially more onerous to market alternative investment funds such as the Partnerships to investors in the EEA or the UK which are not “professional clients” under the Markets in Financial Instruments Directive (“MiFID”). Since it is generally the intention of A&M Capital not to market the Partnerships in the EEA or the UK to non-professional investors, this regulation is unlikely to have a significant impact on the Partnerships. However, there may be circumstances in which potential investors technically fall within the retail category despite having the sophistication, knowledge and experience to invest in alternative funds, e.g., high net worth individuals, family offices, executives participating in carried interest schemes, et al. In some cases, such investors may no longer be able to be admitted as limited partners.

It is difficult to predict the full impact of these regulatory developments on the Partnerships. Prospective investors should be aware that the evolving regulatory environment in the EEA or the UK may in due course significantly raise the costs of managing the Partnerships and providing effective compliance oversight, thereby adversely affecting returns that might otherwise have been available to investors in the Partnerships.

**Epidemics and Pandemics.** Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and most recently, a novel and highly contagious form of coronavirus (“COVID-19”). The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Partnerships invest), and therefore is expected to adversely affect the performance of the Partnerships’ Portfolio Investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Partnerships and the performance of its Portfolio Investments or operations, and the ability of the Partnerships to achieve their investment objectives. See also “—*Force Majeure Risk*” and “—*Coronavirus and Public Health Emergencies*” herein.

**Coronavirus and Public Health Emergencies.** Public health emergencies can affect the broader local, national and international economy, along with A&M Capital and the companies in which the Partnerships invest, and could give rise to force majeure conditions, the effects of which could be significant. There is currently an ongoing outbreak of COVID-19, which the World Health Organization has declared to constitute a “Public Health Emergency of International Concern” and a pandemic. The COVID-19 pandemic has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak has been evolving over the course of the COVID-19 pandemic, and at different points in time many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive

measures designed to help slow the spread of COVID-19. Businesses have also implemented, at different times and to different degrees, similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries. Moreover, with the continued spread of COVID-19, governments and businesses took, and in some instances continue to take, aggressive measures to seek to slow its spread. For this reason, among others, as COVID-19 has continued to spread and could, in the future, continue to spread, the potential impacts, including global, regional or other economic recessions or adverse market impacts have already occurred and the likelihood of ongoing or exacerbated impact is uncertain and difficult to assess. 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 U.S. and in many non-U.S. jurisdictions, due to limited supply, they are not yet widely available to the general public in some other jurisdictions. Furthermore, a substantial proportion of the population in the U.S. and other jurisdictions has, despite the availability of vaccines, not been vaccinated, which is believed to be prolonging the global effects of COVID-19. In addition, the vaccines have been found to be less than 100 percent effective and to have waning effectiveness an extended period of time following inoculation, which means a portion of the population that receives such vaccinations is less than fully protected against the disease. Furthermore, such vaccines have shown reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. COVID-19 is likely to continue to affect the economy generally, and the COVID-19 pandemic and/or its economic impact may affect the Partnerships and the Partnerships' ability to achieve its investment objectives to a degree that is not currently known, given the situation continues to evolve.

Any public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Partnerships and their Portfolio Investments and could materially adversely affect the Partnership's ability to fulfill its investment objectives. See also "*Epidemics/Pandemics*" above.

The extent of the impact of any public health emergency on the Partnership's and its Portfolio Investments' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity (including office attendance) and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of COVID-19 has and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints and chip shortages may not fully be reflected until future periods and may have an adverse impact on the Partnerships and their Portfolio Investments at a future point when COVID-19 may not be as



prevalent in the public. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, 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 materially and adversely impact the value and performance of the Partnerships' Portfolio Investments, the Partnerships' ability to source, manage and divest investments and the Partnerships' ability to achieve its investment objectives, all of which could result in significant losses to the Partnership. In particular, a public health emergency may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended period of time. In this regard, views and other forward-looking statements expressed in this form are based upon assumptions that may not be valid during or following a public health emergency such as the one that has been underway for in excess of a year. The full impacts of the COVID-19 pandemic on markets, business activity and the U.S. and global economy, as well as potential changes in economic and fiscal policies that may be adopted to address the COVID-19 pandemic or the possibility of a similar future event, price shocks and related externalities, are not yet fully identified or understood and the situation continues to evolve. In implementing the Partnership's investment strategy, A&M Capital 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 Investments, and the likelihood of a similar future event and any possible impacts thereof. There can be no assurances that such assumptions will be correct and unexpected events and developments, including the severity of this or any other pandemic on economies and specific Portfolio Investments, may be detrimental to the Partnerships and their Portfolio Investments. In addition, the operations of the Partnership, the Portfolio Investments, and A&M Capital 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 (including office attendance), forwarding of and otherwise delayed receipt of mail, and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity, including possibly the Key Persons, or the personnel of any such entity's key service providers. Additionally, restrictions on immigration and processing of visas and other work permits may affect the work force of the Partnerships' Portfolio Investments, some of which may rely on foreign talent as an important part of its work force and which could have a material adverse impact on their ability to implement their business plans. The impact to businesses in such circumstances has been and may continue to be substantial. See also "*—Force Majeure Risk*" and "*—Epidemics/Pandemics*" herein.

In connection with the impacts of the current COVID-19 pandemic and any future such public health emergency, the Partnerships are expected to incur heightened legal expenses which could similarly have an adverse impact to the Partnerships' returns. For example, but not by limitation, the Partnerships or Portfolio Investments may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by the Partnerships and/or their Portfolio 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 Partnerships or the Portfolio Investments in the form of economic harm, data loss or other negative outcomes.

As a result of a public health emergency like the COVID-19 pandemic, the General Partner has determined in the past, and may in the future determine, in its discretion, that it is most effective and/or efficient to use private air and/or charter travel due to travel restrictions and/or health and safety considerations, including to and from locations where A&M Capital personnel are currently living (even if different than where A&M Capital has historically had offices). The cost of such private air or charter travel, which may be increased due to the COVID-19 pandemic, shall be an expense of the Partnerships in accordance with A&M Capital's policies. The General Partner also may determine to use alternative methods, including the use of technology, when sourcing and conducting diligence on potential Portfolio Investments and monitoring of existing Investments.

**Deteriorating Current Market Conditions.** The ongoing COVID-19 pandemic, together with, among other events, the ensuing global market turmoil, unprecedented global travel restrictions and regional and nationwide quarantines that have been implemented by several governments 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/or globally.

The full impacts of the pandemic and energy price shocks on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood. In implementing the Partnerships' investment strategy, the General Partner will make a number of assumptions, including as to the severity of the consequences of the COVID-19 pandemic 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 Partnerships and their Portfolio Investments.

