

**ITEM 1 – COVER PAGE**

**PART 2A OF FORM ADV FIRM BROCHURE**

**REDBIRD CAPITAL PARTNERS MANAGEMENT LLC**

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**MARCH 2022**

**This Brochure is for informational purposes only. It does not convey an offer of any type and is not intended to be, and should not be construed as, an offer to sell, or the solicitation of an offer to buy, any interest in any entity, investment or investment vehicle.**

**This Brochure provides information about the qualifications and business practices of RedBird Capital Partners Management LLC (“RedBird”). If you have any questions about the contents of this Brochure, please contact Michael Chiaravalloti at 646-757-0689 or by email at [mchiaravalloti@redbirdcap.com](mailto:mchiaravalloti@redbirdcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority, and references in this Brochure to RedBird as a “registered investment adviser” are not intended to imply a certain level of skill or training.**

**Additional information about RedBird is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 – MATERIAL CHANGES**

RedBird is amending this Brochure in connection with its Annual Form ADV amendment, effective March 29, 2022. The last annual update to RedBird's Brochure was made on March 31, 2021. A summary of changes since the last annual update is as follows:

- Updated Item 1 to include the name and contact information of RedBird's new Chief Compliance Officer, Michael Chiaravalloti, who started in May 2021.
- Revised Items 4, 5 and 11 with additional disclosure related to fees and expenses applicable to certain RedBird Funds (as defined herein) and relationships with affiliated entities, as applicable.

In the future, this Item will discuss only specific material changes that are made to the Brochure since the date of the most recent annual filing. We will also reference the date of the last annual update of our Brochure on future brochures.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary.

The information set forth in this Brochure is qualified in its entirety by reference to each Fund's Governing Documents (as defined herein) and/or offering documents. In the event of a conflict between the information set forth in this Brochure and the information set forth in the Fund's Governing Documents and/or offering documents, the Fund's Governing Documents and/or offering documents shall take precedence.

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## ITEM 4 – ADVISORY BUSINESS

### **Overview of RedBird Capital Partners Management LLC**

RedBird Capital Partners Management LLC (“**RedBird**”) is a Delaware limited liability company that was formed in July 2013 and is an investment adviser registered with the SEC, effective November 25, 2013. The principal owner of RedBird is RedBird Capital Partners Alternative Holdings LLC (“**RCPAH**”). RedBird Holdings Carry Vehicle LLC (“**RHCV**”) is the principal owner of RCPAH, and RedBird Capital Partners LLC (“**RCP**”) serves as the managing member of RCPAH.

As of the date of this Brochure, Gerald J. Cardinale is the sole owner and managing member of RHCV and RCP. Mr. Cardinale is RedBird’s Chief Executive Officer and Managing Partner (the “**Managing Partner**”), and he also serves as RedBird’s Chief Investment Officer.

RedBird provides discretionary investment advisory services to pooled investment vehicles which are operated as private equity funds (each, a “Fund” and collectively, the “Funds”), certain of which are managed as co-investment, alternative investment vehicles and special purpose vehicles (each a “COI” and collectively, the “COIs”) to invest in one or more particular investments. Each of the Funds is organized as a Delaware limited partnership or limited liability company, and the General Partner to each such Fund (the “**GP**”) is a related person of RedBird and is under common control with RedBird. RedBird may establish additional Funds in the future (and anticipates doing so).

As of the date of this Brochure, the Funds (excluding the COIs) include:

- RedBird Capital Partners Platform LP (the “**RCP Platform**”)
- RedBird Capital Partners Fund I LP (the “**RCP Fund I**”)
- RedBird Capital Partners Fund II LP (the “**RCP Fund II**” and collectively with RCP Platform and RCP Fund I, the “RedBird Group”)
- RedBird Series 2019 LP (the “**RCP Fund III**”)

Certain affiliates and/or related persons of RedBird, which include (among other persons) officers and employees of the firm, invest on generally a pro rata basis alongside the RedBird Group and the RCP Fund III through certain COIs (each, a “GP COI” or together, the “GP COIs”) subject to certain adjustments as set forth in the applicable Governing Documents (as defined below).

RedBird allocates investment opportunities to the Funds in accordance with its investment allocation policy. The RedBird Group will generally invest on a pro rata basis, according to each such Fund’s capital commitment and subject to certain adjustments, as set forth in the applicable Governing Documents (as defined below). RCP Fund III will also invest in accordance with the terms in its applicable governing documents (together with the RedBird Group governing documents, the “**Governing Documents**”), which generally include the respective Fund’s limited partnership agreement, co-invest agreement and/or the investment management agreement between the Fund and RedBird. Investors in RCP Fund I, RCP Fund II and RCP Fund III should also refer to the applicable Fund’s private placement memorandum, including any amendments or supplements thereto and/or any other disclosure documentation, as applicable (the “**Disclosure Documents**”),

for details relating to each Fund's operation.

RedBird intends to form additional Funds or COIs to invest in one or more particular investments in addition to advising the existing Funds. Under the terms of its RedBird Group Governing Documents, the Strategic Investor (as defined below) or its affiliate is granted a first option to undertake co-invest opportunities with any RedBird Group fund which exceed certain thresholds after which the applicable GP (or another affiliate of RedBird) may offer such opportunity to some or all of a Fund's investors and/or any other persons (including investors in future funds managed by RedBird, employees and affiliates of RedBird and the GP, and any other person at the GP's sole discretion). The Strategic Investor, other investors and other persons may make such co-investments with any RedBird Group Fund, as well as other Funds, on terms and conditions that are materially different from each other and the investment by the particular Fund with which such investors are co-investing. Such COIs have in the past been charged, and are expected to be charged in the future, the fees described below in Item 5 or may be subject to different fee amounts and/or terms. RedBird or the applicable GP may offer co-investment opportunities to some investors and not others.

### **Advisory Services**

RedBird serves as investment adviser to the Funds and invests the Funds' assets on a discretionary basis. Specifically, the Managing Partner, serving as RedBird's Chief Investment Officer, is responsible for the development and execution of the Funds' investment activities, in consultation with RedBird's investment team. RedBird, on behalf of the Funds, employs an integrated investment approach focusing on corporate growth equity opportunities. RedBird identifies, sources and investigates potential investment opportunities for the Funds which will generally invest in accordance with, and subject to certain adjustments set forth in, the applicable Governing Documents. RedBird will primarily source proprietary investments through its global network of family offices and entrepreneurs across industry verticals, capital structures and geographies. Refer to Item 8 of this Brochure for further details regarding RedBird's investment strategy.

In October 2014, RedBird established a partnership arrangement with an investor (the "**Strategic Investor**"), which is structured through the RCP Platform, in which the Strategic Investor has made a significant capital commitment. RedBird maintains that its partnership with the Strategic Investor is predicated on a shared investment philosophy. Refer to Item 8 and Item 11 for additional information about RedBird's relationship with the Strategic Investor.

Investors are provided with materials, including (among other documents) the applicable Governing Documents and Disclosure Documents (as applicable), prior to making capital commitments to a Fund. RedBird (together with the applicable GP) has discretion to manage the investment program of the Funds, subject to the investment guidelines and restrictions set forth in the Governing Documents.

RedBird and/or the applicable GP may enter into side agreements with individual investors, which may include, among other things, provisions permitting an investor to opt out of particular investments, discounting an investor's management fee, carried interest and/or other fees, or granting an investor preferential rights with respect to co-investment opportunities.

RedBird may retain with respect to certain Funds, on its own behalf or on behalf of a portfolio company(ies) or the applicable Fund, advisors, consultants, and other service providers to perform capital raising, advising, consulting, financing and other services (excluding investment management services). RedBird may determine that an affiliate should be retained to provide such services (the “**Affiliated Services**”), in which case such affiliate would be entitled to receive as compensation for its services a fee payable by the Fund or the applicable portfolio company (“**Special Fee**”). The Affiliated Services are expected to include certain RedBird advisory teams, secondees and subsidiaries of RCP and RedBird’s management company with which RedBird expects to partner in the sourcing, development and ongoing management of existing and future investment opportunities pursued through the applicable Fund or otherwise. Certain Affiliated Services will be provided by Art & Science Partners, Inc. (“**Art & Science**”), which was indirectly acquired by RCP in December 2021 as a strategic investment to enhance RedBird’s value creation, with a primary purpose of being able to provide marketing and creative services to certain portfolio companies. Art & Science will charge applicable Funds, such portfolio companies and such affiliates Special Fees for these services and any related expenses and such fees (including, in some cases, in the form of non-cash equity-based compensation) and expense reimbursements received by Art & Science or its employees will be shared with certain of the Funds depending on the Governing Documents of such Funds. Refer to Items 5 and 11 of this Brochure for further details regarding Affiliated Services, including services provided by Art & Science, and Special Fees.

It should also be noted that the RCP Fund I, RCP Fund II and RCP Fund III each have an Advisory Board (each an “**Advisory Board**”) that is comprised of a select group of limited partners who will meet periodically to provide advice, oversight and approval of certain aspects of the applicable Fund’s investment activities as set out on the applicable Governing Documents. Refer to Item 11 of this Brochure for further details regarding the Advisory Board.

RedBird does not participate in wrap fee programs.

### **Regulatory Assets Under Management**

As of December 31, 2021, RedBird manages approximately \$5,820,679,839 of regulatory assets on a discretionary basis. RedBird does not currently manage client assets on a non-discretionary basis.

## ITEM 5 – FEES AND COMPENSATION

### **Fees**

As further described below, generally, RedBird and/or the applicable GP (or another RedBird affiliate) are compensated by the Funds through the payment of management fees (or other payments) and performance-based fees. The specific terms relating to the fees paid by any Fund are negotiated between RedBird, the applicable GP and the investors in the respective Fund at the time of such Fund's formation.

