

Item 1: Cover Page



**Moontower Asset Management LP
and its relying advisers**

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FORM ADV PART 2A

BROCHURE

This Form ADV Part 2A brochure (the “Brochure”) provides information about the qualifications and business practices of Moontower Asset Management LP and its relying advisers. If you have any questions about the contents of this brochure, please contact compliance@moontower.com or 512-922-5111. 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. References to Moontower as a “registered investment adviser” does not imply a certain level of skill or training.

Additional information about Moontower Asset Management LP also is available on the SEC’s website at www.adviserinfo.sec.gov.



Item 2: Material Changes

This Brochure is intended to provide prospective and existing clients and investors (when applicable) with an overview of Moontower Asset Management LP and any of its relying advisers (collectively, “Moontower” or the “Adviser”). The Adviser can, at any time, update this Brochure and may either send or offer to send a copy to you (either by electronic means (email) or in hard copy form).

As the Adviser has not previously filed Part 2A of Form ADV, there are no material changes to disclose as of the filing date of this Brochure. In the future, this Item will identify and discuss certain specific changes that were made to the Brochure.



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Item 4: Advisory Business

Moontower is an investment advisory firm that manages privately offered pooled investment funds, including some that pursue investments in real assets (the “Heritage Funds”) and some that pursue investments in financial services, including investments in wealth managers (the “Bixby Funds”).

The Adviser may also form, sponsor, manage or advise other private funds and vehicles established for third-party investors (“Other Funds”; together with the Heritage Funds and Bixby Funds, the “Funds”) or may provide investment advice to other accounts or clients (“Other Clients”; together with the Funds, the “Clients”). Other Clients may be established for third-party institutional investors and pursue customized investment objectives, policies and restrictions as set forth in the applicable Governing Agreements (as defined herein) of the applicable Other Clients. Certain affiliates of the Adviser serve as general partners (or equivalent) of the Funds (each a “General Partner” and collectively, the “General Partners”).

Moontower Asset Management LP, which is a Delaware limited partnership formed in 2022, and its relying adviser, Moontower Heritage Asset Management LLC, which is a Delaware limited liability company formed in 2024, are each indirectly owned and controlled by Russell Valdez and Connor Stewart.

Other Clients may be established for third-party institutional investors and pursue customized investment objectives, policies and restrictions as set forth in the applicable Governing Agreements (as defined herein) of the applicable Other Funds.

The Adviser provides the Clients with investment advice that is based on the investment objectives, policies and restrictions contained in the private placement memorandum (or similar disclosure document), investment advisory agreement, limited partnership agreement or similar constitutional documents of each Client as well as any side letters or similar agreements between certain Moontower investors and the applicable Clients (collectively, “Governing Agreements”). Investment advice is provided directly to the Funds and not individually to the Funds’ investors.

The Funds are exempt from registration under the Investment Company Act pursuant to Section 3(c)(7) thereof. Interests in the Funds are generally only offered to investors that are (a) “accredited investors,” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (b) “qualified purchasers” or “knowledgeable employees” for purposes of Section 3(c)(7) of the Investment Company Act and the rules thereunder.

Persons reviewing this Brochure should not construe this as an offering of any of the Clients described herein.

As of November 1, 2024, the Adviser has approximately \$400,200,189 of assets under management, of which \$204,250,000 are managed on a discretionary basis and \$195,950,189 are managed on a non-discretionary basis.

Item 5: Fees and Compensation

Economic terms vary from Client to Client and are specifically set out in each Client’s Governing Agreement. The following is a general description of the fees and compensation that the Adviser

receives with respect to Clients. In general, the Adviser will receive a management fee (a "Management Fee") from each Client, which may be waived, reduced or calculated differently with respect to any Client, including affiliates of the Adviser, in a General Partner's discretion.

For the services the Adviser provides to the Heritage Funds, it will generally receive a Management Fee quarterly in advance in respect of each investor. The Management Fee during the commitment period will generally equal a percentage of the aggregate capital commitments of all investors (other than affiliates of the General Partner). After the expiration of the commitment period, the Management Fee will generally equal a percentage of aggregate capital contributions of all investors (other than affiliates of the General Partner) with respect to investments that have not been disposed of (together with outstanding borrowings for such investments).

For the services the Adviser provides to the Bixby Funds, it will generally receive a Management Fee quarterly in advance in respect of each investor. The Management Fee during the initial commitment period (or earlier if certain thresholds are met) will generally equal a fixed dollar amount per annum. The Management Fee during the subsequent commitment period will generally equal the greater of (i) a fixed dollar amount per annum and (ii) a percentage of aggregate capital contributions of all investors (other than carried interest recipients) with respect to capital approved for investment or actually loaned, contributed or invested in investments. The Management Fee following the foregoing commitment period will generally equal a percentage of the aggregate net asset value of the Bixby Funds (and their subsidiaries).

In the case of certain Clients, the General Partners expect to receive performance-based compensation, which may be in the form of carried interest or an incentive fee ("Carried Interest"). From time to time, the General Partners can also be expected to receive additional compensation in connection with management and other services performed for Client portfolio companies or with respect to Clients' investments ("Other Fees"). Generally, Clients (and, indirectly, their investors) will bear all costs and expenses generated by the operation of the applicable Client ("Operating Expenses"). The Governing Agreements applicable to each Client will provide a more detailed, comprehensive and precise description of the various fees and expenses borne by such Client. Clients and their investors are urged to review such descriptions carefully and ask the Adviser any questions they may have.

The terms and conditions regarding any fees and Carried Interest applicable to any co-investment vehicles formed to invest in particular investments alongside the Clients will be negotiated by the General Partners and each potential co-investor on a case-by-case basis in their respective sole and absolute discretion. The costs associated with the organization and offering of interests in any co-investment vehicle will be borne by the participants therein. Co-investors generally will not share in Broken Deal Expenses (all of which may be borne by the Clients, even if a portion of such investment would have been or was offered for co-investment).

Expenses

Clients' obligations to pay or reimburse fees and expenses vary from Client to Client and are specifically set out in each Client's Governing Agreement. In the case of certain Clients, expenses paid or reimbursed by Clients may include the following: (i) fees, costs and expenses for outside tax advisors, accountants, third-party administrators, attorneys, auditors, custodians, depositaries, independent representatives, consultants, advisors (including consulting fees or other compensation (whether in the form of cash or equity) for, as well as travel (which may include first class or private airfare, lodging, ground transportation and travel meals) and other expenses of, senior or special advisors or operating partners (to the extent, in the case of such senior or special advisors or operating partners, such expenses relate to matters regarding then existing or potential portfolio investments) and other similar professionals incurred by the Clients



and/or portfolio investments for the benefit of the Clients and/or such portfolio investments), brokers, agents, valuation firms or experts and other professionals, any insurance, indemnity or litigation expense or the costs and expenses of any lenders, investment banks and other financing sources; (ii) all out-of-pocket fees, costs (including charitable or political contributions) and expenses, if any, incurred in developing, sourcing, bidding on, evaluating, negotiating, structuring, obtaining regulatory approvals for, purchasing, trading, settling, monitoring, maintaining custody of, holding (including ongoing risk monitoring and mitigation (such as ESG, cyber security, anti-corruption and other similar functions)), and disposing or unwinding of actual portfolio investments, including any travel expenses (which may include lodging, transportation and first class or private airfare), financing, legal, tax, accounting, advisory, investigative and/or consulting expenses or any other incremental costs incurred in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by portfolio investments or other third parties and not capitalized as part of the acquisition price of the transaction); (iii) the Clients' allocable share of any fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of such portfolio investments or otherwise facilitating the Clients' investment activities, including any travel expenses (which may include first class or private airfare, lodging, ground transportation and travel meals) related to such entity or structure and the salary and benefits of any employees (including employees of the Adviser or its affiliates) reasonably necessary and/or advisable for the maintenance and operation of such entity or structure, or other overhead expenses in connection therewith (to the extent not subject to any reimbursement of such costs and expenses by portfolio investments or other third parties and not capitalized as part of the acquisition price of the transaction); (iv) information technology expenses related to (a) the making, holding, monitoring and disposing of portfolio investments, and (b) general fund administration and compliance related matters, in each case, including initial onboarding, implementation and development costs, licensing and maintenance fees, payments made to consultants, costs and expenses related to research or to the provision of investment activity-related market data and reporting, fees, costs and expenses for data providers (including related systems and services from such data providers and data management software), costs of related information management systems and expenses relating to the preparing, printing and distributing investor reports physically or electronically (including software used to electronically distribute such reports); (v) to the extent the General Partners or the Adviser do not elect to bear the following costs and expenses or they are not reimbursed by a prospective or actual portfolio company or other third parties, all out-of-pocket costs and expenses, if any, incurred by or on behalf of the Clients in developing, negotiating and structuring prospective or potential portfolio investments which are not ultimately made, including (a) any travel expenses (which may include lodging, transportation and first class or private airfare), (b) any legal, tax, accounting, advisory, financing and consulting costs and expenses in connection therewith, (c) any costs associated with putting together a syndication and (d) any other expenses described in (ii) above (all costs and expenses covered in (v), "Broken Deal Expenses"); (vi) brokerage commissions, hedging costs, prime brokerage fees, custodial expenses, agent and other bank service fees, expenses related to short sales, fees of pricing and valuation services (including appraisal fees), initial and variation margin, spreads and other similar fees, syndication fees, commitment fees, underwriting commissions and other investment costs, fees and expenses actually incurred in connection with making, holding, maintaining, settling, financing or refinancing, monitoring, or disposing of actual portfolio investments, and any costs and expenses arising from any foreign exchange or other currency transactions; (vii) interest on and fees, costs and expenses arising out of all borrowings and other financings made by the Clients, including the arranging and upsizing thereof, fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of the Clients, securing the same by mortgage, pledge or other lien on any assets of the