**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 the contested Crimea region, representing the largest Russian mobilization since the illegal annexation of Crimea in 2014. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine and the countries remain in active armed conflict. In response to these actions, on February 22, 2022, the United States and several European and other nations announced a broad array of new or expanded sanctions and export controls against Russia and Russia-occupied areas of the Ukraine. As the situation continues to rapidly evolve, additional measures are widely expected to be imposed, such as cutting off certain Russian banks from SWIFT and sanctioning the Central Bank of Russia. The ongoing conflict and the resulting measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Partnerships invest), and therefore could adversely affect the performance of the Partnerships' investments. Furthermore, the developing conflict between the two nations and any involvement of the United States and other NATO and neighboring countries leaves uncertainty as to the type and measures of adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Partnerships and the performance of their investments and operations, and the ability of the Partnerships to achieve their investment objectives. Similar risks will exist to the extent that any Portfolio Companies, service providers, vendors or certain other parties have material operations or assets in Russia or Ukraine. See also "*Force Majeure Risk*" herein

**Force Majeure Risk.** Portfolio Investments could 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, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events could adversely affect the ability of a party (including a Portfolio Company or a counterparty to the Partnerships) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of machinery (e.g., turbines) for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a Portfolio Company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a Portfolio Company or the Partnerships of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure might have a permanent adverse effect on 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 Partnerships invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more Portfolio Companies or its assets, could result in a loss to the Partnerships, including if its investment in such Portfolio Company is canceled, unwound or acquired (which could be without what the Partnerships consider to be adequate compensation). Any of the foregoing could therefore adversely affect the performance of the Partnerships and their investments.

**Social Unrest.** Recent events concerning discrimination, race relations and inequality have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level as well as rioting in some instances. Such activism, which has ranged from peaceful to in some instances, violent, has resulted in curfews, the deployment of the national guard and other local and national interference, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID-19 pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could materially and adversely impact the securities, properties and other assets in which the Partnerships invest, as well as the core infrastructure space more generally.

**Terrorist Activities.** Terrorist attacks in major global cities, and any additional significant military or other response by the U.S. or other countries could materially and adversely affect international financial markets and local economies alike. In addition, certain assets of the types in which the Partnerships may seek to invest may become potential targets of terror activities. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a portfolio entity. As a result, not all investments may be insured against terrorism. Any terrorist attacks, including biological and chemical warfare, that occur at or near assets of the Partnerships having a national or regional profile would likely cause significant harm to employees, property and, potentially, the surrounding community, and

may result in losses far in excess of available insurance coverage. See also “ – *Availability of Insurance Against Certain Catastrophic Losses*” below.

**Availability of Insurance Against Certain Catastrophic Losses.** With respect to certain Portfolio Investments, liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that are customary for similar assets or properties may be maintained. However, certain losses of a catastrophic nature, such as wars, natural disasters, terrorist attacks or other similar events, may be either uninsurable or, insurable only at uneconomically high rates such that no insurance coverage exists. In general, losses related to terrorism are becoming harder and more expensive to insure against. In some cases, the insurers exclude terrorism, in others the coverage against terrorist acts is limited, or available only for a significant price. A similar dynamic has been unfolding with respect to certain weather events. As a result, not all investments may be insured against all risks. Furthermore, even when insurance is available and has been procured, formalities must be followed to obtain the benefit of the insurance in the case of a loss event, such as timely delivery of a notice of claim; a failure to follow these formalities could result in avoidance of coverage. If a major uninsured loss occurs, the Partnerships and/or the Portfolio Company could lose both invested capital in and anticipated profits from the affected investments.

**Weather and Climatological Risks.** Certain regions in which the Partnerships may invest or conduct activities related to Portfolio Investments may be particularly sensitive to weather and climate conditions. Climate change may cause more extreme weather conditions and increased volatility in seasonal temperatures, which can interfere with operations and increase operating costs. Damage resulting from extreme weather may not be fully insured.

**European-Specific Risks.** An investment in A&M Capital Europe, SCSp entails a significant degree of risk that is specific to European investments and therefore should be undertaken only by investors capable of evaluating such risks and bearing the risks such investments represent. Set forth below is a non-exhaustive list of such risks:

1. Political/sovereign risks in certain markets in Europe
2. Investment and repatriation restrictions
3. Legal framework and corporate governance in certain markets in Europe
4. Lack of transparency in certain markets
5. Currency and exchange rate risks
6. Risks associated with the European Union and the potential collapse of the Euro
7. Corporate offense of failure to prevent the facilitation of tax evasion
8. Changes in data protection laws and regulations
9. Euro denomination of Interests
10. FATCA reporting and withholding and CRS reporting

**European Union Screening Regulation.** In March 2019, the EU adopted Regulation (EU) 2019/452 (the “Screening Regulation”), establishing a framework for the screening of foreign direct investments (“FDI”) from non-EU countries that may affect security or public order. The Screening Regulation covers FDI from third countries, i.e. those investments “which establish or maintain lasting and direct links between investors from third countries including State entities, and undertakings carrying out an economic activity in a Member State”. The Screening Regulation

applies to all sectors of the economy. It is not triggered by any monetary threshold. The Screening Regulation empowers Member States to review investments within its scope on the grounds of security or public order, and to take measures to address specific risks. The review and, when required, the adoption of measures preventing or conditioning an investment is the ultimate responsibility of Member States.

In determining whether FDI is likely to affect security or public order, Member States and the European Commission (the “Commission”) may “consider all relevant factors, including the effects on critical infrastructure, technologies (including key enabling technologies) and inputs which are essential for security or the maintenance of public order, the disruption, failure, loss or destruction of which would have a significant impact in a Member State or in the Union.”

Under the Regulation, the Commission has no formal power to approve or prevent FDI, but it can intervene in national screening by obtaining information from the national competent authority. The Commission may also screen FDI that is likely to affect projects or programs of EU interest on the grounds of security or public order and issue an opinion. Member States must take account of the Commission’s opinion and justify a decision not to follow the Commission’s opinion. The framework establishes basic criteria for FDI screening, such as transparency, non-discrimination, procedural rules and factors to be taken into account in determining whether an investment is likely to affect security or public order.

The scope of the Screening Regulation and the concerns expressed by the Commission in the context of the current pandemic suggest that more transactions involving companies in the EU are likely to be subject to FDI screening, and if not screened, could be subject to *ex post* comments by Member States or opinions by the Commission up to 15 months after completion of the investment. The outcome of any FDI screening process may be difficult to predict, and there is no guarantee that, if applicable to a Portfolio Company, the decisions of a national competent authority would not adversely impact the Partnerships’ Portfolio Investment in such entity.

**UK National Security and Investment Bill.** In November 2020, the UK government introduced the National Security and Investment Bill (the “Bill”). The Bill, once enacted into law, will introduce an investment screening regime that is divorced from competition law and allows the UK government to scrutinize and intervene in transactions to protect national security. The proposed legislation provides for a mandatory notification regime for transactions in specific sectors and voluntary notification (with greater powers of review) for all other sectors. It provides that the Secretary of State may “call-in” investments for review, assess any national security risks they involve, including imposing conditions on, or as a last resort, blocking transactions, considered to pose a risk to national security.