RedBird receives a management fee (the “**Management Fee**”) from the Funds that is paid quarterly in advance. During the “**Commitment Period**” (as defined in each Fund's Governing Documents), the annual amount of the Management Fee is generally either based on a percentage of the aggregate capital commitments to the applicable Fund or each investor's actively invested capital contributions (as defined in each Fund's Governing Documents) of the applicable Fund.

Additionally, the applicable GP may be eligible to receive a performance allocation from certain Funds based on a percentage of investment proceeds on distributions (the “**Carried Interest**”). Distributions will be split between investors and the GP as set forth in the respective Fund's Governing Documents. The Carried Interest will be generally equal to a percentage of the applicable Fund's profits, which applies once an investor in the Fund has received an annual rate of return, and may be subject to a waterfall, as set forth in the respective Governing Documents.

It should be noted that the Strategic Investor participates in a portion of the Carried Interest paid to the applicable GP (or another RedBird affiliate) by certain Funds.

RedBird or the GP (as applicable) may elect to waive or reduce Management Fees, performance-based compensation and/or other payments for any investor, including investors that are affiliates and/or related persons of RedBird. It should be noted that investors that are affiliates and/or related persons of RedBird, which include (among other persons) officers and employees of the firm, will typically not be charged a Management Fee or subject to Carried Interest. As such, the GP COIs are not subject to such fees but do bear their pro rata share of operating expenses borne by the applicable Funds, as described below.

Fees charged to any future COI, including any Management Fee, will be negotiated on a case-by-case basis. Such terms may be substantially similar to or substantially different than the fee terms described above.

RedBird or the GP (as applicable) deducts fees directly from the applicable Funds' assets or through a separate capital call. Investors do not have the ability to choose to be billed directly for fees incurred.

In addition, RedBird and its affiliates have in the past received, and are expected in the future to receive, financial consulting fees, directors' fees, monitoring fees and other deal fees and break-up fees, advisory fees, placement fees and all other similar fees and compensation relating to the

making, disposition or management of investments (collectively, “Transaction Fees”) earned in respect of the Funds’ investments, which will reduce any Management Fee or other payments payable by the Funds, as set forth in the respective Fund’s Disclosure Documents (as applicable) and Governing Documents. Typically, the fee offset will not apply to other COIs. Any such fees received in connection with an investment that is shared between the Funds will be allocated among the participating Funds pro rata based on the amount contributed to the investment. Where certain Governing Documents permit, fees paid directly from a portfolio company to RedBird may be allocated across all owners and therefore only the portion specifically allocated to the Funds will be offset against the Management Fee. Notwithstanding the foregoing with respect to Transaction Fees, as is further set forth in the applicable Governing Documents and as noted above in Item 4, RedBird or its affiliates have received and are expected to continue to receive, and portfolio companies have borne and are expected to continue to bear, Special Fees, in each case without reduction or offset to the Management Fee or any other amount payable to RedBird or its affiliates. However, Special Fees may be treated as Transaction Fees when a Fund’s share of cumulative Special Fees from inception exceeds certain thresholds of the Fund’s aggregate capital commitments as set forth in the applicable Governing Documents. Additionally, certain Transaction Fees associated with Affiliated Services provided by Art & Science will be treated as Special Fees and used to offset the Management Fees or other payments otherwise payable by the Funds based on the applicable Governing Documents of such Fund. At the times prescribed in the Governing Documents, RedBird will disclose to the members of the Advisory Board all Affiliated Services provided to the applicable Fund and the applicable Fund’s share of all Special Fees and Transaction Fees received by RedBird in the prior quarter. The Advisory Board as set forth in the applicable Fund’s Governing Documents may elect to cap a Fund’s share of Special Fees. Refer to Item 11 of this Brochure for further details regarding Transaction Fees and Special Fees.

Investors in the Funds are required to be “accredited investors” within the meaning of Regulation D of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), and “qualified purchasers” within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”).

**It is critical that investors and prospective investors refer to the respective Fund’s Disclosure Documents (as applicable) and/or Governing Documents for a complete understanding of how RedBird and the applicable GP are compensated for advisory services. The information contained herein is a summary only and is qualified in its entirety by the Fund’s Disclosure Documents and/or Governing Documents.**

### **Fund Expenses**

Each Fund bears its proportionate shares of legal and other organizational expenses as is set forth in each Fund’s Governing Documents. The RCP Fund I and RCP Fund II bore such expenses up to \$1.5 million, the RCP Platform bore such expenses up to \$1.8 million and RCP Fund III bore such expenses up to \$5 million. Each Fund will continue to bear all expenses incurred in connection with its operations, meetings and future liquidation (other than expenses resulting from the fraud, gross negligence or willful misconduct of RedBird or the applicable GP), including, but not limited to, and as applicable to each Fund in accordance with each Fund’s Governing Documents: (i) expenses incurred in connection with the discovery, investigation, negotiation, structuring, making, holding, developing, operating, managing, monitoring and disposing of investments (and potential investments that are not consummated), including, with respect to certain Funds,



Bloomberg terminals and similar equipment, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, and legal, accounting, investment banking, consulting, information services and professional fees; (ii) expenses of administrators, custodians, outside counsel, economic advisors, tax advisors, auditors and accountants; (iii) expenses incurred in connection with regulatory filings; (iv) any insurance; (v) any taxes, fees or other governmental charges levied against the Fund; (vi) expenses relating to any audit, investigation, governmental inquiry or public relations undertaking; (vii) the costs and expenses of any litigation relating to the activities or operation of the Fund and the amount of any judgments or settlements paid in connection therewith, relating to the business, activities and interests of the Fund; (viii) any expenses relating to any defaults by investors; (ix) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Fund; (x) expenses incurred in connection with the formation, operation, administration, restructuring or liquidation of any special purpose vehicles COIs and other investment vehicles; and (xi) expenses incurred in connection with any meetings of investors (including meetings of the Advisory Board). (xii) Affiliated Servicer Expenses as related to Affiliated Services as is set forth in the applicable Funds' Governing Documents. Investors should refer to the relevant Governing Documents for details regarding the calculation of Deal Expenses.

Except as set forth above, RedBird is responsible for routine overhead expenses of RedBird and the GPs, including rent, utilities, secretarial expenses and compensation and benefits of the employees of RedBird or its affiliates. Additionally, where portfolio companies have permanent residence inside RedBird's office locations, a sub-lease agreement is executed between RedBird and the portfolio company whereby the portfolio company pays RedBird a fixed rent that is no greater than the amount RedBird would have otherwise incurred. However, RedBird has seconded, and may second in the future, certain employees to selected portfolio companies held by certain Funds in accordance with the applicable Governing Documents. A portion of the seconded employees' compensation and applicable overhead expense will be charged to the applicable portfolio company.

Investors indirectly incur brokerage and other transaction costs (as applicable) related to their investment in a Fund. Refer to Item 12 of this Brochure for information regarding RedBird's brokerage practices.

Expenses charged to any future COI will be negotiated on a case-by-case basis. Such terms may be substantially similar to or substantially different than the expense terms described above.

**It is critical that investors and prospective investors refer to the respective Fund's Disclosure Documents (as applicable) and/or Governing Documents for a complete understanding of how RedBird and the applicable GP allocate Fund operating expenses. The information contained herein is a summary only and is qualified in its entirety by the Fund's Disclosure Documents and/or Governing Documents.**

### **Management Fee Credits and Investor Clawback**

As explained above, the Management Fee is paid quarterly in advance to RedBird pursuant to a Fund's Governing Documents.

If, as of a certain date, Transaction Fees applied to reduce the Management Fees paid by a limited partner exceed the Management Fees payable by such limited partner, such excess amounts will be credited against future Management Fees payable by such limited partner until the entire amount of the excess has been credited. To the extent such excess Transaction Fees prove to be greater than the future amounts of Management Fee payable by a limited partner, such excess amounts will be paid by RedBird (or its affiliate) upon liquidation of the applicable Fund to each limited partner who elects to receive such payment in its subscription agreement.

Generally, investors may not withdraw from a Fund prior to dissolution, and may not transfer any of their interests in a Fund without the prior written consent of the applicable GP.

Generally, the Management Fee obligation of a Fund may be terminated only in connection with the dissolution of the Fund.

It should be noted that investors may be required to return distributions previously received from certain Funds in an amount up to 15% of their capital commitments, with respect to the RedBird Group, and in an amount not to exceed the lesser of (x) 25% of their capital commitment and (y) the distributions made to such investor and its obligations under the applicable Governing Documents, with respect to RCP Fund III (each, an “**Investor Clawback**”). No distribution will be subject to an Investor Clawback after the second anniversary of the dissolution of the Fund. Similarly, the Strategic Investor may be required to return distributions previously received from the RCP Platform in an amount up to 15% of its capital commitments.

To the extent fees are charged to any future COI, payment terms will be negotiated on a case-by-case basis. Such terms may be substantially similar to or substantially different than the terms described above.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5 above, the applicable GP receives performance-based compensation from certain Funds in the form of Carried Interest. The GP's right to receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for RedBird to make investments that are riskier or more speculative than in the absence of such performance-based fees. As noted in Item 5, the Strategic Investor participates in a portion of the Carried Interest paid to the applicable GP (or another RedBird affiliate) by the Funds.

Investors are provided with clear disclosure in the respective Fund's Disclosure Documents (as applicable) and Governing Documents as to how performance-based compensation is charged with respect to a Fund, and the risks associated with such performance-based compensation, prior to making capital commitments to the Fund.

It should also be noted that conflicts regarding performance-based compensation may arise to the degree that RedBird manages additional Funds which may be subject to different fee terms. As noted in Item 5, RedBird or the applicable GP may elect to waive or reduce the Management Fees, performance-based compensation and/or other fees for any investor, including investors that are affiliates and/or related persons of RedBird. Investors that are affiliates and/or related persons of RedBird, which include (among other persons) officers and employees of the firm, will typically not be charged a Management Fee or subject to a Carried Interest. As such, the GP COIs are not subject to such fees.