Clients or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio investment or its acquisitions, and including expenses or professional fees incurred in connection with any procedure reports for lenders and any indemnification obligations; (viii) the costs associated with any actual, potential, contemplated or threatened litigation (including settlements of claims (whether involving alleged wrongdoing or otherwise) involving actual or potential portfolio investments and/or the investment or other activities of the Clients) and the amount of any legal fees and other defense related costs such as expert fees, judgments, fines or remediation paid in connection therewith, D&O liability or other insurance (including litigation, liability, or cyber liability insurance and any insurance obtained and/or maintained pursuant to the Governing Agreements) and indemnification or extraordinary expense or liability relating to the affairs of the Clients; (ix) any out-of-pocket expenses incurred in connection with the Clients', but not the Adviser's, legal, tax, administrative, statutory and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation (including reporting on and compliance with Form PF, the AIFM Directive, Rule 206(4)-2 under the Advisers Act, and other regulatory filings of the Adviser and its affiliates relating to the Clients' activities, including the preparation and filing of any forms, schedules, filings, information or other documents necessary to avoid the imposition of withholding or other taxes pursuant to FATCA, Report of Foreign Bank and Financial Accounts or any comparable legislation or regulation published by any other relevant jurisdiction), and compliance with any anti-money laundering or "know your customer" laws, rules, regulations or policies (including investor review and monitoring); (x) the out-of-pocket expenses incurred in connection with compiling and complying with provisions in side letters, including "most favored nations" provisions, as well as any costs and expenses incurred in connection with any transfer of interests in the Clients (to the extent not reimbursed by the parties to such transfer) and any expenses related to the development and maintenance of software related to the foregoing; (xi) any taxes, fees or other governmental charges levied against or payable by the Clients and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Clients; (xii) fees, costs and expenses incurred in connection with the preparation of all reports to the investors or an advisory committees selected by a General Partner (the "Advisory Committee") (including all fees, costs and expenses incurred to prepare and audit such reports and the information therein (e.g., any third-party appraisal, opinion or report)), provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of same, and any other financial, tax, accounting, fund administration or reporting functions (including expenses associated with the preparation of financial statements, investor reports, tax returns and IRS Schedules "K-1" or any successors thereto and, solely with respect to a Client, such Client's partnership representative's representation of the Clients or the investors); (xiii) the out-of-pocket and other legal and advisory expenses of or relating to an Advisory Committee and expenses associated with any meetings of, or conferences with, investors, as well as the costs and expenses of legal counsel, accountants or advisors engaged by an Advisory Committee; (xiv) fees, costs and expenses related to a default by a defaulting investor (but only to the extent not paid by the defaulting investor); (xv) expenses of liquidating and/or dissolving the Clients, any parallel fund, any alternative vehicle, intermediate entity or other administrative structure; (xvi) any other fees, costs or expenses approved by an Advisory Committee to be treated as expenses of the Clients; and (xvii) fees, costs and expenses related to a default by a defaulting investor (but only to the extent not paid by the defaulting investor).

In the case of certain Clients, some expenses incurred by Moontower or its representatives are permitted to be charged directly to companies in which the Clients have invested and, accordingly, would be indirectly borne by the Clients. Travel and entertainment expenses in connection with the Clients' investment activities (including first class and/or business class airfare (and/or private

charter, where appropriate)), first class lodging, ground transportation, travel and premium meals (including closing dinners, closing deal gifts, late night cars and dinners, social and entertainment events with portfolio investments' management, operating partners, customers, clients, borrowers, brokers and service providers) will be borne by the Clients (and indirectly by their investors). Although the costs and expenses of forming and organizing the Clients are separately categorized and subject to a limit under the Governing Agreements, ongoing partnership expenses to be borne by the investors and not classified as organizational expenses of the Clients include costs that relate to organizational matters, such as costs and expenses of administering side letters entered into with investors and expenses related to regulatory filings (including Form D and "blue sky" filings or compliance with the AIFM Directive). Expenses to be borne by the General Partners and Adviser are limited only to those items specifically enumerated as such in the Governing Agreements (such as office expenses, rent, utilities, personnel and employee salaries and compensation), and all other costs and expenses related to the Clients and their activities will be borne directly or indirectly by the investors. The General Partners or Adviser may choose in its own discretion to pay expenses not specifically enumerated in the Governing Agreements, and may at any time in its sole discretion discontinue paying such expenses and cause the Clients to pay them. Any expenses common to more than one Client generally will be allocated *pro rata* using a reasonable methodology as selected by the General Partners or their affiliates. From time to time, the General Partners will be required to decide whether costs and expenses (including costs and expenses in respect of unconsummated transactions) are to be borne by Moontower and/or one or more Clients and, in cases where they will be allocated between Moontower and/or one or more Clients, what allocation percentages will be applied. The General Partners will make such judgments in its good faith discretion (which could be expected to result in the Clients bearing more or less of these expenses than other participants or potential participants in the relevant investments), notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable.

Other Fees

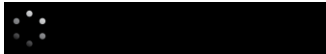
In the case of certain Clients, the Adviser and its affiliates could earn transaction, break-up and topping, monitoring and directors, organization, set-up, advisory, consulting, management, investment banking, guarantor or surety, closing and transaction and other similar fees in connection with the portfolio investments. The Management Fee payable by an investor will generally be reduced by an amount equal to 100% of such investor's pro rata share of a Client's share of all such Other Fees, as and to the extent set forth in such Client's Governing Agreements. The portion of any Other Fees allocable to the General Partners or any other non- Management Fee bearing investor will not reduce the Management Fees. Management fee reductions will be carried forward if necessary. Other Fees that are subject to offset do not represent all of the types of fees or other amounts that Moontower may, from time to time, receive from portfolio investments. Amounts received from co-investors and amounts that are eligible to be treated as Operating Expenses for which the General Partners and/or an affiliate thereof is reimbursed are also not subject to offset. The Clients will not receive the benefit of the offset of Other Fees received by the Adviser or its affiliates in connection with funding provided by participants other than the Clients in any particular portfolio investment. Other Fees do not include compensation paid and/or reimbursed and/or stock options granted by portfolio investments to employees or consultants of the Adviser or its affiliates who serve in management or consulting capacities at such portfolio investments. Except as set forth in the Governing Agreements, the investors will not receive the benefit of fees or other compensation received by the Adviser or its affiliates in connection with the provision of services to the portfolio investments or third parties. For greater certainty, the Adviser engages and retains operating specialists, strategic advisors, consultants

and other similar professionals who are not employees or affiliates of the Adviser and who may, from time to time, receive payments from, or allocations with respect to, portfolio investments. In such circumstances, such amounts will not be deemed Other Fees paid to or received by the Adviser and such amounts will not be subject to the offset provisions set forth in a Client's advisory agreement. Any such Other Fees that result in an offset to the Management Fee only apply to the extent such fees are received as part of such Client's investment in such company. As a result, in the case of directors' fees, for example, the Management Fee will not be reduced or offset to the extent any Moontower employees or professionals receive directors' fees relating to continued director service after the Clients have exited the portfolio investment and/or following the termination of such employee's employment with Moontower. Further, any such offset will be decreased by the amount of any broken-deal expenses borne by the Adviser and its affiliates in lieu of the Clients (as determined in the Adviser's and its affiliates' sole discretion). However, to the extent that any other Client includes such amounts as Other Fees that offset the Management Fee, such circumstance creates an incentive for Moontower to potentially take such differences into account when allocating the time of such persons.