Mandatory notification is required in 17 sectors, whatever the turnover or share of supply of the target. The sectors identified are: advanced materials; advanced robotics; artificial intelligence; civil nuclear; communications; computing hardware; critical suppliers to the UK government; critical suppliers to the emergency services; cryptographic authentication; data infrastructure; defence; energy; engineering biology; military and dual use; quantum technologies; satellite and space technologies; and transport. If a transaction falls within one of these sectors, it will be subject to a mandatory notification if it satisfies (broadly) a condition relating to acquisition of control, acquisition of an interest in excess of a specified threshold, or the acquisition of voting rights that

enables the acquirer to secure or prevent the passage of any class of resolution governing the affairs of the entity.

The Bill makes provision for civil and criminal penalties for completing a notifiable acquisition without approval, including imprisonment for up to five years and, for businesses, fines of up to £10 million (or, if higher, 5% of worldwide turnover). Notifiable acquisitions which are completed without approval will be void. There is no time limit on the Secretary of State ‘calling-in’ a transaction if no notification was given.

As the UK’s new regime is not yet operational and the criteria for defining the types of entity within each sector are the subject of a consultation, it is difficult to predict how the regime will operate in practice, but there is no guarantee that, if in the future it is applicable to a Portfolio Company, the notification process and decision procedure would not adversely impact the Partnerships’ Portfolio Investment in such entity.

**Pay-To-Play Laws, Regulations and Policies.** In light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment advisor from providing advisory services for compensation with respect to a government plan investor for two years after A&M Capital or certain of its executives or employees make a contribution to certain elected officials or candidates. If A&M Capital, the General Partner, or their respective employees or affiliates fail to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on the Partnership by, for example, providing the basis for the withdrawal of the affected government plan investor.

**Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither we nor any of our officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

## Item 10: Other Financial Industry Activities and Affiliations

We are a separately capitalized company that is closely associated with Alvarez & Marsal Holdings, LLC (“A&M”), an industry-leading corporate advisory firm. We have relationships and utilize the services of certain entities affiliated with A&M. The particular services involved depend on the types of services offered by the affiliated company. Generally, affiliated companies are engaged on an arms-length basis for services provided to us, the Partnerships and our Portfolio Companies. While the General Partner and A&M Capital intend that any services provided by A&M to the Partnerships or to companies in which the Partnerships invest will be on market rates determined by the General Partner and/or A&M Capital in good faith, such compensation will not be determined through arms-length negotiation and the General Partner will not guarantee the performance of any such services or such terms. In addition, we have and expect to negotiate on behalf of the Partnerships attractive preferred rates for certain services offered by our affiliated companies. Services provided by affiliated companies are expected to include, without limitation, transaction due diligence, the implementation of performance improvement plans, interim management, exit support, and other specialized advisory services. A conflicts committee has been established to approve such arrangement with our affiliates unless otherwise presented to the Partnerships’ Limited Partner advisory committee.

Due to the number of companies under common control with A&M, we have not identified all companies below. However, we maintain a supplementary list of the affiliated companies we may engage along with the services they offer. A copy of the list will be provided upon request by contacting our Chief Compliance Officer at 203-742-5898 or email [barbara@a-mcapital.com](mailto:barbara@a-mcapital.com).

### Broker Dealer

Alvarez & Marsal Securities, LLC (“A&M Securities”) is a broker-dealer registered with FINRA, and provides specialized advisory services to companies involving mergers & acquisitions, securities offerings, restructurings, debt and equity transactions and other management services. We may utilize the services of A&M Securities and to the extent such service are utilized, A&M Securities will generally receive remuneration from the Partnerships or Portfolio Companies.

### The Relying Advisers

AMCP II Advisor provides investment advisory services to the AMCP II Partnerships and has entered into a sub-advisory agreement with A&M Capital in relation to the AMCP II Partnerships in exchange for a fee, as discussed in more detail in Items 4 and 5 above. Any employees and persons acting on behalf of AMCP II Advisor are subject to the supervision and control of A&M Capital.

AMCP III Advisor provides investment advisory services to the AMCP III Partnerships and has entered into a sub-advisory agreement with A&M Capital in relation to the AMCP III Partnerships in exchange for a fee, as discussed in more detail in Items 4 and 5 above. Any employees and persons acting on behalf of AMCP III Advisor are subject to the supervision and control of A&M Capital.



### Pooled Investment Vehicles

We or our affiliates organize and sponsor the Partnerships, which are private investment companies. The pooled investment vehicles managed by us are controlled by an affiliated General Partner entity. We or the General Partners of the Partnerships will be responsible for all decisions regarding portfolio transactions of the Partnerships and have full discretion over the management of the Partnerships' investment activities. While the applicable General Partners of the Partnerships are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of each General Partner of the Partnerships are subject to the supervision and control of A&M Capital. Thus, the General Partners of the Partnerships, all of their employees and the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the applicable General Partners of the Partnerships.

### Employee Securities Company

We have established ESCs through which certain eligible employees, members, officers, and independent contractors of A&M Capital, officers and employees of our affiliates and/or their family members, certain business associates, or other persons close to the firm invest alongside the Funds. The ESCs generally are contractually required, as a condition of investment, to purchase and exit their investments in each investment opportunity at substantially the same time, and on substantially the same terms, as the Funds.

### Co-Investment Opportunities

On occasion, we may form co-investment vehicles to invest alongside the Partnerships in Portfolio Companies where the Partnerships will make or have made an investment. Typically, co-investment vehicles will be allocated a pro-rata share (relative to capital invested) of transaction fees, portfolio monitoring fees, management fees and similar payments from Portfolio Companies. With respect to certain co-investments, to the extent agreed upon by co-investors, we may retain relevant transaction fees or portfolio monitoring fees, earn carried interest and receive a management fee that will not reduce the compensation paid to us by the Partnerships. Co-investment opportunities are offered at our discretion.

### Anchor Investor Relationships

We maintain a strategic relationship with New York Life Insurance Company and GoldPoint Partners LLC (formerly New York Life Capital Partners) (together with its affiliates, "NYL"). NYL has provided a significant capital commitment to the Funds. The relationship entitles NYL to certain rights related to the Funds, including, economic participation in the carried interest of the Funds (and similar rights for serving as an anchor investor in future funds). Under certain circumstances, NYL may also receive a discount on management fees paid, as well as a priority right to submit a proposal to provide mezzanine financing for Portfolio Companies. NYL, along with other anchor investors participating in the Fund's initial closings, have entered into side letters containing various other rights. Neither NYL nor any other investor will be involved in the day-to-day operations of A&M Capital nor do they have authority to direct the operations of the Funds.