RedBird recognizes its fiduciary status and its obligation to treat all Funds in a fair and equitable manner.

## ITEM 7 – TYPES OF CLIENTS

As described in Item 4 above, RedBird provides discretionary investment advisory services to pooled investment vehicles which are operated as private equity funds.

Each investor in the Funds must meet certain eligibility provisions. Specifically, each investor in the Funds is required to represent that it is an “accredited investor” within the meaning of Regulation D of the Securities Act and, depending on the particular Fund in which an investor subscribes, may be required to represent that it is a “qualified client” under Rule 205-3 of the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), or a “qualified purchaser” as defined in section 2(a)(51)(A) of the Investment Company Act.

In addition, certain of the Funds are subject to minimum capital commitments, as set forth in the applicable Governing Documents. RedBird or the applicable GP may waive or reduce the minimum capital commitment for any investor.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### **Investment Strategy and Methods of Analysis**

The following summarizes the investment strategy RedBird implements on behalf of the Funds and the methods of analysis used in formulating investment advice for the Funds. An investment in the Funds managed by RedBird involves a risk of loss that investors should be willing to bear.

RedBird employs an integrated investment approach focusing on corporate growth equity opportunities. As noted in Item 4, RedBird identifies, sources and investigates potential investment opportunities for the Funds which will generally invest in accordance with, and subject to certain adjustments set forth in, the applicable Governing Documents. RedBird will primarily source proprietary investments through its global network of family offices and entrepreneurs across industry verticals, capital structures and geographies. The Funds will primarily make control and joint control investments in closely held, growth-oriented private companies in partnership with business founders and entrepreneurs. Certain Funds may accumulate minority positions in the tradable, highly syndicated or publicly traded debt or equity securities, or securities convertible into equity securities, of potential portfolio companies in order to seek a more meaningful investment in such company. Additionally, certain Funds may also make investments in, or become sponsors of, special purpose acquisition companies (“SPACs”). RedBird will seek to create unique opportunities with a fundamental value-investing orientation supplemented by a differentiated investment strategy to optimize risk-adjusted equity returns over the investment holding period.

RedBird’s investment process involves careful review and due diligence, including an analysis of the competitive industry landscape, assessment of the management team and ownership structure, financial, accounting and tax review, legal and insurance due diligence and financial analysis. Prior to entering into any definitive agreement, transactions will be thoroughly reviewed by RedBird’s investment team. RedBird anticipates that the Funds’ investment portfolio will be comprised of private investments across a range of equity securities that position each investment for the most attractive risk-adjusted return specific to that opportunity.

**It is critical that investors and prospective investors refer to the respective Fund’s Disclosure Documents (as applicable) and/or Governing Documents for a complete overview of the Fund’s investment strategy and RedBird’s methods of analysis. The information contained herein is a summary only and is qualified in its entirety by the Fund’s Disclosure Documents and/or Governing Documents.**

### **Risk Factors**

An investment in the Funds involves a significant degree of risk. There can be no assurance that the Funds’ targeted rate of return will be achieved or that there will be any return of capital. An investor should only invest in an Fund if the investor can withstand the liquidity constraints of such investment and a total loss of its investment. No guarantee or representation is made that

any Fund's investment program will be successful.

The following are some of the additional material risks associated with an investment in the Funds. The following is not intended to be an exhaustive list of such risks and it is critical that investors refer to the Governing Documents and Disclosure Documents of the applicable RedBird investment vehicle for a complete overview of RedBird's investment strategies and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisers as to whether an investment in a Fund is appropriate for them. Certain investment risks of the Funds include:

1. **Nature of the Funds' Investments.** Investments in the Funds are speculative and volatile, requiring a long-term commitment with no certainty of return. The Funds may invest in companies that are experiencing or are expected to experience severe financial difficulties, which difficulties may never be overcome. The Funds may also make investments in companies in a conceptual or early stage of development which may not have a proven operating history on which to judge future performance. Such investments are considered highly speculative and may result in the loss of the Funds' entire investment. Since the Funds may only make a limited number of investments and since many of the Funds' investments may involve a high degree of risk, poor performance by a few of the Funds' investments could significantly reduce the total returns to investors. No assurances can be given that the Funds' investment objective will be achieved or that investors will receive a return of their capital.
2. **General Cash Flow Risks.** Certain of the entities in which the Funds will invest may be leveraged and will likely not provide the Funds with any significant cash distributions until the underlying property is sold or refinanced. Accordingly, the Funds will likely not be able to make any significant cash distributions to the applicable investors other than in connection with the disposition of its investments.
3. **Illiquidity; Market for Fund Investments.** There will be no public market for certain of the Funds' investments in privately held entities, and the Funds' ability to dispose of any investment will in many cases be further limited by the agreements entered into by Funds in connection with such investments. The ability of the Funds to sell or distribute securities and to realize investment gains will depend, in large part, upon favorable market conditions, including receptiveness to initial public offerings for the portfolio companies in which the Funds invests and an active mergers and acquisitions market. Initial public offering and merger and acquisition opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of such limitations on liquidity, which are illustrative and not exhaustive, the Funds will generally not be able to realize on an investment in a privately held entity until the disposition of such investment. There can be no assurance that the Funds will be able to dispose of its investments at the price and at the time it wishes to do so. Furthermore, such illiquidity may continue even if the underlying entities obtain listings on securities exchanges.
4. **Limited Number of Investments; Lack of Diversity.** Except as set forth in the Governing Documents, entities in the Funds are under no obligation to diversify their investments, whether by

reference to the amount invested or the industries or geographical areas in which the investments are made. Accordingly, the Funds will participate in a limited number of investments and, as a consequence, the aggregate return of the Funds may be substantially adversely affected by the unfavorable performance of even a single investment. On any given investment, loss of all or a portion of the original amount of the investment is possible. Investors have no assurance as to the degree of diversification in the Funds' investments, whether by geographic region, industry, asset or transaction type. To the extent the Funds concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, the Funds expects to make a number of investments for which third party financing will be desirable but not necessarily available at the time of investment. There is significant risk that such financing may never become available, or that a refinancing will not be able to be completed on desirable terms. This could result in the Funds having a variety of unintended long-term investments and/or reduced diversification.

5. **Diversification.** While diversification is an objective of the Funds, there is no assurance as to the degree of diversification that will actually be achieved in the Funds' investments. Because a substantial percentage of the capital commitments of a RedBird vehicle may be invested in a single portfolio company (or more in certain circumstances), a loss with respect to such a portfolio company could have a significant adverse impact on such vehicle's returns as described above. Furthermore, if the Funds co-invest with other private equity funds, an investor may have exposure to a portfolio company through more than one fund. Therefore, an investor should only invest in the Funds as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment.

6. **Non-Controlling Investments.** The Funds may hold less than 50% of the outstanding voting interests of any portfolio company or may hold investments in debt instruments or other securities that do not entitle the Fund to voting rights, and, therefore, may have a limited ability to protect its investments in any such portfolio company. However, as a condition of investment, the GP may negotiate representation on the board of directors of each such portfolio company or appropriate minority shareholder and supervisory rights to protect the Funds' investments.

7. **Investments in Early-Stage and New Companies.** The Funds may invest a portion of its assets in the securities of early-stage companies or entirely new companies established around the purchase of a significant asset or assets. Investments in such early stage or newly formed companies may involve greater risks than generally are associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and may result in the loss of the Funds' entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on the Funds' other investments.

8. **Additional Capital Requirements of Portfolio Companies.** Certain of the Funds' portfolio companies, especially those in a development or "platform" phase, may require additional

financing to satisfy their working capital requirements or acquisition strategies. The amount of such additional financing will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Funds or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided are not sufficient, a company may have to raise additional capital at a price unfavorable to the existing investors, including the Funds. In addition, the Funds may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such company in order to preserve the Funds' proportionate ownership when a subsequent financing is planned, or to protect the Fund's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of the Funds or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

9. **Risk of Dilution.** Investors admitted or increasing their commitments at subsequent closings may participate in existing investments of the Funds, diluting the interest of previously admitted investors in the applicable Fund. Although such additional investors (or existing investors increasing their commitments) will contribute their pro rata share of previously made draws by the applicable Fund, together with interest as described in the Governing Documents, there can be no assurance that these payments will reflect the fair value of their pro rata share of the Fund's existing investments at the time such additional investors are admitted or such existing investors are permitted to increase their commitments.

10. **Material Non-Public Information.** By reason of their responsibilities in connection with their other activities, RedBird's managing partner and other key investment professionals may acquire confidential or material non-public information or be otherwise restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

11. **Recycling; Reinvestment.** The GP has the right to recall certain distributions in accordance with the applicable Governing Documents. Accordingly, an investor may be required to make capital contributions in excess of its commitment, and to the extent such recalled amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

12. **Reliance on the Management of Portfolio Companies.** Although it is the intention of the Funds to ensure that portfolio companies have strong management teams, there can be no assurance that any portfolio company's management team will be able to operate successfully. Instances of fraud and other deceptive practices committed by the management team of portfolio companies in which the Funds has an investment may undermine the GP's due diligence efforts with respect to such companies. If such fraud is discovered, it could adversely affect the valuation of the Funds' investments and may contribute to overall market volatility that can negatively impact the Funds' investment portfolios.

13. **Third Party Involvement.** The Funds may co-invest with third parties through joint ventures



or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial, legal or regulatory difficulties, resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Funds, or may be in a position to take (or block) action in a manner contrary to the Funds' investment objectives. In addition, certain Funds may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

**14. Uncertainty Regarding Investments.** Although the Funds will make every effort to conduct appropriate due diligence prior to making an investment, the due diligence process may be subjective at times, may be required to be undertaken on an expedited basis in order to take advantage of available investment opportunities and may require the Funds to rely on limited resources available to it including information provided by the target of the investment and third-party consultants, legal advisers, accountants and investment banks. As a result, it is uncertain whether the due diligence investigation will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. The Funds also cannot be certain that the due diligence investigation will result in investments being successful.