In the case of certain Clients, Moontower and its personnel can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from its or their activities on behalf of the Clients which will not be subject to Management Fee offset or otherwise shared with the Clients, investors and/or portfolio investments. For example, credit cards used to incur Operating Expenses, hotel chains or other merchants may provide for "points," or other "rewards" and airline travel may result in "miles" or credit in loyalty / status programs, and in each case such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Moontower and/or such personnel (and not to the Clients, their investors and/or portfolio investments) even though the cost of the underlying service is borne by the Clients and/or portfolio investments.

Carried Interest

In the case of certain Clients, any Carried Interest distributions made to the General Partners on investment gains have the potential to create an incentive for a General Partner to cause a Client to make investments that are riskier or more speculative than would otherwise be the case if such performance-based compensation did not exist. The significant commitment by the General Partners to invest in investments and the General Partner clawback is expected to reduce this incentive. In addition, the manner in which the General Partner's entitlement to Carried Interest is determined may result in a conflict between its interests and the interests of investors with respect to the sequence and timing of realizations of portfolio investments. In connection therewith, the General Partners' clawback obligation could create an incentive for the General Partners to defer disposition of one or more investments if such disposition would result in a realized loss, a return on investment that was less than the preferred return and/or the finalization of dissolution and liquidation of a Client where a clawback obligation would otherwise be owed. Investors should also note in this regard that there is currently a lower capital gains tax rate for carried interest in respect of investments held for at least three years. While the General Partners generally intend to seek to maximize pre-tax returns for the Clients as a whole, the General Partners may nonetheless be incentivized, for example, to hold portfolio investments for three years or longer to ensure long-term capital gains treatment on their Carried Interest and/or realize investments prior to any change in law that results in a higher effective income tax rate on their Carried Interest.



Item 6: Performance-Based Fees and Side-By-Side Management

As described in Item 5 above, the Adviser or affiliates thereof are entitled to receive Carried Interest in respect of the Bixby Funds and Heritage Funds. In a General Partner's discretion, Carried Interest may be waived, reduced or calculated differently with respect to any Client, including affiliates of the Adviser. The Adviser may offer advisory services to investors who do not pay performance-based compensation, including its affiliates. The receipt of Carried Interest creates a potential conflict of interest for the Adviser. Since positive investment returns would likely increase the Carried Interest paid to the Adviser by its Clients, the Adviser has an incentive to favor those Clients that pay the Adviser or its affiliate Carried Interest or higher performance-based compensation. The Adviser manages this potential conflict of interest by creating, implementing, and enforcing allocation policies and procedures. The Adviser believes that its policies and procedures will result in fair allocations to Clients over time, even if a particular allocation appears to benefit one or more accounts when viewed individually.

Investors in Clients should also note that Carried Interest creates an incentive for the Adviser to make more speculative investments and make different decisions including in regard to the timing and manner of the realization of such investments than would be made if the Adviser or its affiliates were not entitled to receive such Carried Interest. However, significant commitment by the Adviser or its affiliates to invest in Client investments and the General Partner clawback is expected to reduce this incentive. Furthermore, as a fiduciary, the Adviser has an obligation to serve the best interests of its Clients.

The terms and conditions regarding any Carried Interest applicable to any co-investment vehicles formed to invest in particular investments alongside the Clients will be negotiated by the General Partners and each potential co-investor on a case-by-case basis in their respective sole and absolute discretion.

Item 7: Types of Clients

The Adviser presently provides investment advisory services to private investment funds and pooled investment vehicles, which are discussed in more detail in Item 4 above.

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

As discussed in Item 4, the Adviser focuses on investing in the financial services and real assets-related sectors, as well as other private investment strategies. As a general matter, the Adviser utilizes the methods of analysis and investment strategies detailed in the Governing Agreements of a Client, where detailed information concerning the Adviser's investment strategies with respect to each Client can be found. The information contained in this Brochure is a summary only.

The Adviser seeks to identify financial services businesses including those operating in the wealth management sector. The Adviser believes it can support these businesses focusing on a combination of four key value-add pillars: (i) equity incentives and generational transition; (ii) bespoke mergers and acquisition and inorganic growth strategies; (iii) organic growth; and (iv) alternative investment program development. Additionally, the Adviser seeks to invest growth capital in infrastructure operating companies and similar real assets-intensive operating platforms. The Adviser believes such businesses can benefit from favorable dynamics in well-defended niches and emerging industries, sectors and business models. The Adviser's approach



is further defined by flexible capital and an ability to invest across control, minority and structured styles.

The Adviser's research process is focused on developing an in-depth understanding of companies, industries, relevant sectors and market conditions. The Adviser's investment professionals will conduct diligence on opportunities that pass an initial screen. Moontower's diligence philosophy is granular and analytical.

Moontower's diligence will include (as appropriate):

- Review of financial records, budgets and business plans and management processes related thereto;
- Legal due diligence, including review of current material contracts and agreements and existing company governance arrangements;
- Accounting, tax, and information technology due diligence;
- Intellectual property due diligence;
- Review of the capability of the existing management, including recent performance, expertise, experience, culture and alignment of incentives; and/or
- Reference checks on the key managers and shareholders.

In addition, Moontower intends to provide ongoing assistance to and monitoring of portfolio companies through board participation and potential assistance in areas such as strategy, recruiting, finance and/or business development. That said, if Moontower deems an investment opportunity to be appropriate for a Client, Moontower will also invest in portfolio companies where it has no right to appoint a director or otherwise exert significant influence.

Key Risks

Investment strategies employed by the Adviser on behalf of Clients present a high degree of risk that investors should be prepared to bear. More detailed information concerning the Adviser's investment strategies and the risks related thereto appears in the private placement memoranda (or similar disclosure document), subscription agreement and/or the Governing Agreements of the Clients, and those documents should be carefully reviewed prior to making an investment. The returns of a Client may be unpredictable and, accordingly, investment in any Client is suitable only for sophisticated investors who fully understand and who are willing to assume the risks involved in the Client's specialized investment program and have the financial resources necessary to bear the potential loss of their entire investment.

Set forth below is a summary of the general risks applicable to an investment in a Client. Such summary does not purport to be an exhaustive or fully comprehensive list or explanation of the risks involved in an investment in a Client. Certain of the risks discussed below apply to only some (but not necessarily all) of the Clients.

No Assurance of Investment Return. Moontower cannot provide any assurance whatsoever that it will be successful in choosing, making, managing and realizing investments in any particular asset, company or portfolio of assets or companies. There is no assurance that the Clients will be able to generate returns for the investors or that the returns will be commensurate with the risks of investing in the type of assets or companies and transactions described herein. There may be little or no near-term cash flow available to the investors from the Clients and there can be no assurance that the Clients will make any distribution to the investors. Partial or complete sales,

transfers or other dispositions of investments which may result in a return of capital or the realization of gains, if any, generally are not expected to occur for a number of years after an investment is made. An investment in the Clients should only be considered by persons for whom a speculative, illiquid and long-term investment is an appropriate component of a larger investment program and who can afford a loss of their entire investment. **There can be no assurance that any Client will achieve its investment or performance objective.**

Reliance on the General Partner and Adviser. The General Partners and the Adviser will have exclusive responsibility for the management and oversight of the Clients' activities, and, other than as may be set forth herein and in the Governing Agreements, investors will not be able to make any investment or any other decisions concerning the management of the Clients or its investments. Accordingly, investors will be relying on the ability of the Adviser to select portfolio investments to be made using the capital available to the Client and to identify, structure and implement investments that it believes to be consistent with the Clients' overall investment objectives and policies at such times as it determines. A General Partner and Adviser may be unable to find a sufficient number of attractive opportunities to meet a Client's investment objectives. Investors may not receive information about portfolio investments that is generally available to the General Partners and the Adviser. The General Partners generally will have sole and absolute discretion in structuring, negotiating and purchasing, financing and eventually divesting investments on behalf of the Clients. The success of the Clients will depend on the ability of the Moontower investment team to identify suitable investments and to negotiate and arrange the closing of appropriate transactions and the timely disposition of portfolio investments. Moontower may be unable to find a sufficient number of suitable attractive opportunities to meet the Clients' investment objectives.

Broad Investment Mandate. Within the investment strategies to be executed by the Clients and the parameters set forth in the Governing Agreements, there are few material limitations on the instruments or markets in which the Clients may invest or the specific investment strategies that may be employed on behalf of the Clients. In light of the Clients' broad investment mandates, the Clients are expected to make both control-oriented and non-control-oriented investments; however, the Clients are primarily expected to be a control investor or a lead minority investor with board representation and significant equity holder rights in respect of their investments. There are no formal diversification or other portfolio construction requirements to which the Clients are subject other than as set forth in the Governing Agreements.