### UK Advisor

A&M Capital Europe, SCSp qualifies as an alternative investment fund within the meaning of the Luxembourg law of July 12, 2013 on alternative investment fund managers and has appointed A&M Capital as its external non-EU alternative investment fund manager. A&M Capital has entered into an advisory agreement with A&M Capital Advisors Europe, LLP (the “UK Advisor”), a limited liability partnership formed under the laws of England and Wales, which is authorized and regulated by the Financial Conduct Authority in the UK. A&M Capital is the sole managing member of the UK Advisor. The UK Advisor will serve as an advisor to A&M Capital and will advise A&M Capital with respect to relevant aspects of the portfolio management of A&M Capital Europe, SCSp, including advising and arranging activities with respect to investments and providing advice with respect to managing investment activities.

### Other Affiliations

Alvarez & Marsal Holdings, LLC is a global professional services firm specializing in turnaround and interim management, performance improvement and business advisory services. A&M and its affiliates deliver specialist operational, consulting and industry expertise to management and investors seeking to accelerate performance, overcome challenges and maximize value across the corporate and investment lifecycles. We work closely with A&M and proactively utilize, as appropriate, the extensive resources of the A&M global network at key stages of the investment process to source, diligence, execute, manage and exit investment opportunities. To the extent such services are utilized, A&M or its affiliates generally receive remuneration from the Partnerships or Portfolio Companies. Also, in order to help maximize the potential deal flow through A&M’s professionals and broader network, the Partnerships have established an employee referral plan to encourage A&M partners and employees to assist in the referral of appropriate investment opportunities for the Partnerships. Participation in the program is open to A&M employees, regardless of their title or position within A&M. Such incentive compensation may be awarded in the form of cash or equity or equity-like participations in such companies. In each case, awards under this program will be made only to the extent permitted by law, and will not exceed 1% of the Partnerships’ invested equity with respect to each investment.

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

### Code of Ethics

Pursuant to Rule 204A-1 of the Advisers Act, we have adopted a written Code of Ethics (the “Code”) predicated on the principal that we owe a fiduciary duty to the Partnerships and their Investors. The Code establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations.

We generally prohibit the purchase or sale of securities that are held by the Partnerships, require pre-clearance before purchasing an IPO or limited offering (i.e., private placement), require periodic reporting of personal securities transactions and all holdings, and require prompt internal reporting of Code violations. A copy of our Code is available upon request by contacting our Chief Compliance Officer at 203-742-5898 or email [barbara@a-mcapital.com](mailto:barbara@a-mcapital.com).

### Participation or Interest in Client Transactions

We, our employees, and/or the General Partner of the Partnerships will make a capital commitment either directly to each Partnership or indirectly through a co-investment vehicle. The purpose of this commitment is to align our interests with the Limited Partners of the Partnerships. Generally, investments and disposals are made on substantially the same terms and conditions as the Partnerships. Details regarding the commitment for each Partnership can be found in the Governing Documents.

### Side Letters

In addition, the Partnerships have entered and expect to enter into separate agreements, commonly referred to as “side letters”, with certain Investors, to waive certain terms, or allow such Investors to invest on different terms than those specifically described in the Governing Documents. Under certain circumstances, these agreements could create preferences or priorities for such Investors with respect to other Investors.

### Potential Conflicts of Interest

There will be occasions when the sponsor, the general partner and/or the advisor to the Partnerships and their respective affiliates will encounter potential conflicts of interest in connection with the Partnerships’ activities including, without limitation, the diverse interests of the Partnerships’ limited partner group, the activities of A&M, A&M Capital and key fund personnel, the allocation of investment opportunities and conflicting fiduciary duties. There may be acquisition, restructuring and/or disposition opportunities that the Partnerships cannot take advantage of and the Partnerships may be prevented from accessing certain resources of A&M that it would otherwise seek to access because of such conflicts. Investors should be aware that conflicts will not necessarily be resolved in favor of the Partnerships’ interests. The following is a summary of only certain considerations and is qualified in its entirety by the more detailed Confidential Private Placement Memorandum of the applicable Partnership, which must be reviewed carefully.

**No Assurance of Ability to Participate in Investment Opportunities; Relationship with A&M.** A&M, A&M Capital and their affiliates may form and/or advise other investment vehicles, accounts and clients having objectives similar, in whole or in part, to those of the Partnerships. Except as provided in the Governing Documents, the Partnerships will not have any rights to investment opportunities in relation to such other funds, vehicles or accounts (including, without limitation, follow-on investment opportunities of such funds, vehicles or accounts). A&M, A&M Capital and their affiliates may also furnish similar management, advisory and/or consulting services to certain separate accounts or make investments for their own accounts. Accordingly, not all amounts available to the Partnerships relating to an investment will be presented to the Partnerships.

Where A&M is engaged by a client other than A&M Capital, A&M's only focus is on the client's interest, without regard for A&M Capital. A&M has no duty or responsibility to introduce A&M Capital with respect to any investment opportunity, and only after A&M receives its client's consent, would an introduction to A&M Capital be made. A&M Capital does not have access to A&M's deal flow or client relationships, and such relationships would not be disclosed to A&M Capital without the client's consent.

**Portfolio Company Relationships.** The Partnerships' Portfolio Companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other A&M Capital sponsored investment funds, vehicles or accounts or other A&M Capital affiliates, or certain third-party service providers that, although A&M Capital determines to be consistent with the requirements of such funds' governing agreements, would not have otherwise been entered into but for the affiliation or relationship with A&M Capital, and which involve fees, commissions, servicing payments, discounts, rebates and/or other benefits to A&M Capital, an A&M Capital affiliate and/or a Portfolio Company, which are not subject to the management fee offset provisions described in the Confidential Private Placement Memorandum of the Partnership. To the extent that a portfolio company of another A&M Capital sponsored investment fund, vehicle or account is providing such a service, such portfolio company and such other A&M Capital sponsored investment fund, vehicle or account will benefit. Further, the benefits received by the particular portfolio company providing the service may be greater than those received by the Partnerships and their Portfolio Companies receiving the service. A&M Capital, its affiliates, the Partnerships and/or other A&M Capital sponsored investment funds, vehicles or accounts may hold equity or other investments in companies or businesses (with respect to A&M Capital, even if they are not affiliates of A&M Capital) in the information technology and other industries that provide products or services to or otherwise contract with Portfolio Companies of the Partnerships and/or other A&M Capital sponsored investment funds, vehicles or accounts. In connection with any such investment, A&M Capital, its affiliates, the Partnerships or other A&M Capital sponsored investment funds, vehicles or accounts (or their respective portfolio companies) may make referrals and/or introductions to the Partnerships' Portfolio Companies and/or portfolio companies of other A&M Capital sponsored investment funds, vehicles or accounts in an effort, in part, to increase the customer base of such companies or businesses, and therefore the value of the investment, or because such referrals or introductions may result in financial incentives (including additional equity ownership) and/or milestones benefitting the referring or introducing party that are tied or related to participation by the Partnerships' Portfolio Companies and/or portfolio companies of other A&M Capital sponsored investment funds, vehicles or accounts. Where A&M Capital, its affiliates, or any other A&M Capital sponsored