**15. Asset Valuations.** With certain limited exceptions, valuations of current income and disposition proceeds with respect to Fund investments will be determined by the General Partner and will be final and conclusive for all Partners. The Fund may not provide periodic pricing or valuation information to investors with respect to the Fund's investments.

**16. Consequences of Default.** In the event that an investor fails to fund any of its capital commitment when required, there may be certain contractual consequences applicable to such investor's interest in the Funds in accordance with the applicable Governing Documents. If an investor fails to pay any of its capital commitment when due, and the applicable Funds vehicle is not able to cover such defaulted amounts, the Funds vehicle may be unable to pay its obligations when due. As a result, the Funds may be subjected to significant penalties that could materially adversely affect the returns to the investors (including non-defaulting investors). In addition, any non-defaulting investors in the applicable Funds vehicle may be required to increase their contributions to the investment resulting in the defaulted capital contribution and in respect of subsequent Fund investments which, in turn, will reduce the degree of diversification of such investors' investment in the Funds and increase such investors' risk of loss.

**17. Bridge Financings.** From time to time, in certain circumstances (as set forth in the Governing Documents) the Funds may lend to portfolio companies on a short term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Where permitted under its Governing Documents, a Fund may look to covert such bridge loans into a more permanent, long term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

**18. Risk of Leverage.** Certain Funds, or certain special purpose vehicle(s) established by the

Funds, may borrow funds to pay partnership expenses, to make new or follow-on investments, or to make payments under guarantee, surety or hedging transactions in accordance with the Governing Documents. The use of borrowed funds creates the opportunity for greater total returns, but at the same time involves certain risks. Since the Funds, or any such special purpose vehicle, generally will pay principal of, and interest on, its borrowings prior to making any distributions to the investors, an increase or decrease in capital or income of the Funds or any such special purpose vehicle will have an increased effect on the returns to the investors. Because any decline in the value of the Funds' investments would be borne entirely by the applicable investors, the effect of leverage in a declining market would result in a greater decrease in capital than if such Funds were not leveraged.

The Funds' investments may be in portfolio companies whose capital structures have significant leverage. Although the GP will seek to use leverage in a prudent manner, 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 their industries. The incurrence of significant indebtedness could also subject such portfolio companies to restrictive covenants, terms and conditions the violation of which would be viewed by creditors as an event of default and which could require the prepayment of debt using excess cash flow and limit such portfolio companies' ability to respond to changing industry conditions, make necessary capital expenditures, obtain additional financing, take advantage of growth opportunities or engage in strategic acquisitions.

**19. Availability of Financing.** The Funds' ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, could impair the Funds' ability to consummate these transactions and could adversely affect the Funds' returns.

**20. Hedging Policies and Risks; Synthetic Investments.** In connection with the financing of certain investments, the Funds may employ hedging techniques designed to reduce the risks of such investments, including, without limitation, adverse movements in interest rates, securities prices and currency exchange rates. However, the Funds are not required to employ such hedging techniques in connection with its investments and may be unable to anticipate all risks against which such hedges could be employed. In addition, such transactions have inherent risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Funds relating thereto. Although such transactions may reduce the Funds' exposure to, among other things, currency fluctuations or decreases in the value of investments, the costs and risks associated with these arrangements may reduce the returns that the Funds would have otherwise achieved if these transactions were not entered into by the Funds. In addition, although such hedging transactions may hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction may differ from the character of the gain or loss on the investment or the timing of the gain or loss for tax purposes may differ between the hedging transaction and the investment.

With respect to any investments in synthetic instruments, the Funds will have a contractual relationship only with the synthetic instrument counterparty, and no direct rights with respect to the underlying asset. The Funds may not have any voting, information, or other rights of ownership with respect to the underlying asset. In addition, the Funds will be subject to the credit risk of the synthetic instrument counterparty, and, in the event of the insolvency of such counterparty, the Funds generally will be treated as a general creditor of such counterparty and will not have any claim of title with respect to the underlying asset.

**21. Controlling Interests.** Because of its equity ownership, representation on the board of directors and/or contractual rights, the Funds may often be considered to control, participate in the management of or influence the conduct of portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors may be ignored. If these liabilities were to arise, the Funds may suffer a significant loss, exposing the assets of the Funds to claims by a portfolio company, its other security holders, its creditors or governmental agencies, which may exceed the value of the Funds' initial investment in that portfolio company.

**22. Repayment of Certain Distributions.** In the event the Funds are otherwise unable to meet its obligations, the investors may be required to repay to the Funds or to pay to creditors of the Funds distributions previously received by them in accordance with the Governing Documents. In addition, investors may be required to pay to the Funds amounts that are required to be withheld by the applicable Funds vehicle for tax purposes.

**23. Co-Investment Warehousing.** Certain Funds have in the past, and are expected to in the future, temporarily warehouse a portion of an investment opportunity in order to facilitate a co-investment by one more affiliated or third-party co-investors. If such co-investment is not ultimately consummated, the Fund may end up holding a larger portion of such investment than it otherwise expected or desired to hold. The risk of a co-investment not being consummated may increase in the event an investment decreases in value during the warehousing period, and the Fund may be required to bear the losses in connection with any such investment. Except in the case of a syndicated investment which shall be at the cost specified in the applicable Governing Documents, RedBird determines the cost of the co-investment in its sole discretion, taking into account its cost to the applicable Fund, the cost of capital and other factors, and the Fund might not charge the co-investors an amount that accurately reflects any appreciation in the value of the investment or appropriately compensates the Fund for the costs and risks incurred during the holding period.

**24. Stake/Seed Deals.** RedBird and its affiliates may have ownership interests and revenue shares in, or otherwise come to be affiliated with, various third-party investment managers of private investment funds, primarily through the purchase of minority ownership interests in the management entities of such managers' funds (each, a "**RedBird Stake/Seed Manager**"). The risks of investment in a RedBird Stake/Seed Manager include the risk that such manager fails to raise or maintain sufficient assets under management, that such manager suffers a key person event, that such manager is itself unable to identify sufficiently attractive investment opportunities, and that such manager engages in fraud or other materially adverse conduct. Although as part of the Partnership's investment in a RedBird Stake/Seed Manager the manager might enter into an

arrangement to help source further investment opportunities for the applicable Fund in exchange for payment by the Fund of certain amounts to such manager (which may take the form of sourcing fees and/or profit-sharing arrangements, or a similar reduction in amounts otherwise distributable to the applicable Fund from such manager), RedBird must maintain veto rights over any investment the Fund is to make with such RedBird Stake/Seed Manager. Because the aforementioned restriction prevents the Fund from making capital commitments to investment funds managed by RedBird Stake/Seed Managers, prospective RedBird Stake/Seed Managers may prefer to receive an investment from a party that is capable of committing capital to such managers' funds. As a result, the applicable Fund may receive fewer opportunities for investment in RedBird Stake/Seed Managers or may receive investment opportunities that are less favorable than those which such RedBird Stake/Seed Manager would have offered to the Fund had the Fund been willing to make a capital commitment to an investment fund managed by such RedBird Stake/Seed Manager. Because the amounts payable by the Fund to a RedBird Stake/Seed Manager will not reduce the Management Fee or other amounts payable to RedBird, such amounts will reduce the returns of the Fund and there can be no assurances that the return on investment in a RedBird Stake/Seed Manager or any investment opportunity sourced by such RedBird Stake/Seed Manager will be sufficiently profitable to justify the amounts paid by the Fund to such RedBird Stake/Seed Manager (whether by way of investment in, or payment to, such manager).

**25. Industrial Sector Risks.** Prospective portfolio companies in the industrial sector are subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, the effects of economic slowdowns, adverse changes in fuel prices, labor relations, insurance costs, government regulations, political changes, and other factors. Additionally, products and manufacturing processes may be complex and there is no guarantee that the portfolio companies will be able to successfully develop or manufacture their products. Further, ordinary operation or the occurrence of an accident with respect to a portfolio company could cause major environmental damage, which may result in significant financial distress to such portfolio company, even if covered by insurance. The applicable Fund investing in such portfolio company may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments.

**26. Catastrophic Events.** Certain Funds may invest in portfolio companies that are highly automated businesses and rely on their network infrastructure, various software applications and many internal technology systems and data networks for their manufacturing, shipping, customer support, development, sales and marketing and accounting and finance functions. Some of these functions may be operated by third parties, and the portfolio companies may have limited control over those facilities. A disruption or failure of these systems or data centers in the event of a natural disaster, telecommunications failure, power outage, cyber-attack, war, terrorist attack or other catastrophic event could cause system interruptions, reputational harm, delays in product development or manufacturing production, breaches of data security and loss of critical data. Such an event could also prevent the portfolio company from fulfilling customer orders or maintaining certain service level requirements. Although certain portfolio companies may have developed certain disaster recovery or resiliency plans and maintain backup systems or infrastructure to reduce the potentially adverse effect of such events, a catastrophic event that resulted in the destruction or disruption of any of their data centers, their critical business or information technology systems or manufacturing centers could severely affect their ability to conduct normal business operations and, as a result, their business, operating results and financial condition could be adversely affected.

The applicable Fund cannot provide assurance that its portfolio companies' disaster recovery plans will address all of the issues they may encounter in the event of a disaster or other unanticipated issue, and their business interruption insurance may not adequately compensate them for losses that may occur from any of the foregoing. In the event that a natural disaster, terrorist attack or other catastrophic event were to destroy any part of their facilities or interrupt such portfolio companies' operations for any extended period of time, or if harsh weather or health conditions prevent such portfolio companies from delivering products in a timely manner, their business, financial condition and operating results could be adversely affected.