Limited Number of Portfolio Investments; Concentration. The number of portfolio investments in which the Clients invest are expected to be concentrated, including, for example during ramp-up or harvest periods. Other than as set forth in the Governing Agreements, investors in the Clients generally have no assurance as to the degree of diversification of the portfolio investments, either by issuer, strategy, asset type, security and/or loan, geographic region, sector, location in the capital structures of the issuers in which the Clients invests or other measures. To the extent the Clients invest in a particular issuer, strategy, asset type, security and/or loan, geographic region, sector or location in the capital structure, their investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. As a consequence, the aggregate returns of the Clients would be adversely affected by the unfavorable performance of one or a small number of portfolio investments. To that extent, although the Clients are subject to certain diversification and geographic investment limits, at points in time, the Clients' portfolios are likely to be concentrated – whether by issuer, strategy, asset type, geographic region, sector, location in the capital structures of the issuers in



which it invests or other measures. The Clients' returns could be adversely affected by the unfavorable performance of one or a small number of portfolio investments. Concentration can also exist at other times during or after the commitment periods of the Clients, including as a commitment periods ramps up and the harvest period progresses. There are no assurances that all of the Clients' investments will perform well or even return capital. If certain investments perform unfavorably, for the Clients to achieve above-average returns, one or a few of their investments must perform very well. There are no assurances that this will be the case.

Competition for Investments. The activity of identifying, completing and realizing on attractive investments is highly competitive and involves a high degree of uncertainty. The Clients expect to encounter competition from other funds or similar market participants having similar investment objectives and others pursuing the same or similar opportunities. There can be no assurance that changes in the competitive dynamic will not occur, or, if they do occur, that such changes will not adversely affect or otherwise necessitate changes to the Adviser's operations. Such competitors may have more relevant experience, greater financial or other resources and more personnel than the General Partners and the Clients. It is possible that competition for appropriate investment opportunities could increase further, thus reducing the number of opportunities available to the Clients, and adversely affecting the terms upon which investments can be made and increasing the costs to the Adviser and the Clients in order to remain competitive. The Clients will from time to time incur bid, due diligence or other costs (including deposits which may not be refundable) on investments which are not consummated or are otherwise not successful. As a result, the Clients will not recover from such portfolio investments all of its costs, which will detract from the Clients' returns. There can be no assurance that the Clients will be able to identify, locate, complete or exit portfolio investments satisfying its investment criteria or that such portfolio investments will satisfy the Clients' investment and performance objectives. Likewise, there can be no assurance that the Clients will be able to realize upon the values of its portfolio investments or that it will be able to invest its capital (including undrawn capital commitments). To the extent that the Clients encounter competition for investments, returns to investors are likely to be negatively impacted.

General Real Estate Risks. Real estate investments generally will be subject to the risks incident to the ownership and operation of real estate and real estate-related assets and/or risks incident to the making of non-recourse mortgage loans secured by real estate, including risks associated with both the domestic and international general economic climates; local real estate conditions; risks due to dependence on cash flow; risks and operating problems arising out of the absence of certain construction materials; changes in supply of, or demand for, competing properties in an area (as a result, for instance, of over-building); seizure under eminent domain; the financial condition of tenants, buyers and sellers of properties; changes in availability of debt financing; energy and supply shortages; changes in the tax, real estate, environmental and zoning laws and regulations; various uninsured or uninsurable risks; natural disasters; and the ability of the Clients or third-party borrowers to manage the real properties. The Clients may incur the burdens of ownership of real property, which include the paying of expenses and taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property. In addition, an investment in real estate may subject the investors to taxation and tax return filings with respect to such investment in the jurisdiction in which such real estate is located.

Changes in general economic conditions will affect the performance of real estate investments and/or the value of the underlying real estate relating to the portfolio companies and may include economic and/or market fluctuations, changes in environmental and zoning laws, casualty or



condemnation losses, regulatory limitations on rents, decreases in property values, changes in the appeal of properties to tenants, changes in supply and demand, fluctuations in real estate fundamentals, the financial resources of issuers / borrowers, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, changes in government regulations, changes in real property tax rates and/or tax credits, changes in operating expenses, changes in interest rates, changes in foreign exchange rates, changes in the availability of debt financing and/or mortgage funds which may render the sale or refinancing of properties difficult or impracticable, increased mortgage defaults, increases in borrowing rates, negative developments in the economy and/or adverse changes in real estate values generally and other factors that are beyond the control of Moontower. Consumer demand for certain industries in which the Clients may invest is particularly sensitive to downturns in the economy and the corresponding impact on discretionary spending on leisure activities. Changes in discretionary consumer spending or consumer preferences brought about by factors such as perceived or actual general economic conditions, effects of decline in consumer confidence in the economy, the impact of high energy or food costs, the increased cost of travel, the potential for decreases in perceived or actual disposable consumer income and wealth or other political, cultural or economic fears may reduce consumer demand for the amenities such industries and portfolio companies offer, thus imposing practical limits on pricing and negatively impacting the financial condition of the Clients.

While it is expected that Moontower will seek control over and/or active participation in the day-to-day operations of the Clients' investments, certain of the Clients' investments in a real estate asset may utilize third-party operating partners and/or property managers with a large degree of authority and responsibility for daily management of the assets and, therefore, will in large part be dependent on the ability of third parties to successfully operate the underlying real estate assets. In addition, the Clients may be unable to exercise sole decision-making authority and will be subject to the risk that a joint venturer or partner will act negligently or in a manner contrary to the Clients' best interest. There is no assurance that there will be a ready market for resale of investments because investments in real estate generally are not liquid; holding periods accordingly are difficult to predict, particularly as business plans may be revised to adapt to changing economic, business and financial conditions.

Real estate investments are not as liquid as other types of investments and this lack of liquidity has the potential to limit the Clients' ability to react promptly to changes in economic or other conditions. In addition, significant expenditures associated with real estate investments, such as mortgage payments, real estate taxes and maintenance costs, as a general matter, are not reduced when circumstances cause a reduction in income from the investments. The Clients would need to comply with certain legal, tax and other requirements prior to liquidating such investments.

The insurance coverage applicable to real estate investments contains policy specifications and insured limits customarily carried for similar properties, business activities and markets. There are certain losses, including losses from floods and losses from earthquakes, acts of war, acts of terrorism or riots, that generally are not insured against or that generally are not fully insured against because it is not deemed to be economically feasible or prudent to do so. If an uninsured loss or a loss in excess of insured limits occurs with respect to an investment, the Clients could experience a significant loss and could potentially remain obligated under any recourse debt associated with the property. The Clients also may have limited recourse against prior owners with respect to unknown liabilities, which could be substantial. The Clients will attempt to uncover



any such risks as part of its due diligence activities, but cannot give any assurance that such conditions do not exist or may not arise in the future. In addition, fluctuations within the insurance and reinsurance industry will impact real estate investments. The insurance and reinsurance business has historically been a cyclical industry, with prolonged periods of “hard” or “soft” pricing due to competition, catastrophic events, general economic and social conditions and other factors. This cyclical nature has produced periods characterized by intense price competition due to excess underwriting capacity as well as periods during which shortages of capacity resulted in high premium levels. Increases in the frequency and severity of losses suffered by reinsurers can also significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. To the extent such events impact the coverage of a Client’s investments, such Client can be expected to be exposed to the effects of such cyclical nature.

Under various federal, state and local laws, ordinances and regulations, a current or previous owner, developer or operator of real estate is generally liable for the costs of removal or remediation of certain hazardous or toxic substances at, on, under or in its property. The costs of removal or remediation of such substances could be substantial. Such laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of such hazardous substances. The Clients will attempt to assess such risks as part of its due diligence activities, but cannot give any assurance that such conditions do not exist or may not arise in the future. The presence of such substances on the Clients’ real estate investments could adversely affect its ability to sell such investments or to borrow using such investments as collateral.