investment fund, vehicle or account (or its portfolio company) is the referring or introducing party, the Partnerships and the Limited Partners will not share in any fees, economics or equity accruing to A&M Capital or such other A&M Capital sponsored investment fund, vehicle or account (or its portfolio company) as a result of these relationships and/or participation by the Partnerships' Portfolio Companies. There may, however, be instances where the applicable arrangements provide that the Partnerships or their Portfolio Companies may share in some or all of any resulting financial incentives (including, in some cases, equity ownership) based on structures and allocation methodologies as determined in the sole discretion of A&M Capital or its affiliates. Conversely, where the Partnerships or one of their Portfolio Companies is the referring or introducing party, rather than receiving all of the financial incentives (including, in some cases, additional equity ownership) for similar types of referrals and/or introductions, such financial incentives (including, in some cases, equity ownership) may be similarly shared with the participating A&M Capital sponsored investment funds, vehicles or accounts or their respective portfolio companies.

In addition, it is possible that certain portfolio companies of the other A&M Capital sponsored investment funds, vehicles or accounts or companies in which the other A&M Capital sponsored investment funds, vehicles or accounts have an interest will compete with the Partnerships for one or more investment opportunities. It is also possible that certain portfolio companies of the other A&M Capital sponsored investment funds, vehicles or accounts or companies in which the other A&M Capital sponsored investment funds, vehicles or accounts have an interest will engage in activities that may have adverse consequences on the Partnerships and/or their Portfolio Companies (including, by way of example only, as a result of laws and regulations of certain jurisdictions (e.g., bankruptcy, environmental, consumer protection and/or labor laws) that may not recognize the segregation of assets and liabilities as between separate entities and may permit recourse against the assets of not just the entity that has incurred the liabilities, but also the other entities that are under common control with, or part of the same economic group as, such entity), which may result in the assets of the Partnerships and/or their Portfolio Companies being used to satisfy the obligations or liabilities of one or more other A&M Capital sponsored investment funds, vehicles or accounts, their portfolio companies and/or affiliates. In addition, Portfolio Companies of the Partnerships and affiliates of A&M Capital may also establish other investment products, vehicles and platforms focusing on specific asset classes or industry sectors that fall within the Partnerships' investment strategy and may compete with the Partnerships for investment opportunities (it being understood that such arrangements may give rise to conflicts of interest that may not necessarily be resolved in favor of the Partnership).

A Portfolio Company of the Partnerships may enter into agreements, transactions or other arrangements with another Portfolio Company of the Partnerships or one or more portfolio companies of another A&M Capital sponsored investment fund, vehicle or account, which may give rise to actual or potential conflicts of interest for the General Partner, the Partnerships and/or their respective affiliates. Such agreements, transactions or other arrangements may be entered into without the consent or direct involvement of the Partnerships and/or such other A&M Capital sponsored investment fund, vehicle or account or the consent of the LP Advisory Committee and/or the limited partners of the Partnerships or such other A&M Capital sponsored investment fund, vehicle or account (including, without limitation, in the case of minority investments by the Partnerships in such Portfolio Companies or the sale of assets from one Portfolio Company to another). This is because, among other things, Portfolio Companies of the Partnerships and portfolio companies of other A&M Capital sponsored investment funds, vehicles or accounts are

not considered affiliates of the General Partner, A&M Capital or the Partnerships under the partnership agreements of the Partnerships. In any such case, the Partnerships may not be involved in the negotiation process and the terms of any such agreement, transaction or other arrangement may not be as favorable to the Partnerships as otherwise may be the case if the Partnerships was involved.

With respect to transactions or agreements with Portfolio Companies (including, for the avoidance of doubt, long-term incentive plans), at times if unrelated officers of a Portfolio Company have not yet been appointed, A&M Capital may negotiate and execute agreements between A&M Capital and/or the Partnerships 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. It is also possible that the Partnerships or the Partnerships' Portfolio Companies will be counterparties or participants in agreements, transactions or other arrangements with a Limited Partner or an affiliate of a Limited Partner. Such transactions may include agreements to pay performance fees to operating partners and other related persons in connection with the Partnerships' investment therein, which will reduce the Partnerships' returns and will not necessarily be subordinated to the return of the Limited Partners' capital contributions.

Moreover, in connection with seeking financing or refinancing of Portfolio Companies and their assets, it may be the case that better financing terms are available when more than one Portfolio Company provides collateral, particularly in circumstances where the assets of each Portfolio Company are similar in nature. As such, rather than seeking such financing or refinancing on its own, a Portfolio Company of the Partnerships may enter into cross collateralization arrangements with another Portfolio Company of the Partnerships or portfolio companies of one or more other A&M Capital sponsored investment funds, vehicles or accounts. As a result of any cross-collateralization, the Partnerships could also lose its interests in otherwise performing investments due to poorly performing or non-performing investments of other A&M Capital sponsored investment funds, vehicles or accounts.

**Advisory and Consulting Client Relationships.** A&M may come into possession of information that limits the Partnerships' ability to engage in potential transactions. The Partnerships' activities may be constrained as a result of the General Partner's inability to use such information. In certain situations in which A&M currently has or previously had an advisory or consulting engagement involving the sale of all or a portion of the underlying company or its assets, the company may permit the Partnerships to act as a bidder or ultimate purchaser with respect to such transaction, which would raise certain conflicts of interest inherent in such a situation. A&M advises leveraged buy-out and other private equity funds with investment objectives similar to or the same as those of the Partnerships and strategic buyers, both of which may be in a position to compete with the Partnerships for an investment opportunity. There can be no assurance that suitable investment opportunities which come to the attention of A&M will be made available to the Partnerships. A&M is under no obligation to make any opportunity available to the Partnerships. The Partnerships may co-invest with clients or potential clients of A&M in particular investment opportunities and the relationship with such clients could influence the decisions made by the General Partner and A&M Capital with respect to such investments.

**Material, Non-Public Information.** A&M Capital may acquire confidential or material nonpublic information and therefore be restricted from initiating transactions in certain securities. The

Partnerships may not be provided access to or otherwise receive material non-public information in the possession of A&M, A&M Capital or their affiliates which might be relevant to an investment decision to be made by the Partnerships, and the Partnerships may initiate a transaction or sell a Portfolio Investment which, if such information had been known to it, may not have been undertaken. In the event any material, non-public information is disclosed to the General Partner or A&M Capital, the Partnerships may be prohibited by applicable securities laws and A&M's and/or A&M Capital's internal policies from acting upon any such information including effecting any transaction that otherwise would have been effected if such information had not been disclosed to A&M Capital or the General Partner.