**27. Energy Investment Risks.** Certain Funds may invest in portfolio companies with a focus on energy. Such investments are subject to various risks which included, but are not limited to, those related to: (i) commodity price volatility when hedging may not be available or fully effective, (ii) regulatory approvals, changes or judicial or administrative interpretations of existing laws and regulations, (iii) siting requirements and related challenges including those related to drilling by non-governmental organizations and special interest groups, (iv) construction risks including labor disputes, shortages of materials and skilled labor or work stoppages and other delays, (v) estimating reserves and quantities given geological, engineering and economic data for each oil reservoir, (vi) the heightened degree of scrutiny surrounding hydraulic fracturing given environmental interest groups' warnings related to the potential for various environmental problems, (vii) renewable energy policy risk related to the discontinuation of, or reduction in, favorable government legislation in support of renewables; (viii) new technology risk that is disruptive and designed to reduce dependence upon large-scale fossil fuel generation; (ix) fluctuation in energy prices whereby any prolonged substantial decline in the price of oil will likely have a material adverse effect on the financial condition, operations and cash distributions of the applicable portfolio company, (x) oil development and production risks including the risk that no commercially productive oil reserves will be found, (xi) uncertainty of acquiring or developing recoverable oil reserves, including capital expenditures for identification and acquisition of projects, the drilling and completion of wells and the conduct of development and production operations, (xii) conservation measures and technological advances that reduce the demand for oil, and (xiii) environmental and other regulations related to the oil and gas industry. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**28. Airline Leasing Risks.** Certain Funds may invest in portfolio companies expected to primarily lease aircraft. The aircraft leasing market is affected by various cyclical factors that are not within the control of the portfolio company such as: interest rates, the availability of credit, fuel costs and general economic conditions affecting aircraft operator operations, manufacturer production level, passenger demand, retirement and obsolescence of aircraft models, manufacturers merging or exiting the industry or ceasing to produce aircraft types, re-introduction into service of aircraft previously in storage, governmental regulation, and air traffic control infrastructure constraints. The availability of commercial aircraft for lease or sale has periodically experienced cycles of oversupply and undersupply, producing sharp decreases and increases in aircraft values and lease rates. Additionally, aircraft leasing can be subject to significant maintenance and other operating costs, insurance costs, as well as risks pertaining to terrorist attacks or security events, adverse publicity stemming from a serious accident involving an aircraft and the effects of weather, natural disasters, seasonality and other global issues such as pandemics. There can be no assurance that prevailing industry conditions or the other relevant costs and events noted above will allow the portfolio company to lease or purchase aircraft on satisfactory terms.

**29. Risks of Toe-Hold Investments in Publicly Traded Securities.** Certain Funds may accumulate minority positions in the tradable, highly syndicated or publicly traded debt or equity securities, or securities convertible into equity securities, of potential portfolio companies in order to seek a more meaningful investment in such company. While RedBird will seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions, or private placements, RedBird may be unable to accumulate a sufficiently large position in a portfolio company to execute the applicable Fund's strategy. In such circumstances, the Fund may dispose of its position in the portfolio company within a short time of acquiring it; there can be no assurance that the price at which the Fund can sell such securities will not have declined since the time of acquisition. Moreover, this may be exacerbated by the fact that securities of the companies that the applicable Fund may target may be thinly traded and that the Fund's position may nevertheless have been substantial, although not controlling, and its disposal may depress the market price for such securities.

**30. Sports Investment Risks.** Certain Funds may invest in portfolio companies with an emphasis on sports. Such investments are subject to various risks which included, but are not limited to, those related to: (i) competition, both within their sport and from other professional and collegiate sports, (ii) performance and/or popularity of a sports franchise and the effect of personnel decisions, salary caps and collective bargaining agreements on revenue and earnings from operations, (iii) actions of professional sports leagues when governing bodies of professional sports leagues take actions they deem to be in the best interest of their respective league which may be consistent with maximizing the Fund's performance; (iv) injuries to players, including those that are serious and/or untimely that may result in the obligation to pay all of an injured player's salary. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**31. Entertainment Investment Risks.** Certain Funds may invest in portfolio companies with a focus on entertainment. Such investments are subject to various risks which included, but are not limited to, those related to: (i) competition with other leisure activities such as television, radio, motion pictures, sporting events, other live performances, restaurants and nightlife venues, the Internet and other alternative sources of information, (ii) sports or entertainment venues that are highly sensitive to customer taste and where the inability to attract popular artists, groups or events would negatively affect the Fund, (iii) geographic concentration causing adverse events (acts of terrorism, natural disasters, weather conditions, labor disruptions, governmental actions) to potentially have a material negative effect on a portfolio company's business, (iv) the discretionary nature of the entertainment expenditure causing participation in such activities to decline during a market downturn, (v) reliance on advertising revenue, (vi) the loss of programming distribution or other programming agreements or the renewal of agreements on less favorable terms. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**32. Media Group Risks.** Certain Funds may invest in portfolio companies whereby revenue will be dependent upon locating and retaining talented athletes. Its success will depend, in part, upon its ability to develop, obtain and retain talented athletes. The amount and likelihood of the company's revenues is dependent in part upon the professional success of the athlete clients. The company will likely incur significant promotional, marketing, travel and entertainment expenses in the recruitment of professional athletes without any guarantee that the targeted athletes will enter

into representation agreements with it. There are a limited number of potential athletes that ultimately enter into professional arrangements. Consequently, there can be no assurance that the company will be successful in its efforts. Its success will also be partially dependent upon the athletic performance of and commercial marketing opportunities for its athlete clients. The company's revenue will also be subject to: volatile shifts in popularity of the sport in question, the number of roster positions available, and salaries paid, to athletes, competition with other agencies for available talent, serious injuries to key athletes, league work stoppages and lack of fan interest. There is no guarantee that: (1) the company can sign, attract and retain athletes; (2) the various state athletic commissions will certify the athletes once it has retained them; and (3) the athletes will pass various drug screening tests. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**33. Risks Related to Communication Investments.** Certain Funds may invest in portfolio companies expected that primarily operate communications assets. These investments may include: (i) investing in companies that own or operate communications assets and that provide service to other service providers or end users; (ii) acquiring FCC licenses and then either leasing or selling the acquired licenses to service providers; (iii) acquiring, building or deploying, and operating communications assets for the provision of wholesale capacity to service providers or service to end users; or (iv) acquiring, building or deploying communications assets and leasing or selling those assets to service providers. Such investments are subject to various risks which included, but are not limited to, those related to: (a) demand for communications services and related assets and increased competition for additional customers and business partners, (b) challenges to new entry given established service providers already in operation, (c) finite resources such as wireless spectrum with licenses that are heavily regulated by the Federal Communications Commission ("FCC") and the value of which could decline as a result of various factors, (d) potential difficulty of acquiring an FCC license, both directly and through FCC auctions which are subject to a number of rules, are costly and are not guaranteed, (e) data risk including the loss of important customers, the consolidation of customers such that multiple networks or data centers are not needed, the emergence of new technology reducing the demand for new data centers and other leasing opportunities, the impact of new data related regulations and the potential for health risks related to radio frequency emissions, (f) communication infrastructure asset risk related to economic/market conditions, political events, competition, regulation, availability or price of inputs necessary for operation, labor issues, failure of technology and structural failures and accidents, (g) technology industry investment risks where performance is highly correlated with successful implementation of new technology and/or exploitation of technologies, and (h) fiber infrastructure investment risk where increased competition from companies in the telecommunications and media industries that currently do not focus on bandwidth infrastructure is possible and there is existing competition from communications service providers, including local exchange carriers and cable television companies, with great financial, managerial, sales and marketing, and research and development resources that can promote their brands and have large budgets and that can distribute content over their own networks thereby reducing demand for bandwidth. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**34. Risks Related to Life Settlement Investments.** Certain Funds may invest in, or otherwise have economic exposure to, insurance linked products (such as life insurance policies). As used below, the term "Policy-Holder" refers to the direct holder of such product, whether it be the applicable Fund itself, an entity holding such product, or a portfolio company holding such product.

Such investments are subject to various risks which included, but are not limited to, those related to: (i) life expectancy of the insureds related to insureds under the applicable policies living longer than expected, (ii) lapse of policies whereby the value of the asset could be lost, (iii) any delay or failure of an issuing insurance company to pay death benefits under a policy to the Policy Holder resulting from any claim, challenge or proceeding asserting a lack of the requisite insurable interest, (iv) if one or more of the issuing insurance companies contests any of the policies, such action may result in a negative impact on the market value or liquidity of those policies; (v) risk of litigation with insureds, family members of insureds and insurance companies; (vi) delays in receiving insurance proceeds due to delays in making a claim given obtaining death certificate or where the body of the insured cannot be located and/or identified, (vii) delays in payment of death benefits including delays cause by the issuing insurance company investigating facts surround the death claims, and (viii) failing to comply with privacy safeguards by the policy holder or related parties. Any of the above-mentioned risks can negatively impact a Fund's investment in the applicable portfolio company.

**35. Cybersecurity Risks.** Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject, particularly operating companies in historically vulnerable industries. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information, (ii) customer or portfolio company financial information, (iii) portfolio company software, contact lists or other databases, (iv) portfolio company proprietary information or trade secrets, or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at RedBird or one of its service providers holding its financial or investor data, RedBird, its affiliates or the Funds may also be at risk of loss, despite any efforts to prevent and mitigate such risks under RedBird's policies.

**36. Pandemics and COVID-19.** Occurrences of epidemics or pandemics, depending on their scale, may cause different degrees of damage to global, national and local economies. COVID-19 (also known as novel coronavirus) presents unique, rapidly changing and hard to quantify risks. In general, it has resulted in a significant reduction in commercial activity on a global scale that has adversely impacted many businesses. Governments, on the national, local and state level, are instituting and revising a variety of measures including lockdowns, quarantines and states of emergencies, which collectively may continue to slow the global economy to the point where it enters a recession. Although there is reason to believe that the COVID-19 outbreak may be contained over a reasonable period of time, there can be no assurance this will be the case and, in the meantime, global equity, bond and credit markets may be adversely affected. Such disruption may adversely affect Fund returns, operating results and financial condition.