Infrastructure Investments Generally. Investment in infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets may adversely affect the overall profitability of a portfolio company or related project. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, pandemics, increasing fuel prices, government macroeconomic policies, political events, toll rates, social stability, competition from untolled or other forms of transportation, natural disasters (such as fire, floods, earthquakes and typhoons), changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer and acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring infrastructure facilities. In turn, this may impair a portfolio company’s ability to repay its debt, make distributions to the Clients or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of infrastructure assets or businesses involve various risks and are subject to substantial regulation (as described below), many of which may not be under the control of the owner / operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Although portfolio companies may maintain insurance to protect against certain risks, where available on reasonable commercial terms (such as business interruption insurance that is intended to offset loss of revenues during an operational interruption), such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all of a portfolio company’s losses. Furthermore, once infrastructure assets of a portfolio company become operational, they



may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

Real Estate Title. Disputes over ownership of real estate sometimes occur. In certain jurisdictions including the United States, title insurance is readily available to cover this risk, though typical exclusions from policies may render them ineffective in certain cases. In countries where title insurance is not readily available, or where the Clients do not obtain it, the Clients could rely on opinions of title from lawyers or other professionals, which may prove inaccurate. Furthermore, in some jurisdictions, certain social groups may have claims against property that otherwise appears to be properly entitled in the real estate registries, which may encumber title of property acquired by the Clients or their portfolio companies. In other jurisdictions, the real estate registry commonly does not reflect the true holder of the real estate title, which complicates title research and may result in title problems. Finally, in some jurisdictions, a purchase of real property can be attacked as not meeting “true sale” requirements and recharacterized as secured financing in the event the seller becomes insolvent. If any of these events occurs in relation to any of the Clients’ interests or properties, the Clients could lose value or certain of its rights in relation thereto.

Land Title Risk. Disputes over ownership of land sometimes occur. The rights to use the necessary land may be obtained through freehold title, easements, leases and other rights of use. Different jurisdictions adopt different systems of land title, and in some jurisdictions, it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with portfolio companies. In addition, the grantor’s fee interests in the land which is the subject of such easements and leases are or may become subject to mortgages securing loans, other liens (such as tax liens) and other lease rights of third parties (such as leases of oil, gas, coal or other mineral rights). As a result, a portfolio company’s rights under such leases or easements are or may be subject and subordinate to the rights of third parties. It is also possible that a default by the grantor under any mortgage could result in a foreclosure on the grantor’s interest in the property and thereby terminate a portfolio company’s right to the leases and easements required to operate such portfolio company. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of a portfolio company located on such parcel. The rights of a third party pursuant to a superior lease (such as leases of oil, gas, coal or other mineral rights) could also result in damage to or disturbance of the physical assets of a portfolio company or require relocation of investment assets. The locations of the portfolio companies may also be subject to government exercise of eminent domain power or similar events. The expiration of a landowner lease and the failure to obtain an extension will adversely affect a portfolio company on such property. If any portfolio companies were to suffer the loss of all or a portion of their underlying real estate interests or equipment as a result of a foreclosure by a mortgagee or other lienholder of a land parcel, or damage arising from the conduct of superior leaseholders, such portfolio company’s operations and revenues may be adversely affected.

Real Property. Investments in real property will be subject to various risks which may correlate with (either causing or being caused by) fluctuations in occupancy, rental rates, operating income and expenses, or which may render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant’s lease, there may be a period of time before the Clients will begin receiving rental payments under a replacement lease. During that period, the Clients will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair the Clients’ ability to attract replacement tenants and achieve rental rates equal to or

greater than the rents paid under previous leases. Increased competition for tenants may require the Clients to make capital improvements to properties which otherwise would not have been planned. In some locations, state and local regulations may restrict the Clients from raising rental rates to a level that it considers to be “market” for a substantially similar property. If such regulations (or the interpretation or application thereof) change or increase it may adversely impact the Clients. Any unbudgeted capital improvements that the Clients undertake may divert cash that otherwise would be available for distribution to investors. Ultimately, to the extent that the Clients are unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact the Clients’ operating results.

Certain Restrictions on Ownership. Current laws in various jurisdictions give heads of state the authority to condition, restrict or block acquisitions by foreign persons of local entities if that acquisition threatens to impair national security. In addition, many jurisdictions restrict foreign investment in infrastructure and real estate assets by placing limitations on foreign equity investment, implementing screening, or approval mechanisms and restricting the employment of foreigners as key personnel. These U.S. and foreign laws could limit the Clients’ ability to invest in some entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions, and could result in the Clients excluding (in whole or in part) the participation of certain investors in any such transaction, which under the terms of the Governing Agreements of the relevant General Partner may elect to do under such circumstances.

Capital Intensive Investments. Real estate and infrastructure investing is capital intensive. The Clients could own or acquire assets that have defects, and normal wear and tear on the Clients’ assets necessitate repairs. The Clients may own or acquire an asset with a capital expenditure plan, but the condition of the asset may cause the capital requirements to exceed expectations. Furthermore, the Clients may be required to expend funds to correct defects or to make improvements before a portfolio company in a property can be sold. In all these cases, the Clients would be required to expend capital on the asset in excess of Moontower’s business plan. No assurance can be given that the Clients will have funds available to correct those defects or to make those improvements. In acquiring a property, the Clients may agree to lock-up provisions that materially restrict them from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that property. These factors and others that could impede the Clients’ ability to respond to adverse changes in the performance of their properties could significantly affect the Clients’ financial condition and operating results.

In some instances, the principal asset of the lessee of the relevant Client property may be only the tenant’s improvements thereon, or the liability of the lessee may be limited to its interest in such improvements. In those cases, the Client will be required to rely on the lessee’s equity interest in the improvements for its security. In the event of a default by a lessee or other premature termination of a lease, the relevant Clients may experience delays in enforcing its rights as lessor, may incur substantial costs in protecting its investment and/or may experience an impairment of value. In addition, adverse changes in the operation of any property, or the financial condition of any tenant, could have an adverse effect on the Client’s ability to collect rent payments and, accordingly, on its ability to make distributions to investors. A tenant may experience, from time to time, a downturn in its business which may weaken its financial condition and result in its failure to make rental payments when due. Both the rental income and market value of the properties the Client will invest in may be affected by the operational performance of the tenants’ businesses. This relates both to the business being carried out at a specific property



and to the general financial performance of the tenant. The operational performance of a tenant may in turn be affected by both local conditions and the wider economy. In addition, commercial real estate properties are relatively illiquid compared to other types of real estate and financial assets. This illiquidity will limit the relevant Client's ability to quickly change its portfolio in response to changes in economic or other conditions. If an existing lease is terminated or not renewed, the Client may be required to renovate the property or to make rent concessions in order to lease the property to another tenant or sell the property. Certain properties might be designed for special purposes, which will limit the Client's ability to lease or sell such properties. A single property or properties serving a particular industry also may carry the risks associated with significant industry concentration. How different industries may impact real estate investing are also described in "— Regulated Industries" below.

At any time, a tenant may seek the protection of applicable bankruptcy or insolvency laws, which could result in the rejection and termination of such tenant's lease or other adverse consequences and thereby cause a reduction in the distributable cash flow of the relevant Client. If a tenant's lease is not affirmed following bankruptcy or if a tenant's financial condition weakens, the Client's operating cash flow may be adversely affected. No assurance can be given that tenants will not file for bankruptcy protection in the future or, if they do, that their leases will continue in effect. After a lease has been terminated, the Client nonetheless bears the fixed costs of ownership of the asset, such as real estate taxes, maintenance and other operating expenses and, if applicable, interest and amortization on any related financing. Property that has been vacated by a tenant may not be re-let at the same rental rate (or at all), thereby reducing the operating income from the property, and the Client may be required to make unexpected capital investments to lease the property again.

Laws Protecting Tenants. Tenants in certain jurisdictions benefit or may come to benefit from time to time from legal protections and customary contractual provisions that generally do not apply elsewhere. For example, in some jurisdictions, a tenant is entitled to seek a rent reduction when market rents decrease, thereby exposing the Clients to risk of decreasing revenue in a market decline. In some jurisdictions, tenants have the right to terminate leases before the stated term ends. Residential tenants in some jurisdictions may benefit from rent control programs that reduce the ability of an owner to raise rents. In others, retail leases are subject to special tenant-friendly rules. Moreover, certain jurisdictions have in the past and may from time to time adopt rent regulation legislation that could affect rent-regulated multifamily real estate by limiting the ability to achieve certain returns and rent growth and could negatively impact the value of properties owned by the Clients and their portfolio companies. Finally, even when an owner of real estate has clear legal rights, the judiciary may fail to uphold those rights. All of these considerations significantly increase the risk of holding a real estate asset.

Governmental Action. The Clients' portfolio investments could become subject to nationalization, condemnation, seizure, eminent domain or other similar actions by governmental authorities. Such an action could have a material adverse effect on the financial viability and marketability of the Clients' portfolio investments and there can be no assurance that the Clients will have, or be able to effectively enforce, any rights to prevent such action. In addition, the Clients may not be able to anticipate and/or insure against any such losses of property and ultimately may not receive adequate or timely compensation for the cost of their investments and any improvements or other costs relating thereto.