**Fees Payable to A&M.** A&M may provide a broad range of pre- and post-acquisition advisory and consulting services to companies in which the Partnerships invest and A&M generally will be paid fees for such services. A&M may also receive directors or monitoring fees in connection with the service of A&M executives on the boards of directors of Portfolio Companies. None of A&M's fees for any of the foregoing will be shared with the Partnerships and the Limited Partners will not receive the benefit of fees or other compensation received by A&M in connection with the provision of services by A&M to the Partnerships or third parties. While the General Partner and A&M Capital intend that any services provided by A&M to the Partnerships or to companies in which the Partnerships invest will be on market rates determined by the General Partner and/or A&M Capital in good faith, such compensation will not be determined through arms-length negotiation and the General Partner will not guarantee the performance of any such services or such terms. The fee potential, both current and future, inherent in a particular investment or transaction could be viewed as an incentive for A&M to seek to provide services to the Partnerships or to refer or recommend an investment or transaction to the Partnerships. Moreover, Jack D. McCarthy, Jr. maintains certain passive economic interests in A&M arising from his historical relationship and former role with Alvarez & Marsal Holdings, LLC's consulting business, and from time to time in the future, Mr. McCarthy and other persons involved with, as applicable, the Partnerships, the General Partner or A&M Capital may be granted additional equity interests in A&M. In addition, Messrs. Alvarez and Marsal will indirectly hold a controlling interest in the General Partner and A&M Capital and persons involved with A&M's advisory business may be granted direct or indirect equity interests in the General Partner or A&M Capital. Although A&M Capital believes the possibility to be remote, these relationships could conceivably be viewed as a contributing incentive for the General Partner and/or their affiliates to utilize the services of A&M in connection with the Partnerships' activities as opposed to other third-party service providers, or to otherwise influence the investment activities of the Partnerships. Moreover, the Partnerships regard A&M as a preferred service provider in light of the close association of A&M Capital and the Partnerships' professionals to A&M and its personnel, the affiliation of the organization and the perception and belief by A&M Capital and the Partnerships that A&M is a market-leading service provider. Accordingly, the opportunity for A&M to earn fees in respect of the Partnerships or their Portfolio Companies may give rise to actual or potential conflicts of interest. Any management fees or carried interest payable by Limited Partners shall not be reduced by any portion of A&M's fees.

**Other Affiliate Transactions.** The Partnerships are expected to engage in transactions with their affiliates. Conflicts of interest may arise in connection with any co-investment or other affiliate transactions. Conflicts may arise in determining the amount of an investment, if any, to be allocated among potential investors and the respective terms thereof. There can be no assurance that the

return on the Partnerships' investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction.

**Other Responsibilities and Relationships of the Investment Team and Other Persons; Other A&M Activities; Use of A&M Resources.** A&M Capital personnel are not dedicated exclusively to the Partnerships and will have other responsibilities for A&M and A&M Capital and outside of A&M and A&M Capital. Conflicts of interest are expected to arise in allocating management time, services or functions, and A&M Capital's ability to access other professionals, resources and investment opportunities within or through A&M for the benefit of the Partnerships may be limited. In addition, such access may be limited by the internal compliance policies of A&M and A&M Capital or other legal or business considerations. Both the General Partner and A&M Capital are affiliated through certain common ownership with A&M, and material actions of the General Partner and A&M Capital will be made by (or require the consent of) Alvarez & Marsal, Inc., an affiliate of both A&M and A&M Capital that is controlled by Messrs. Alvarez and Marsal, including, without limitation, decisions with respect to removal and replacement of the personnel of the General Partner and A&M Capital.

**Investments Alongside Other A&M Capital Funds.** A Partnership may also co-invest with other funds, vehicles or accounts managed by A&M Capital in investments that are suitable for both such Partnership and such other funds, vehicles or accounts. As a result of legal, tax, regulatory, accounting or other considerations, the terms of an investment (including with respect to price and timing) for a Partnership and/or such other funds, vehicles or accounts may not be the same. Additionally, a Partnership and/or such other A&M Capital funds, vehicles or accounts may have different expected termination dates and/or investment objectives and A&M Capital, as a result, may have conflicting goals and fiduciary duties with respect to the price and timing of further investment, disposition or restructuring opportunities.

**Continuation Investments by Other A&M Capital Funds.** The Partnerships may enter into one or more agreements to exit all or any portion of a Portfolio Investment with one or more persons that are not controlled by A&M Capital, and each such person may subsequently enter into an agreement with one or more other A&M Capital funds pursuant to which such other A&M Capital fund or funds will directly or indirectly acquire or hold an interest in such Portfolio Investment, in each case, without the consent of the Limited Partner advisory committee or a majority in interest of the Limited Partners (each, a "Continuation Investment"). It is possible that as a result of legal, tax, regulatory, accounting or other considerations, such investment may be acquired by such other A&M Capital fund on the same date that such Portfolio Investment is sold by the Partnerships. If a Portfolio Company in which the Partnerships have exited a Portfolio Investment is so acquired by such other A&M Capital fund, A&M Capital may have conflicting loyalties between its duties to the Partnerships and to such other A&M Capital fund. The General Partner may seek the consent of the Limited Partner advisory committee or a majority in interest of the Limited Partners in respect of one or more Continuation Investments, but, for the avoidance of doubt, such approval may be sought at the discretion of the General Partner and is not required.

**Co-Investment Allocations.** Pursuant to the terms of the Partnerships' Governing Documents, the General Partner has and may in the future in its sole discretion make available the opportunity to invest alongside a Partnership to certain Limited Partners and/or third parties, and certain co-investors may receive favorable terms and/or priority arrangements with respect to their



participation in co-investment opportunities and the terms thereof, and fees attributable to any such co-investments received by A&M Capital and/or its affiliates will generally not be shared with the Limited Partners. The allocation of co-investment opportunities may not be in the best interest of the Partnerships or any individual Limited Partner. Investments with third party co-investors will involve additional risks which are not present in investments which do not involve a third party co-investor, including the possibility that a third party co-investor has economic or business interests or goals that are not consistent with those of the Partnerships, may be in a position to take action contrary to the Partnerships' investment objectives or may default on its obligations. There can be no assurance that the Partnerships will be successful in mitigating these risks contractually through co-investment agreements. Transaction-specific returns, and a Limited Partner's overall returns from its exposure to a Partnerships' Portfolio Companies, may be affected significantly by the extent to which Limited Partners are offered and choose to participate in co-investment opportunities. The allocation of co-investment opportunities may involve a benefit to A&M Capital including, without limitation, capital commitments to a Partnership or other A&M Capital products, or fees or carried interest from the co-investment opportunity. There can be no assurances with respect to the amount of any investment opportunity that will be allocated to the Partnerships.