**Other COIs managed by RedBird have risks that may be the same or different than the general risks for the Funds disclosed above, depending on the risks associated with the applicable terms of the underlying co-investment fund and the underlying transaction.**

**It is critical that investors and prospective investors refer to the respective Fund's Disclosure**



**Documents (as applicable) and/or Governing Documents for a detailed description of the material risks related to an investment in the Fund. The information contained herein is a summary only, and investors and prospective investors are advised to carefully review all risk factors set forth in the relevant Disclosure Documents and/or Governing Documents.**

## **ITEM 9 – DISCIPLINARY INFORMATION**

RedBird is required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor's evaluation of RedBird or the integrity of RedBird's management. RedBird has no legal or disciplinary information to disclose at this time.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described above in Item 4, each of the GPs is a related person of, and under common control with, RedBird, and serves as general partner to each Fund. Each GP (or an affiliate of the GP/RedBird), together with RedBird, provides investment management and operational services to the respective Fund. As described in Item 6, the applicable GP is entitled to receive performance compensation from the RedBird Group and RCP Fund III, which creates a potential conflict of interest in that it may create an incentive for RedBird to make investments that are riskier or more speculative than in the absence of such performance-based fees.

Additionally, certain RedBird employees provide merchant banking and investment sourcing for certain sports, sports-related and other investment opportunities for the Funds. In order to support this separate business line, RedBird BD, LLC (“**RedBird BD**”), which is under common control with RedBird, is registered with the SEC and FINRA as a “capital acquisition broker,” a category of broker-dealer engaged in a limited range of advisory activities including corporate finance/restructuring and private placement services. In certain cases, the RedBird BD will receive fees related to investments made by a Fund. In such cases, the applicable Fund will bear expenses related to the RedBird BD to the extent the RedBird BD acts as a capital acquisition broker with respect to the Fund’s transaction. However, any such payment made to the RedBird BD in conjunction with an investment made on behalf on an Fund will reduce any Management Fee payable by the applicable Fund in accordance with its Governing Documents.

Both RedBird and RedBird BD maintain internal compliance policies that are intended to address and minimize potential conflicts and risks related to their affiliation and each has adopted controls to separate the activities of RedBird and RedBird BD. For opportunities where participation by both RedBird Funds and RedBird BD exist, RedBird’s actions are bound and governed by its Funds’ Governing Documents.

It should be noted that certain of the GPs have filed with the National Futures Association (the “**NFA**”) a notice of exemption from registration with the U.S. Commodity Futures Trading Commission (the “**CFTC**”) as a commodity pool operator (“**CPO**”) with respect to the Funds pursuant to CFTC Rule 4.13(a)(3). RedBird does not believe that the GP’s status as an exempt CPO creates any conflicts of interest with the Funds or investors.

As described elsewhere in this Brochure, RedBird generally seeks to make significant investments in portfolio companies. RedBird seeks control or substantial minority positions in portfolio companies, with board representation and customary shareholder rights. As such, RedBird’s management persons and/or related persons may have management roles with portfolio companies.

Further, RedBird’s management persons and/or related persons may, and have, worked on other projects (other than for RedBird), including projects for their personal benefit, which may be investment advisory in nature. Such personnel will also serve as members of the boards of directors of various companies other than portfolio companies. The possibility exists that such companies could engage in transactions which would be suitable for the Funds, but in which the

Funds might be unable to invest. RedBird's key investment professionals may also enter into strategic alliances or form other investment vehicles in the future that are independent of the Funds, as permitted under the applicable Governing Documents. Conflicts may arise in the allocation of management resources as a result of such other activities.

RedBird maintains internal compliance policies that are intended to minimize the negative effects of such conflicts if they arise; however, there can be no assurance that permitting the board membership of RedBird's management persons and/or related persons will not result in less favorable results for the Funds than if such personnel were not permitted to serve in such capacity. Finally, it should be noted that investors are provided with disclosure with respect to these potential conflicts in the respective Fund's Disclosure Documents (as applicable) and/or Governing Documents.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

RedBird has adopted a Code of Ethics (the “**Code**”) designed to meet the requirements of Advisers Act Rule 204A-1. The Code applies to RedBird’s “Access Persons.” Access Persons include, generally, any member, officer or director of RedBird and employees (as applicable) of RedBird who, in relation to the Funds: (1) has access to non-public information regarding any purchase or sale of securities, or non-public information regarding securities holdings or (2) is involved in making securities recommendations, executing securities recommendations, or has access to such recommendations that are non-public. All RedBird employees are deemed to be Access Persons.

The Code sets forth a standard of business conduct that takes into account RedBird’s status as a fiduciary to the Funds and requires Access Persons to place the interests of Funds above their own interests. The Code requires Access Persons to comply with applicable federal securities laws. Further, Access Persons are required to promptly bring violations of the Code to the attention of RedBird’s Chief Compliance Officer. All Access Persons are provided with a copy of the Code and are required to acknowledge receipt of the Code upon hire and on at least an annual basis thereafter.

The Code sets forth certain reporting and pre-clearance requirements with respect to personal trading by Access Persons. Each Access Person is required to provide RedBird’s Chief Compliance Officer with a list of their personal accounts and an initial holdings report listing the holdings of such personal accounts within 10 days of becoming an Access Person. In addition, RedBird’s Access Persons are required to provide annual holdings reports and quarterly transaction reports detailing, respectively, the securities holdings and quarterly transactions in their personal accounts in accordance with Advisers Act Rule 204A-1. Access Persons are also required to pre-clear personal account transactions in single company public securities, transactions in limited offerings (such as a private fund, including a hedge fund, private equity fund, etc.) and transactions in initial public offerings.

The Code also describes RedBird’s duty to protect material non-public information about securities/investment recommendations provided to (or made on behalf of) Funds.

Investors or prospective investors may obtain a copy of the Code by contacting RedBird.

### **Conflicts of Interest**

RedBird, its affiliated entities and certain employees engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the Funds, and providing transaction-related, marketing, management and other services to the Funds and their portfolio companies. RedBird and its professionals will commit such time as is necessary to conduct the business affairs of the Funds in an appropriate manner and as required by the relevant Governing Documents. In the ordinary course of RedBird conducting its activities, the interests of

a Fund may conflict with the interests of RedBird and its affiliated entities, other Funds and their investors, or portfolio companies. Certain of these conflicts of interest are discussed herein.

The information contained herein is a summary only and it is critical that investors refer to the Governing Documents and Disclosure Documents of the applicable RedBird investment vehicle for a complete overview of RedBird's investment strategies and the material risks associated therewith. The information contained herein is qualified in its entirety by such documents. In addition, prospective investors should also consult their own legal, investment, tax, regulatory and other advisers as to whether an investment in a Fund is appropriate for them.

Some examples of such conflicts include:

- **Investment Allocations:** RedBird is responsible for sourcing investments for, and allocating investments between, entities in the Funds, subject to restrictions in the Governing Documents and contractual arrangements agreed to by the various Funds and disclosed to investors. Despite these restrictions, RedBird still exercises discretion in making such allocation determinations, and conflicts may arise. In addition, while RedBird bases its allocation decisions on the information available to us at the time, this information may prove in retrospect to be incomplete or otherwise flawed.
- **Investment Structuring:** In selecting and structuring investments for the Funds, RedBird considers the respective legal, tax and regulatory constraints of its investors. However, RedBird cannot guarantee that it will be able to structure investments in a manner that satisfies the concerns of all investors.

RedBird's interests and the interests of the Strategic Investor may diverge from the interests of the other investors. While RedBird seeks to structure the making and disposition of investments in a manner that considers the interests of all investors, conflicts may arise given RedBird's relationship with the Strategic Investor.

RedBird serves as adviser to the Funds, and RedBird and the applicable GP (or another RedBird affiliate) receive compensation for such services. Additionally, as explained in Item 10 above, each Fund's GP, which is a related person of RedBird, will serve as the general partner to the respective Fund. The GP, and/or other related persons of RedBird, will also commit capital to the GP COIs, which will invest alongside the Funds, respectively, and as a result every investment made by the Funds will involve a purchase of securities whereby related persons of RedBird acquire an indirect interest in such securities. These transactions have the potential to present conflicts of interest as described below.