Hospitality Real Estate Investments. Certain Clients are expected to invest in hospitality assets, which could subject the Clients to particular economic and operating risks. Hospitality assets are particularly exposed to short-term economic conditions in the global and local markets as their

space is let on a short-term basis. Furthermore, upon acquisition of a hotel, the owner generally has limited visibility into future bookings. Certain hotels acquired by the Clients may be managed by third-party hotel management companies pursuant to management agreements that may not be terminable for a period of time. In these cases, the hotel's business and operating results would depend in large part upon the performance of a third party not originally retained by the Clients. While the Clients will seek to invest in hotel properties with quality management, there is no guarantee that the third-party management company for any given hotel property will meet the Clients' performance objectives.

Like most real estate, hospitality properties are highly competitive. If a property's occupancy or room rates drop such that its revenues are insufficient to cover its operating expenses, additional funds, including reserves, will be required to cover operating expenses. Also, more so than certain other property types, hospitality properties need to make capital expenditures in order to remain competitive. There is a risk that cash flow from operations and reserves may be inadequate to fund capital improvements, or financing for these capital improvements may not be available on attractive terms. Also, hotel properties may not readily be converted to alternative uses if they were to become unprofitable due to competition, obsolescence, or decreased demand, given zoning structural and other considerations.

Concentration of Investments in a Single Industry; Risks Inherent in Leisure Assets. A portion of the Clients' portfolio companies may be involved in travel and leisure businesses in connection with real assets. The travel and leisure industry is challenged by factors including cyclical, changing macro-economic conditions in the United States and globally, intense competition, susceptibility to natural or man-made disasters, such as fires, earthquakes or floods, susceptibility to public health emergencies, such as the COVID-19 pandemic, large capital requirements and the introduction of new, competing resorts, properties or other leisure activities. The Clients' portfolio companies will compete in this volatile environment, and instability or an overall decline within the travel and leisure sector will not be balanced by investments in other industries not so affected. The Clients expect several of their portfolio companies to be highly dependent on customers traveling to specific destinations via air travel.

Healthcare Regulatory Constraints. Certain Clients are expected to invest in healthcare assets, which could subject the Clients to particular regulatory constraints and economic risks. Significant changes to the global healthcare industry may have a material adverse impact on the business of the Clients' portfolio companies. The healthcare industry is subject to regulatory controls by international, national, and in some instances, local governmental authorities. The nature and scope of healthcare regulations generally are subject to political forces and market considerations, the effects of which cannot be predicted. Healthcare regulations often are aimed at advancing a variety of social policies, such as the general protection of consumers and the provision of universal access to products and services. The healthcare industry has experienced, and is expected to continue to experience, extensive and dynamic change. In addition to economic forces and regulatory influences, continuing political debate has subjected the healthcare industry to significant reform. There has also been significant media and public attention focused in recent years on the healthcare industry. Moontower expects government officials, both domestic and foreign, to continue to review and assess alternative healthcare delivery systems and payment methodologies. Further, healthcare laws and regulations are complex and subject to interpretation. Changes in the law or new interpretations of existing laws may have a dramatic effect on the scope of permissible or impermissible activities, the relative cost of doing business, and the methods and amounts of payments for medical care by both

governmental and other payors. Such future changes may further impact the business of the Clients' portfolio companies, and there can be no assurance that future legislation or regulatory changes will not have a material adverse effect on the operations of the Clients' portfolio companies.

Logistics Investments. The Clients are able to make investments in logistics assets (including storage and warehouse facilities and distribution centers), which subjects the Clients to particular economic and operating risks. Logistics assets (including storage and warehouse facilities and distribution centers) are subject to numerous risks, including risks relating to supply of and demand for such facilities in the local market, global trends in respect of supply and demand, the impact of economic conditions on the local market, on tenants (including such tenants' products and inventories) and on tenants' suppliers, customers and end-users, tenant quality, diversification and the physical attributes of the property (e.g., age, condition, availability of electricity and/or refrigeration required to store certain products, among others). Logistics facilities are particularly sensitive to consumer trends relating to online and delivery shopping habits and the aforementioned risks generally are more relevant for and may have a greater impact on such facilities than the traditional brick-and-mortar facilities. For example, there is a possibility that consumers may decrease the online and delivery shopping habits to which they grew accustomed during the COVID-19 pandemic, and that there will be a decline in demand for the products stored in, or distributed through, logistics facilities, which could result in increased vacancies and lower rents, and thereby adversely affect the value of such assets. Logistics-focused properties may require particular updates or infrastructural improvements that may involve greater expenditure than traditional commercial real estate properties (e.g., upgrades to electrical, gas and plumbing infrastructure, HVAC systems and security systems) and such infrastructural needs may vary depending on the particular tenant. In addition, depending on the particular tenant, such space may be more susceptible to particular hazards and accidents, including fires, leaks, contaminations, chemical spills, product loss or theft, automotive collisions and physical injury or death. The liability and cost arising out of the occurrence of any such event could be considerable and could be borne by the Clients. Declines in demand for the products stored in, or distributed through, such facilities could result in increased vacancies and lower rents, which would adversely affect the value of such assets. Further, if a tenant is unable to pay rent, or declines to extend a lease upon its expiration, and vacates the space, the Clients may be unable to re-let the space to another tenant or may incur substantial expense to modify such space to meet the specific needs of different tenants before it may be re-let. Any of the risks described herein could be exacerbated in the case where a tenant leases more than one property held as a portfolio company.

Ground Lease Investments. The Clients are able to make investments in real estate assets that are ground leases or subject to ground leases. As a lessee under a ground lease, the Clients may be exposed to the possibility of losing the asset upon termination, or an earlier breach by owner of the ground lease, which may adversely impact the Clients' investment performance. Furthermore, ground leases often impose restrictions on the ability to sell the assets, including the obligation to obtain consent from the landlord to any assignment or transfer of rights under the lease. Finally, the value of a ground lease can be more volatile, as its entire value is defined by cash flows to a date certain (i.e., the expiration date of the ground lease), after which there is generally no value for the lessee.

Land/New Development; Risk of Fraud. Subject to certain limitations set forth in the relevant governing documents of each Client, the Clients may acquire direct or indirect interests in undeveloped land or underdeveloped real property, which oftentimes may be non-income producing during the development and marketing phase. To the extent that the Clients invest in

such assets, they will be subject to the risks normally associated with such assets and development activities. Such risks include new project commencement risks, such as the failure to obtain zoning, occupancy and other required governmental permits and other regulatory or environmental approvals, and/or issuance of permits containing unfavorable terms, the cost and timely completion of construction (including risks beyond the control of the Clients, such as weather conditions or material shortages), risks connected to environmental issues or labor disputes (such as work stoppages), risks relating to the performance of the Clients' builders, subcontractors and/or third-party consultants, risks of inaccurate project feasibility assessments, risks of incorrectly forecasting the risk associated with development in new geographic regions, risks relating to the availability of both construction and/or permanent financing on favorable terms, risks that the properties will not achieve anticipated occupancy levels or sustain anticipated rent levels (such as decreased demand due to competition from other developers or depressed lease rates and rents due to market and economic conditions) and risks associated with political or local opposition. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Clients and on the amount of funds available for distribution to the investors. Properties under development or properties acquired for development may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change after the initial investment and during the course of development that make such development less attractive than at the time it was commenced. Certain investments will require the Clients to enter into partnership, joint ventures and/or other arrangements with developers or operators, any of whom may fail to perform as expected. In addition, investments in new development activities could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any counterparty with which the Clients invest, the Clients may suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on the Clients' other investments.

Construction Lending Risks. The Clients expect to from time to time provide debt financing to facilitate the construction or development of real assets-related platforms, which may take the form of real estate loans, construction loans or other real estate-related debt securities or interests. Such portfolio companies are subject to risks relating to real estate-related debt investments generally as well as the risks associated with the construction of real assets, such as cost overruns, supply chain constraints, construction delays, worker walkouts, casualties and design problems and failure. Such portfolio companies will often require Moontower to rely on the expertise and continued solvency of one or more developers and general contractors, among others, which is outside of Moontower's control. Furthermore, the availability of takeout financing is highly dependent on market conditions at the time of completion, especially if the property is not occupied at such time. It will often be the case that a Client commits to fund a construction loan but only funds a portion of such loan at the time of the initial portfolio investment. For the avoidance of doubt, as is the case with all portfolio investments, Management Fees are based on the full amount of a Client's outstanding commitment to the borrower, even if the loan is only funded over time.