**Valuation Matters.** The fair value of any Portfolio Investments will be determined by (x) the General Partner pursuant to guidelines prepared in accordance with generally accepted accounting principles (and/or other recognized international accounting standard selected by the General Partner) and reviewed by the Partnerships' independent accountants or (y) in circumstances where the Partnerships are co-investing alongside a lead sponsor, such lead sponsor. Accordingly, the carrying value of a Portfolio Investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. In certain circumstances, the General Partner's determinations of fair value will present conflicts of interest, including the amount and timing of receipt of carried interest (for example where valuations are used to determine whether there is an aggregate net loss from writedowns on a portfolio-wide basis resulting from a permanent impairment in value of any unrealized Portfolio Investments). In addition, in circumstances where the Partnerships are co-investing alongside a lead sponsor, the General Partner may conclusively rely on valuations provided by the lead sponsor with respect to a Portfolio Investment.

**Concentration of Voting by Limited Partners and Limited Partner Advisory Committee.** The Limited Partners, including limited partners of any parallel funds, generally vote on all matters that require a vote of the Limited Partners in a Partnerships' Governing Documents on a combined basis and based on capital commitments. Actions by relatively large investors could affect the outcome of votes submitted to the Limited Partners. In particular, NYL and other anchor investors individually, or together with each other or one or more of a small group of Limited Partners may hold at least a majority in interest of the capital commitments of a Partnership or control the vote of the Limited Partner advisory committee. Voting rights may continue to be controlled or influenced by one or a relatively small group of investors throughout the life of the Partnerships. Such investors may have business and other relationships with A&M Capital and/or its personnel that may influence their voting on any matter and present conflicts of interest. Furthermore, NYL and other investors may be motivated in voting on conflicts matters involved in such transactions by their economic interest shareholding in A&M Capital and/or its affiliates more so than by their interest as a Limited Partner. The presence of these other relationships may influence their decisions as members of the Limited Partner advisory committee or as Limited Partners.

**Diverse Limited Partner Group.** The Limited Partners are expected to have conflicting investment, tax, regulatory and other interests with respect to their investments in the Partnerships. Conflicts of interest are expected to arise in connection with decisions made by the General Partner or A&M Capital that may be more beneficial for one investor than for another investor. In selecting, structuring and managing investments appropriate for the Partnerships, the General Partner and A&M Capital will generally consider the investment and tax objectives of the Partnerships and their partners (and those investors in other investment vehicles managed or advised by the General Partner and A&M Capital) as a whole, and not the investment, tax or other objectives of any Limited Partner individually.

**Service Providers.** Certain advisors and other service providers, or their affiliates, (including, but not limited to, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to the Partnerships, A&M Capital or the Portfolio Companies may also provide goods or services to or have business, personal, political, financial or other relationships with A&M and A&M Capital. Such advisors and service providers may be investors in the Partnerships, members of the Limited Partner advisory committee, affiliates of the General Partner, sources of investment opportunities or co-investors or counterparties therewith. In addition, the officers, directors, members, managers and other senior employees of A&M, A&M Capital, the General Partner or their respective affiliates will have interests (including financial interests) in such service providers. In addition, senior members of A&M Capital have ownership interests in a private aircraft, which may be used for air travel in connection with the Partnerships. These relationships may influence the General Partner in deciding whether to select or recommend such a service provider to perform services for the Partnerships or a Portfolio Company (the cost of which will generally be borne directly or indirectly by such Partnership or such Portfolio Company, as applicable). In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to A&M Capital, the General Partner or their affiliates as compared to services provided to the Partnerships and their Portfolio Companies, which may result in more favorable rates or arrangements than those payable by the Partnerships or such Portfolio Companies.

**Capital Calls and Use of Subscription Lines and Asset-Backed Facilities.** For administrative convenience, capital calls, including those used to pay interest on subscription lines, asset-back facilities and other indebtedness, may from time to time be “batched” together into larger, less frequent capital calls or closings, with the Partnerships’ interim capital needs being satisfied by the Partnerships borrowing money from credit facilities. As a general matter, use of leverage in lieu of drawing down capital commitments can amplify returns (either negatively or positively) to Limited Partners, may lower cash returns while enhancing internal rates of return, and may positively impact the distributions of carried interest for the General Partner. This will present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and that such preferred return does not accrue on such borrowings, and only accrues on capital contributions when made. The General Partner has an incentive to, and may, permanently fund the acquisition and ongoing capital needs of Portfolio Investments and the Partnerships with the proceeds of such borrowings in lieu of drawing down capital commitments. Use of such long-term leverage arrangements with respect to Portfolio Investments may reduce or eliminate the preferred return received by the Limited Partners and accelerate or increase distributions of carried interest to the General Partner,

providing the General Partner with an economic incentive to fund investments through long-term borrowings in lieu of capital contributions. Calculations of net and gross IRRs are based on the payment date of capital contributions received from Limited Partners. Use of a subscription-based credit facility will impact calculation and reporting of returns than if the facility had not been utilized and instead such Limited Partners' capital had been contributed at the inception of an investment.

**Other Activities and Relationships.** The investment professionals involved with the Partnerships and their affiliates may serve as members of the boards of directors of various companies and participate in other activities outside of A&M and A&M Capital. The possibility exists that the companies with which one or more of such persons is involved could engage in transactions that would be suitable for a Partnership, but in which such Partnership might be unable to invest. With respect to any persons who serve as directors of a Portfolio Company, such individuals, in their capacity as directors, will generally be required to make decisions that they consider to be in the best interests of the Portfolio Company. There may be conflicts of interests between such person's duties with respect to the General Partner and such person's duties as a director of the Portfolio Company.

**Carried Interest; Employee Referral Plan.** The existence of the General Partner's carried interest and the Partnerships' employee referral plan could be viewed as an incentive for the General Partner and the participants in such plan, respectively, to make or recommend riskier or more speculative investments for the Partnerships than would be the case in the absence of these arrangements. The manner in which the General Partner's entitlement to carried interest is determined may result in a conflict between its interests and the interests of Limited Partners with respect to the sequence and timing of disposals of investments.

**Allocation of Expenses.** A&M Capital and its affiliates from time to time incur fees, costs, and expenses on behalf of one or more Partnerships. If any operating expenses are incurred for the account or for the benefit of more than one Partnership, A&M Capital will allocate such operating expenses among the Partnerships in such manner as A&M Capital considers fair and reasonable. Notwithstanding the foregoing, A&M Capital may in the future develop policies and procedures to address the allocation of expenses that differ from its current policy.

**Insurance.** A&M Capital will cause a Partnership to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure A&M Capital, the General Partner, and/or their respective directors, officers, employees, agents, representatives, members of the Limited Partner advisory committee and other indemnified parties, against liability in connection with the activities of A&M Capital. This includes a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by A&M Capital that cover the Partnerships, the General Partner, and/or A&M Capital (including their respective directors, officers, employees, agents, representatives, members of the Limited Partner advisory committee and other indemnified parties). A&M Capital will make judgments about the allocation of premiums, fees, costs and expenses for such "umbrella" or other insurance policies among the Partnerships, the General Partner, and/or A&M Capital on a fair and reasonable basis, in its sole discretion, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a

different allocation would not result in the Partnerships bearing less (or more) premiums, fees, costs and expenses for insurance policies.