- RedBird receives a Management Fee and other payments, and the GPs may be eligible to receive a performance-based allocation for their services to the Funds (as disclosed in Item 5 of this Brochure). As noted in Item 6, the possibility that the GP could receive performance-based compensation creates a potential conflict of interest in that it may create an incentive for RedBird to make more speculative investments than it might otherwise make. However, RedBird believes that, because each GP COI will invest alongside the Funds, as applicable, the interests and incentives of RedBird and the GPs aligns with investors in the Funds. It should also be noted that conflicts regarding performance-based compensation may arise to the degree that RedBird forms additional Funds. RedBird recognizes its fiduciary status and its obligation to treat all Funds in a fair and equitable manner.
- As referenced below, the Code places restrictions on the ability of RedBird employees to hold interests in Funds' portfolio companies outside of their indirect interests through their investment in the GP COIs. RedBird maintains a "watch list" containing securities/companies in which Access Persons are prohibited from investing without appropriate pre-clearance from the Chief Compliance Officer. Further, pursuant to Advisers Act Rule 204A-1, RedBird requires its Access Persons to obtain the Chief Compliance Officer's approval before they directly or indirectly acquire beneficial ownership in any security in an initial public offering (if permissible) or in a limited offering (such as a private fund, including a hedge fund, private equity fund, etc.).
- As described in Items 4 and 5, RedBird and its affiliates have in the past received, and are expected to continue to receive, Transaction Fees and Special Fees from portfolio companies, whether as compensation for financial advisory and similar services or otherwise. RedBird is expected to have affirmative control over many of the applicable Fund's portfolio companies and can be expected to have significant influence over the management of the remainder of the Fund's portfolio companies. The Applicable Fund's portfolio companies are expected to agree to pay to RedBird Transaction Fees which, whether or not RedBird controls such portfolio company, will frequently be at terms more favorable to RedBird than would be available at an arm's-length basis, and such terms may not require RedBird to provide any services to the portfolio company in exchange for such Transaction Fee. Special Fees are subject to certain arm's-length protections as set forth in the applicable Governing Documents, but it may be difficult for RedBird to determine an arm's-length fee for portfolio companies over which RedBird exercises control or significant influence. These Special Fees may create an incentive for RedBird and its affiliates to approve and cause a Fund to make more speculative investments than it would otherwise make in the absence of such compensation. Pursuant to the applicable Governing Documents, the Management Fee will be reduced by the applicable Fund's allocable share of Transaction Fees, except that where an investor does not bear Management Fees such investor bears a share of the Transaction Fee with no corresponding economic benefit. Conflicts of interest may arise due to the allocation of Transaction Fees to or among other Funds. For example, any Transaction Fees or Special Fees received in connection with an investment that is shared between a Fund and one or more other equity investors (including but not limited to other Funds (including COIs) will generally be attributed to the participating investors (whether Funds or otherwise) pro rata based on their respective share of the equity capital of the relevant portfolio company, and except as expressly required

under any such other Fund's Governing Documents RedBird or the applicable affiliate will generally retain the Transaction Fees or Special Fees (as applicable) attributable to all other investors participating in such investment (whether or not they are Funds) without offsetting any other fees (including the Management Fee) payable to RedBird or its affiliates. The terms of Funds participating in an investment might or might not provide for an offset to such clients' fees in respect of such clients' allocable share of Transaction Fees or Special Fees, but except as expressly required under any Fund's Governing Documents no Fund or investor therein would have a claim to any other participating Fund's share, nor would any Fund or investor therein have a claim to a reduction in its Management Fee as a result of such other Funds' allocable share of such Transaction Fees or Special Fees. As a result of the foregoing, RedBird and its affiliates are incentivized to charge Transaction Fees and Special Fees to portfolio companies in order to retain Transaction Fees and Special Fees not attributable to an Fund requiring a complete offset of Management Fees in respect thereof. Transaction Fees may give rise to adverse tax consequences.

- Additionally, certain of RedBird's personnel might serve in interim or part-time operating and/or management roles, and provide additional services as a secondee or in a similar capacity, including, in certain cases, serving as the CEO or in other executive positions at portfolio companies during their employment at RedBird or its affiliates. The compensation package, which may include salary or other cash and equity incentive compensation and any combinations thereof, for any such interim or part-time operating and/or management role is generally determined by the applicable portfolio company's board of directors. Such compensation will not be offset against the Management Fee. In addition, certain of RedBird's personnel are expected to leave the employment of RedBird or its affiliates and become an officer or employee of a portfolio company. There can be no assurances that a portfolio company will be better off under one of the foregoing arrangements than had such portfolio company retained an employee or consultant unassociated with RedBird. Furthermore, secondees are permitted to participate in management incentive plans of the applicable portfolio companies and the amounts received by secondees pursuant to such plans could be substantial. Participation in management incentive plans will be deemed to be on arm's-length terms if the participation is approved by directors of the applicable portfolio companies who were not appointed by or affiliated with RedBird.
- As described in Item 4 of this Brochure, from time to time, a RedBird affiliate may be engaged to provide Affiliated Services on behalf of a Fund and/or one or more portfolio companies on a for-profit basis, as determined by RedBird or an affiliate in good faith. The servicing fees associated with such Affiliated Services will be determined on a case-by-case basis. In determining service rates, the applicable Fund may seek to evaluate what comparable service providers who are engaged in the same or substantially similar activities as RedBird or its affiliates charge in the ordinary course for similar services at the time of determination. While RedBird or its affiliates will determine in good faith what rates it believes are customary for such services at such time, there will likely be variances in the marketplace based on an array of factors that affect service providers and the prices of their services, including loss leader pricing strategies or other marketing practices, integration efficiencies, geographic market differences and the quality of the services provided. RedBird or an affiliate will make a good faith determination as to what it believes to be the



market rate at such time, and may base its determination on several factors, including market knowledge, prices charged by competitors, prices charged for the Affiliated Services to a third party, a third-party valuation agent or other subjective and objective metrics. Furthermore, as noted above, RedBird or an affiliate is entitled to cause, has in the past caused, and is expected in the future to, cause, a Fund's portfolio company to pay Transaction Fees which are more favorable to RedBird than what would be negotiated by the portfolio company on an arm's-length basis. Without limiting the generality of the foregoing, it is currently expected that Art & Science will provide various services to certain portfolio companies. Art & Science is a for-profit wholly owned indirect subsidiary of RCP, and it is expected that Art & Science will be the primary means by which RedBird's operating partners provide services to certain portfolio companies. Art & Science is expected to provide consulting services to portfolio companies, including but not limited to marketing and public relations services. Although RedBird believes that its operating partners will benefit the Funds and their portfolio companies, because RedBird owns Art & Science and profits from Art & Science's engagements, RedBird has a conflict of interest in causing (for portfolio companies controlled by RedBird) or recommending (for portfolio companies not controlled by RedBird) portfolio companies to retain RedBird's operating partners (whether through Art & Science or otherwise). It is expected that in performing services for the Funds and their portfolio companies, Art & Science will charge rates which it customarily charges to third parties. Art & Science might not be, and frequently will not be, the cheapest source of consulting services available to the Funds or a given portfolio company. Nonetheless, it is expected that after taking into account quality of work and familiarity with the Art & Science team, RedBird may conclude that Art & Science should be retained to provide the services in question. For the avoidance of doubt, payments to Art & Science may generally constitute Special Fees that do not offset the Management Fees owed to RedBird by a Fund, and certain operating partners will generally not be available to support the Funds or their portfolio companies except through Art & Science on the foregoing basis.

- RedBird and/or its affiliates and RedBird's key investment professionals intend to devote such time as shall be necessary to conduct the business affairs of the Funds in an active and appropriate manner. However, investors should be aware that many of the key investment professionals may have significant other responsibilities to RedBird and/or its affiliates, including, without limitation, any advisory or other financial services business in which RedBird may engage, as permitted under the applicable Governing Documents. Such investment professionals may also form other investment vehicles in the future that are independent of the Funds. RedBird personnel are required under the Code to disclose all such outside business activities and interests to the CCO for review and recordkeeping purposes to monitor and mitigate any related potential conflicts of interest.
- RedBird and/or its affiliates, may engage in the future, in a broad spectrum of activities, as permitted under the applicable Governing Documents, including investment banking, lending, principal investing (including investing alongside the Funds), financial and merger and acquisition advisory services, underwriting, investment management activities, sponsoring and managing private investment funds and SPACs, brokerage, trustee and similar activities on a global basis. In the ordinary course of business, RedBird and/or its

affiliates may engage in activities where its interests or the interests of certain Funds may conflict with the interests of other Funds, the portfolio companies, the investors or the General Partner. Conflicts of interest may also arise between RedBird and/or certain of its affiliates, on the one hand, and the Funds, on the other hand.

- RedBird may give advice and take action with respect to any of its Funds or proprietary accounts without respect to the interest of a particular Fund or the investors. RedBird may give advice and provide recommendations to persons competing with an Fund and/or any of the portfolio companies that are contrary to the interests of an Fund and/or any of the portfolio companies. RedBird may receive significant advisory or other fees from other investment funds, portfolio companies and/or other future funds sponsored by RedBird. Services for advisory fees may range from general corporate financial advice to restructuring advice to merger and acquisition representation and capital markets transactions. The Funds will not share in such fees or other benefits that may accrue to RedBird.
- RedBird may form other investment funds, including funds whose investment objectives may overlap with the investment objectives of a particular Fund. RedBird's investment team may be responsible for the management of other investment funds that RedBird may form and may have obligations to offer investments to such funds and their successors. Accordingly, investment opportunities that are otherwise appropriate for a particular Fund may instead be offered, in whole or in part, to other RedBird investment funds. In allocating investment and co-investment opportunities between a Fund and such other investment funds, RedBird's investment team will take into account various factors, which may include the investment objectives, the available capital commitments, the targeted rates of return, the stage of development of the prospective portfolio company and the composition of the portfolios of the applicable Fund and such other investment funds. No approval from the Advisory Board or from any investor in the Funds will be required for any investment by a particular Fund in any portfolio company of any investment fund managed or controlled by RedBird or any of its respective affiliates, so long as such investment is made on arm's length terms.

Where appropriate and feasible, RedBird/the GP may offer some or all of the investors and/or any other persons (which may include, among others, RedBird affiliates and investors in other funds advised by RedBird in the future) opportunities to co-invest in portfolio companies in which the Funds are investing in accordance with the Governing Documents. Such investors and/or other persons may make such co-investments on terms and conditions that are materially different from each other and the investment by a particular Fund, and these terms may be more or less favorable to such investors and/or other persons, including with respect to fees, expenses, Carried Interest, exit rights and other material terms. Some or all of the investors or other persons participating in a co-investment opportunity may or may not be charged Carried Interest, Management Fees or other fees in connection therewith.

- Unless otherwise set forth in the Governing Documents, the GP is under no obligation to provide co-investment opportunities to investors, and any such co-investment opportunity

may be offered to some and not other investors. Co-investment opportunities may be allocated among any investors in any Fund advised by RedBird, and/or other persons as determined by the GP in its sole discretion (including RedBird affiliates), and any such allocations as between investors may not correspond to their pro rata interests in a particular Fund. In addition, the allocation of a co-investment opportunity to persons that are not investors (including RedBird affiliates) would result in the investors receiving a smaller share of such co-investment opportunity than they would have had the entire co-investment opportunity been offered to the investors.