Increases in Operating Expenses. The Clients' properties generally are subject to the risk, which often manifests in connection with real properties, of increases in operating expenses, such as maintenance and utility costs, property taxes, insurance and administrative costs, and other general costs associated with security, landscaping, repairs and maintenance. If operating expenses increase, competition in local rental markets may limit the extent to which rents may be

increased to meet increased expenses without decreasing occupancy rates, and the Clients' operating cash flow may be adversely affected.

Investments Held in REITs. The Clients may invest a portion of their assets in one or more entities intending to qualify as publicly traded real estate investment trusts as defined in the Code ("REITS") (each such REITs controlled by Moontower, a "Moontower REIT"). However, no assurance can be given that any such Moontower REIT will qualify or remain qualified as a REIT. Failure of a Moontower REIT in any taxable year to qualify as a REIT would render such Moontower REIT subject to tax on its taxable income at regular U.S. federal corporate rates, and an investor's share of distributions made by a Moontower REIT to the Clients in any non-qualifying years would not be deductible by such Moontower REIT. If an entity's status as a REIT is terminated, the entity generally will not be eligible to elect REIT status again until the fifth taxable year following the year in which it fails to qualify under the Code as a REIT. The requirements for qualification as a REIT are extremely complex, and a Moontower REIT's compliance with such requirements may depend on factors that are outside of its control or upon the resolution of legal issues for which guidance is lacking. Further, any investment held through a Moontower REIT will be subject to certain risks associated with investments in REITs. REITs may be affected by changes in the value of their underlying properties and by defaults by borrowers or tenants. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which assets held may be realized or disposed and distributions of capital returns may be made at any time. Future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax or other laws or the application thereof. Any such change could adversely affect a Moontower REIT's ability to qualify as a REIT or the U.S. federal income tax or other legal or regulatory consequences of such qualification. Even if a Moontower REIT qualifies as a REIT, such Moontower REIT may be subject to U.S. federal income tax and other taxes in certain circumstances. A Moontower REIT may engage in transactions with one or more taxable REIT subsidiaries. If amounts paid for services by a Moontower REIT to a taxable REIT subsidiary are determined to be not at arm's-length, the difference between the amount paid and the fair value of the transaction will be subject to a 100% tax.

Highly Leveraged Companies. Portfolio investments are expected to include companies whose capital structures have significant leverage either before or during the Client's investment. Instruments issued by such companies may have limited covenants (e.g., "covenant lite" securities), and the lack of robust covenants can increase the risk associated with an investment in such issuers. While investments in leveraged companies offer the opportunity for capital appreciation and the Adviser approaches leverage in a manner it believes to be prudent, such investments involve a high degree of risk. Portfolio investments will involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other challenges that affect the relevant company or its industry, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such companies. In using leverage, companies typically are subject to terms and conditions that include restrictive financial and operating covenants, which may impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Moreover, rising interest rates will, unless such rates are fixed pursuant to the terms of any such indebtedness, significantly increase such portfolio investments' interest expense, causing losses and/or the inability to service debt levels. If a portfolio investment cannot generate adequate cash flow to meet its debt obligations, the Client is likely to suffer a partial or total loss of capital invested

in the company, which, depending on the size of the Client's investments, could adversely affect the return on the capital of the Client.

Real Estate Debt Investments. The Clients may invest in debt investments in or relating to real estate-related businesses, assets or interests. Real estate debt investments present additional risks not necessarily present in other types of investments. In the case of certain real estate debt investments, some of the Clients' investment strategy may be based, in part, upon the premise that real estate loans, debt instruments and/or participation interests related thereto that are otherwise performing are from time to time available for purchase by the Clients at "discounted" rates or at "undervalued" prices. Purchasing debt instruments and/or other interests at what may appear to be "undervalued" or "discounted" levels is no guarantee that these portfolio companies will generate attractive risk-adjusted returns to the Clients or will not be subject to further reductions in value. No assurance can be given that real estate loans and/or participation interests can be acquired at favorable prices, that such loans or participation interests will not present risk of default or that the market for such interests will continue to improve since this depends, in part, upon events and factors outside the control of Moontower. In addition, there can be no assurance that the market conditions for investing in real estate-related debt instruments will not deteriorate further, which could have an adverse effect on the performance of these investments. While the Clients performs due diligence in connection with each of its portfolio companies, there may be an increased risk that the documentation relating to an investment in real estate loans may contain a material misstatement, omission or misrepresentation, which may adversely affect the performance of such portfolio company.

In the case of any real estate loans acquired by the Clients that are non-performing at the time of acquisition and/or become non-performing following acquisition for a wide variety of reasons, such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which can entail, among other things, a substantial reduction in the interest rate and a substantial writedown of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the relevant General Partner will find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Clients. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers in real estate projects often resist foreclosure actions, which often prolongs and complicates an already difficult and time-consuming process. In some states or other jurisdictions, real estate foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower may have the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. The ultimate disposition of a foreclosed asset may yield a price insufficient to cover the cost of the foreclosure process and the balance attached to the defaulted loan.

Any deterioration of real estate fundamentals generally, and in the United States in particular, could negatively impact the performance of the Clients by making it more difficult for real estate assets to satisfy their debt payment obligations, increasing the default risk applicable to real estate assets and/or making it more difficult for the Clients to generate attractive risk-adjusted returns. Changes in general economic conditions will affect the creditworthiness of real estate assets and/or the value of the underlying real estate collateral relating to the portfolio companies. The



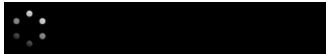
value of securities and/or loans of companies which service the real estate business sector also may be affected by such risks.

Weather and Climatological Risks. Certain infrastructure and energy companies, and regions in which the Clients may invest or conduct activities, may be particularly sensitive to weather and climate conditions. For example, solar power generators rely on the frequency and intensity of sunlight, wind turbines rely on the frequency and intensity of the wind, and companies focused on biomass rely on the production of crops, which can be adversely affected by droughts and other weather conditions. Furthermore, climate change may cause more extreme weather conditions and increased volatility in seasonal temperatures. Extreme weather conditions can interfere with operations and increase operating costs, and damage resulting from extreme weather may not be fully insured.

Governmental and Regulatory Risks Related to Infrastructure Investments. Infrastructure investments are subject to substantial government regulation and governments have considerable discretion to implement regulations that could affect the business of infrastructure investing. In many instances, the operation or acquisition of infrastructure assets involves an ongoing commitment to or from a governmental agency, and the operation of infrastructure assets often relies on government permits, licenses, concessions, leases or contracts. The nature of these obligations and dependencies exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies. Additional or unanticipated regulatory approvals, including renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the portfolio company's customer(s), change in investor composition in the relevant Client or for other reasons. Furthermore, permits or special rulings may be required on taxation, financial and regulatory related issues. Additionally, a portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company.

There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) obtain any necessary modifications to existing regulatory approvals or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to a portfolio company and the relevant Client. In addition, to the extent the Client determines to make a follow-in investment into a portfolio company, the relevant Client may be required to obtain separate and / or additional regulatory approvals in respect of such follow-on investment, which may be different or more stringent than the initial approvals obtained in respect of such portfolio company. In such scenario, the Client's participation in such follow-on investment may be delayed or otherwise adversely affected and the General Partner may determine it is appropriate to exclude or partially exclude certain investors (or categories of investors) from participation in such follow-on investment.

Where a portfolio company holds a concession or lease from the government, the concession or lease may restrict the portfolio company's ability to operate the business in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to



the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring payment of adequate compensation.

In addition, since many portfolio companies will provide basic, everyday services and face limited competition, regulatory agencies could be influenced by political considerations and could make decisions that adversely affect a portfolio company's business. Certain types of infrastructure assets are very much in the "public eye" and politically sensitive, and as a result the relevant Client's activities could attract an undesirable level of publicity. Additionally, pressure groups and lobbyists could induce regulatory agency action to the detriment of the Client as the owner of the relevant portfolio company or asset. There can be no assurance that the relevant government will not legislate, impose regulations, or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a portfolio company. The profitability of certain types of investments might be materially dependent on government subsidies being maintained (for example, government programs encouraging the development of certain technologies such as solar and wind power generation). Reductions or eliminations of such subsidies would likely have a material adverse impact on relevant investments by the Client.

Contract Revenues. Part of a portfolio company's projected revenues and cash flows may be fully or partially recurring and / or under contract. However, there are no guarantees that any of the contractual revenues will materialize as projected. Should any of the customers or counterparties fail to pay their contractual obligations, significant revenues could cease and become irreplaceable. This would adversely affect the profitability of the portfolio company.