**Litigation.** The Partnerships' investments may involve various types of restructurings, foreclosures or other proceedings, which can be contentious and adversarial. It is by no-means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. A&M Capital, the General Partner, the Partnerships and one or more of their respective affiliates may be named as defendants in civil proceedings. Furthermore, the adoption of new or enhancement of existing laws and regulations may increase the risk of litigation to a Partnership. Any such litigation would likely have a negative financial impact on A&M Capital and/or the Partnerships. For instance, the expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Partnerships and would reduce the Partnerships' net assets.

**Indemnification.** The Partnerships will indemnify and hold harmless A&M Capital, the General Partner, their affiliates (including A&M and Alvarez & Marsal Inc.) and their respective direct or indirect officers, employees, directors, agents, stockholders, members and partners, and may indemnify other persons, from and against liabilities arising in connection with the Partnerships, including any liabilities arising out of litigation. Such liabilities may be material and have an adverse effect on the returns to the Limited Partners. The indemnification obligations of the Partnerships would be payable from assets of such Partnerships, including the unpaid capital commitments of the Limited Partners. The General Partner may recall distributions previously made to the Limited Partners, subject to certain limitations set forth in the Governing Documents to satisfy indemnity obligations.

**Item 12: Brokerage Practices**

We focus on making investments in private securities, thus we typically do not engage in traditional brokerage transactions, utilize any soft dollar relationships with any broker, nor permit investors to stipulate the direction of brokerage. To the limited extent we transact in public securities, we intend to select brokers based upon the broker's ability to provide best execution for the Partnerships. We are generally authorized to make the following determinations, subject to the Partnerships' investment objectives and restrictions: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions. Also, as a private equity fund manager we do not aggregate the purchase or sale of securities across the Partnerships.

**Item 13: Review of Accounts**

All investments are carefully reviewed and approved by our investment committees. The Portfolio Companies are reviewed on a continuous basis and the investment personnel meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Each Limited Partner will receive the following reports in accordance with the terms of the applicable Governing Documents: (i) audited annual financial statements; (ii) unaudited quarterly financial statements together with investment information on investments by the Partnerships; and (iii) annual tax information necessary to complete any applicable tax returns.

**Item 14: Client Referrals and Other Compensation**

During a fundraising cycle for a Partnership, we may compensate placement agents who introduce new investors that commit capital. The amount paid to placement agents ranges up to 2.0% of the capital raised, and all placement fees will be fully disclosed to investors referred by placement agents. In the event a Partnership pays a placement fee to a placement agent, our Management Fee will be reduced by that amount. Investors working with a placement agent should be aware of the inherent conflicts of interest when working with placement agents. Placement agents may refer potential investors to funds that pay a higher referral fee.

**Item 15: Custody**

All client funds and securities are held in custody by unaffiliated broker/dealers or banks (other than certain privately offered securities to the extent permitted by Rule 206(4)-2 under the Advisers Act); however we have access to client funds and securities since an affiliate serves as the General Partner of each Partnership. The Partnerships are audited on an annual basis in accordance with generally accepted accounting principles (GAAP) and the financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days (or 180 days, as applicable) of each Partnerships' fiscal year end. Limited Partners should carefully review these statements, and should compare these statements to any account information provided by us.



**Item 16: Investment Discretion**

In accordance with the terms and conditions of the Governing Documents, and subject to the direction and control of the General Partner of each Partnership, we generally have discretionary authority to determine, without obtaining specific consent from the Partnerships or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the Partnerships, and to perform the day-to-day investment operations of the Partnerships.

With respect to the AMCP II Partnerships, subject to the direction and control of the General Partner of each such Partnership, AMCP II Advisor generally has discretionary authority in relation to the investments made by these vehicles. Under the sub-advisory arrangement between AMCP II Advisor and A&M Capital with respect to the AMCP II Partnerships, all decisions, consents and other determinations to be made by AMCP II Advisor pursuant to its investment advisory agreements with the AMCP II Partnerships or the governing documents of the AMCP II Partnerships are to be made by AMCP II Advisor. For additional information regarding this sub-advisory arrangement, please see Item 4 above.

With respect to the AMCP III Partnerships, subject to the direction and control of the General Partner of each such Partnership, AMCP III Advisor generally has discretionary authority in relation to the investments made by these vehicles. Under the sub-advisory arrangement between AMCP III Advisor and A&M Capital with respect to the AMCP III Partnerships, all decisions, consents and other determinations to be made by AMCP III Advisor pursuant to its investment advisory agreements with the AMCP III Partnerships or the governing documents of the AMCP III Partnerships are to be made by AMCP III Advisor. For additional information regarding this sub-advisory arrangement, please see Item 4 above.

**Item 17: Voting Client Securities**

In accordance with our fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, we have adopted and implemented written policies and procedures governing the voting of client securities. All proxies that we receive will be treated in accordance with these policies and procedures. A copy of our written proxy voting policies and procedures, as well as a record of how we have voted in the past, will be maintained and available for review upon written request by contacting our Chief Compliance Officer at 203-742-5898 or email [barbara@a-mcapital.com](mailto:barbara@a-mcapital.com).

Partnerships are primarily invested in privately-held Portfolio Companies which typically do not issue proxies; therefore, the traditional concept of voting of proxies and participation in class actions is not currently applicable to us. The investment opportunities that we seek allows the Partnerships to have influence on the management, operations and strategic direction of the Portfolio Companies in which they invest, through a majority interest and/or through the employees who sit as officers and directors on Portfolio Companies boards. The exercise of control and/or significant influence over Portfolio Companies imposes additional risks of liability for product defects, environmental damage, failure to supervise management and other types of liability in which the limited liability generally characteristic of business operations may be ignored. The exercise of control and/or significant influence over Portfolio Companies could also expose the assets of the Partnerships to claims by such Portfolio Companies, their security holders and their creditors. While we intend to manage the Partnerships in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

We will seek to avoid material conflicts of interest between our own interests on the one hand, and the interests of the Partnerships on the other. However, as is typical with private equity investing, we seek and accept the election of one or more of our representatives to serve on the board of directors on behalf of the Partnerships and will typically, but not always, vote in favor of board recommendations. In the event we are faced with a material conflict of interest, we may defer to the voting recommendation of our conflicts committee and consult with a Partnerships' Limited Partner advisory committee.

**Item 18: Financial Information**

We are not required to file a balance sheet since we do not collect more than \$1,200 in fees six months or more in advance. In addition, there is no known financial condition that is reasonably likely to impair our ability to meet contractual commitments, and we have not been the subject of a bankruptcy proceeding.