- In determining such allocations, the GP shall be subject to any obligations set forth in the Governing Documents, and also may take into account any facts or circumstances it deems appropriate, including the size of the prospective co-investor's investment in a particular Fund advised by RedBird; the GP's evaluation of the financial resources, sophistication, experience and expertise of the potential co-investor generally, with respect to the execution of co-investment transactions, and with respect to the geographic location or business activities of the applicable portfolio company; RedBird's perception of its past experiences and relationships with each prospective co-investor, including whether or not such person has co-invested with RedBird previously and the ability of any such potential co-investor to respond promptly to potential investment opportunities; RedBird's perception of the legal, regulatory, reporting, public relations, competitive, confidentiality or other issues that may arise with respect to any prospective co-investor; and any strategic or economic value or other benefit to the Funds or RedBird resulting from offering such co-investment opportunity to a prospective co-investor.
- The GP or its affiliates may enter into contractual arrangements with investors and/or third parties providing preferential rights to co-invest in the portfolio companies, and the GP and/or its affiliates may receive economic, strategic or other benefits from such arrangements. Such arrangements may create an incentive for the GP to allocate co-investment opportunities differently than it would in the absence of such arrangements and may reduce the co-investment opportunities available for other investors.
- The participation by one or more co-investors in an investment has the potential to present conflicts as a result of differing interests as between a Fund and such co-investors. In addition, the applicable Fund's interest in an investment has the potential to be negatively impacted by the actions of a participating co-investor, including as a result of such co-investor's failure to fund any portion of its investment.

RedBird primarily addresses the potential conflicts noted above by enforcing a robust Code of Ethics that (i) requires Access Persons to place the interests of the Funds over their own, (ii) requires all Access Persons to acknowledge their receipt and understanding of the Code, upon hire and annually thereafter, and (iii) prohibits Access Persons from making investments in certain securities/companies without appropriate preclearance from the Chief Compliance Officer.

Additionally, as referenced in Item 4, RCP Fund I, RCP Fund II and RCP Fund III have an Advisory Board that is comprised of a select group of investors who meet periodically to provide advice, oversight and approval of certain aspects of each fund's investment activities as set out on the applicable Governing Documents. The Advisory Board is also asked to review and approve

certain potential conflicts of interest and certain other matters.

**Any future COIs may have conflicts of interest that may be the same or different than the general conflicts of interests for the Funds disclosed above, depending on the risks associated with the applicable terms of the underlying co-investment fund and the underlying transaction.**

**It is critical that investors and prospective investors refer to the respective Fund's Disclosure Documents (as applicable) and/or Governing Documents for a detailed description of potential conflicts of interest related to an investment in the Fund. The information contained herein is a summary only, and investors and prospective investors are advised to carefully review all conflicts of interest set forth in the relevant Disclosure Documents and/or Governing Documents.**

## **ITEM 12 – BROKERAGE PRACTICES**

The private company securities which are the primary investments by the Funds are generally purchased in private placement transactions, without the assistance of a broker-dealer and without the payment of brokerage commissions or dealer mark-ups.

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

If RedBird purchases or sells publicly traded securities for an Fund, RedBird has no duty or obligation to seek in advance competitive bidding for the most favorable transaction costs applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although RedBird will generally seek competitive transaction costs, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

RedBird does not utilize “soft dollars.”

### **Allocation and Aggregation of Investments**

As described elsewhere in this Brochure, the RedBird Group generally invests on a pro rata basis in accordance with, and subject to certain adjustments set forth in, the applicable Governing Documents.

### **ITEM 13 – REVIEW OF ACCOUNTS**

The Funds' portfolios are under continuous review by the Managing Partner and other members of the Funds' investment team. Such reviews include a review of investment policy, the suitability of the investments used to meet policy objectives, and investment objectives. RedBird considers, among other things, investment performance, the portfolio's sensitivity to market changes, and whether anything has changed subsequent to an initial investment decision that impacts the risk or potential return.

Additionally, as described elsewhere in this Brochure, members of a Fund's Advisory Board meet periodically to provide advice, oversight and approval of certain aspects of a Fund's investment activities as set out on the applicable Governing Documents.

Each investor in the Funds receives: (i) quarterly unaudited financial statements of the Fund, which may include a brief summary about quarterly overall Fund activity; (ii) an annual financial report audited in accordance with GAAP by a nationally recognized accounting firm; and (iii) tax information regarding the Fund necessary for the completion of each investor's tax return. Similar reports are provided to investors in the COIs.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

RedBird may receive financial consulting fees, directors' fees, monitoring fees and other deal fees and break-up fees earned in respect of the Funds' investments, which will reduce any Management Fee or other payments payable by the Funds, as set forth in the respective Fund's Disclosure Documents (as applicable) and Governing Documents. Typically, the fee offset will not apply to other COIs. Any such fees received in connection with an investment that is shared between the Funds will be allocated among the participating Funds pro rata based on the amount contributed to the investment.

RedBird does not directly or indirectly compensate any person for client referrals. Notwithstanding the above, RedBird works with non-affiliated companies to receive the names of potential investors.

## ITEM 15 – CUSTODY

RedBird or the GP is deemed to have custody of the Funds assets pursuant to Advisers Act Rule 206(4)-2 (the “**Custody Rule**”).

As RedBird’s investment program primarily involves investments in private companies, RedBird generally is exempt from the requirement that securities be maintained with a “qualified custodian,” as defined in the Custody Rule, which generally includes a bank or broker-dealer.

RedBird anticipates that the majority of its investments in private companies will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, to the extent ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the outstanding securities of the issuer. Such securities are not required to be maintained by a qualified custodian. Further, certain certificated, privately offered securities, in which the Funds may invest, are also not required to be maintained by a qualified custodian, provided that: (i) the Funds are subject to an annual audit as explained below; (ii) the certificate can be used only to effect a transfer or to otherwise facilitate a change in beneficial ownership of the security with the prior consent of the issuer or holders of the outstanding securities of the issuer; (iii) ownership of the security is recorded on the books of the issuer or its transfer agent in the name of the client; (iv) the certificate contains a legend restricting transfer; and (v) the certificate is appropriately safeguarded by RedBird and can be replaced upon loss or destruction.

It should be noted that RedBird maintains the cash assets of the Funds with qualified custodians. To the extent that RedBird makes an investment in a publicly-traded security, or RedBird’s investments in private companies involve securities that are certificated, and do not satisfy the conditions referenced above, RedBird will maintain such securities/certificates with a qualified custodian.

RedBird is exempt from the quarterly account statement delivery obligations and surprise audit requirement of the Custody Rule because the Funds are audited each calendar year by an independent public accountant, registered with and subject to inspection by the Public Company Accounting Oversight Board (PCAOB), and RedBird distributes audited financial statements (“AFS”) to investors annually within 120 days of the applicable Fund’s fiscal year- end. The Funds’ auditors are identified in RedBird’s Form ADV Part 1.



## **ITEM 16 – INVESTMENT DISCRETION**

As explained in Item 4 above, pursuant to the respective Fund's Disclosure Documents (as applicable) and/or Fund's Governing Documents, RedBird has discretionary authority to manage securities accounts on behalf of the Funds. RedBird is authorized to make transaction recommendations for the Funds. Individual investors do not have the ability to impose limitations on RedBird's discretionary authority other than what has been negotiated in the relevant Governing Documents. Investors must execute a subscription agreement in which they make various representations, including representations regarding their suitability to invest in a high-risk investment pool. Further, investors execute a limited partnership agreement and/or subscription agreement which include a power of attorney clause.

## **ITEM 17 – VOTING CLIENT SECURITIES**

RedBird has authority to vote Fund securities. However, based upon RedBird's business as a private equity fund manager (and general lack of involvement in publicly-traded securities), it is not anticipated that much proxy voting, if any, will occur. However, there are situations where private companies could have proxy issues (i.e., a private portfolio company needs approval of investors to make changes to board of directors, auditors, etc.). In such situations, RedBird (or the GP) may have authority to vote proxies on behalf of Funds.

RedBird has adopted and implemented policies and procedures reasonably designed to ensure that public company proxies (if applicable), as well as portfolio company solicitations received by RedBird on behalf of the Funds (together, "proxies"), are voted in the best interests of the Funds and investors, and to recognize and resolve any material conflicts of interest that may arise in the course of such voting.

RedBird and/or its personnel may have business or personal relationships with the proponents of proxy voting proposals, participants in proxy voting contests, corporate directors and officers, or candidates for directorships. If a conflict is identified, such individuals will then make a determination as to whether the conflict is material or not. If no material conflict is identified pursuant to these procedures, the proxy will be voted in accordance with the best interest of the relevant Fund. If a material conflict is identified, such individuals will determine what course of action is in the best interests of the Fund (which may include utilizing an independent third party to vote such proxies). Further, RedBird will determine whether it is appropriate to disclose the conflict to investors and give such investors the opportunity to vote the proxies in question themselves.

The Chief Compliance Officer (or his designee) will deliver proxies in accordance with instructions related to such proxy. In the event proxy voting procedures were ever to be utilized, RedBird would keep a record of its proxy voting policies and procedures, proxy statements received, votes cast, all communications received and internal documents created that were material to voting decisions, and each investor request for proxy voting records and RedBird's response for the previous five years.

Investors or prospective investors may obtain additional information regarding how RedBird voted proxies (if any) and may obtain a copy of RedBird's proxy voting policies and procedures by contacting RedBird's CCO at (646) 757-0689.

## **ITEM 18 – FINANCIAL INFORMATION**

RedBird and its affiliates do not require or solicit prepayment of fees longer than six months in advance. RedBird is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to the Funds or investors.