Rate Regulation. Infrastructure assets may be subject to rate regulation by government agencies because of their unique position as the sole or predominant provider of services that are essential to the community. As a result, portfolio companies might be subject to unfavorable price regulation by government agencies that may be final with no right of appeal or that, despite a right of appeal, could adversely affect the overall profitability of any particular infrastructure project subject to such rate regulation. For instance, some portfolio companies may derive substantially all their revenues from collecting tolls from vehicles using roads, tunnels or bridges or from fares relating to subways or other forms of public transportation.

Toll rates are typically set by the relevant concession company and the relevant government entity. Adverse public opinion, socioeconomic changes and / or lobbying efforts by specific interest groups, could result in governmental pressure on portfolio companies to reduce their toll rates, forego planned rate increases and / or exempt certain classes of users from tolls. In the future, the relevant government bodies may seek to limit the Clients' ability to increase, or may seek to reduce, toll rates or fares outside the scope of the respective concession agreements, as a result of factors such as general economic conditions, negative consumer perceptions of increases in toll rates or fares, the prevailing rate of inflation, traffic volume and public sentiment about prevailing toll rates or fares. If public pressure and / or government action forces portfolio companies to restrict their toll rate increases or reduce their toll rates, and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Clients' business, financial condition and results of operations could be materially and adversely affected. Furthermore, Moontower cannot guarantee that governmental entities with which portfolio companies have concession agreements will not try to exempt certain vehicle types from tolls or negotiate lower toll rates.

Public Demand and Usage Risk. Demand, usage and throughput risk can affect the performance of infrastructure assets. Demand, usage and throughput depend on, and may be affected by, a wide variety of factors, such as demographic changes, economic conditions, fuel prices, government macroeconomic policies, tolls, tariffs, other usage or throughput-related fees, social stability, political or local opposition, technical obsolescence, competition from untolled or other forms of transportation, acts of God, war, terrorism, changes in demand for products or services, slower than projected construction progress and adverse weather conditions. The Clients may invest in portfolio companies that derive substantially all of their revenues from tolls, tariffs or other usage-related fees. Users of the applicable service may react negatively to any adjustments to the applicable rates, or public pressure may cause a government or agency to challenge such rates. In addition, adverse public opinion, or lobbying efforts by specific interest groups, could result in government pressure to reduce rates or to forego planned rate increases. If public pressure or government action forces a portfolio company to restrict its rate increases or reduce their rates, and it is not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, the Clients or the applicable portfolio company's business, financial condition and results of operations could be materially and adversely affected. To the extent that the Clients' assumptions regarding demand, usage and throughput prove incorrect, returns to the Clients could be adversely affected. Some investments may be subject to seasonal variations, including greater revenues and profitability during different seasons of the year. Accordingly, the Clients' or the applicable portfolio company's operating results for any particular investment in any particular quarter may not be indicative of the results that can be expected for such investment throughout the entire year.

Operations and Maintenance Risk. As a general matter, the operation and maintenance of infrastructure assets involve significant capital expenditures and various risks, many of which may not be under the control of the owner / operator, including labor issues, political or local opposition, failure of technology to perform as anticipated, technical obsolescence, increasing fuel prices, structural failures and accidents, environment related issues, counterparty non-performance and the need to comply with the directives of government authorities. Optional or mandatory improvements, upgrades or rehabilitation of infrastructure assets may cause delays or result in closures or other disruptions subjecting a portfolio company to various risks including lower revenues. The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosions, fires, terrorist attacks, major plant breakdowns, pipeline or electricity line ruptures or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in permanent loss of customers, substantial litigation or penalties for regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economic, to protect the business from these risks.

Effects of Ongoing Changes in the Utility Industry. The Clients may make certain portfolio companies in utility industries. In many regions, the market dynamics of the utility industry may change, primarily in wholesale markets, as a result of consumer demands, technological advances, greater availability of natural gas and other factors. As a result, additional significant competitors could become active in parts of the utility industry. In addition, utility asset owners may find it increasingly difficult to negotiate long-term procurement or sales agreements with counterparties, which may affect the Clients' profitability and financial stability. To the extent competitive pressures increase and the pricing and sale of products assume more characteristics



of a commodity business, the economics of the projects into which the Clients may invest may come under increasing pressure. If restructuring of the utility industry is reversed, discontinued, delayed or modified, this could have an adverse effect on the Clients' portfolio companies.

Electricity generation and related infrastructure investments may be subject to extensive energy laws and regulations where portfolio companies are located. Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Under the Federal Power Act (the "FPA"), the Federal Energy Regulatory Commission regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by "public utilities" as defined under the FPA and places constraints on the conduct of their business, including, among other things, rate and corporate regulation including ownership and disposition of jurisdictional assets. In addition, state public utility commissions in the United States ("PUCs") have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail and other public utilities that provide utility service to the public such as water utilities and telecommunication service providers, and a number of other matters relating to electric and other public utilities. State laws may also impose certain regulatory and reporting requirements on other owners and operators of generation facilities and other public utilities. Independent power producers are considered to be public utilities in some states and are subject to varying degrees of regulation by PUCs, ranging from a requirement to obtain a "certificate of public convenience and necessity" to regulation of organizational, accounting, financial and other corporate matters. States may assert jurisdiction over the location and construction of electric generating facilities and other public utility facilities, and in certain situations, over the issuance of securities and the sale or other transfer of assets by these facilities. State jurisdictional natural gas transportation and storage rates are also frequently subject to regulation by local PUCs. Similar regulation may also apply in other non-U.S. jurisdictions where portfolio companies operate.

Investments in the Energy Sector. The operations of energy companies are subject to many risks inherent in the transporting, processing, storing, distributing, mining or marketing of natural gas, natural gas liquids, crude oil, coal, refined petroleum products or other hydrocarbons, or in the exploring, managing or producing of such commodities, including damage to pipelines, storage tanks or related equipment and surrounding properties caused by hurricanes, tornadoes, floods, fires and other natural disasters or by acts of terrorism; inadvertent damage from construction and farm equipment; leaks of natural gas, natural gas liquids, crude oil, refined petroleum products or other hydrocarbons; and fires and explosions. These risks could result in substantial losses due to personal injury or loss of life, severe damage to and destruction of property and equipment and pollution or other environmental damage and may result in the curtailment or suspension of their related operations, any and all of which could result in lower than expected returns to the Clients. Prospective investors should further note that such risks are particularly acute in the current environment due to, among other things, disruptions in the global supply chain, economic downturn and global travel restrictions.

Digital Infrastructure Investments. Investment in digital infrastructure assets involves many relatively unique and acute risks. Project revenues can be affected by a number of factors including economic and market conditions, political events, competition, regulation and the financial position and business strategy of customers. Unanticipated changes in the availability or



price of inputs necessary for the operation of digital infrastructure assets may adversely affect the overall profitability of a portfolio company or related project. Events outside the control of a portfolio company, such as political action, governmental regulation, demographic changes, economic conditions, government macroeconomic policies, political events, social instability, natural disasters (such as fire, floods, earthquakes, hurricanes, and typhoons), changes in weather, changes in demand for products or services, bankruptcy or financial difficulty of a major customer, acts of war or terrorism and other unforeseen circumstances and incidents could significantly reduce the revenues generated or significantly increase the expense of constructing, operating, maintaining or restoring digital infrastructure facilities. In turn, this may impair a portfolio company's ability to repay its debt, make distributions to the Clients or even result in termination of an applicable concession or other agreement. As a general matter, the operation and maintenance of digital infrastructure assets or businesses involve various risks and are subject to substantial regulation, many of which may not be under the control of the owner/operator, including labor issues, failure of technology to perform as anticipated, structural failures and accidents and the need to comply with the directives of government authorities. Furthermore, once digital infrastructure assets of a portfolio company become operational, they may face competition from other digital infrastructure assets in the vicinity of the assets they operate, the presence of which depends in part on governmental plans and policies.

Market Overbuilding Risk. Although the General Partners expect to undertake a detailed market supply and demand forecast for each market as part of the deal underwriting process, the high returns on capital typically associated with the digital infrastructure segment may create the impetus for competing fiber, data center, tower and small cells networks to be built within or adjacent to the Clients' portfolio companies. This could potentially impact pricing and renewal rates in specific markets.

Investments in Data Centers. The Clients may invest in data center infrastructure, assets, business companies and platforms. Investments in data centers and data infrastructure involve a number of risks as such investments are often capital intensive and involve real property. The data infrastructure may become obsolete, and certain portfolio companies may not be able to upgrade or replace power and cooling systems cost effectively or at all. Investments in or related to digital infrastructure or data centers may involve investments in real property and expose the Clients to all risks associated with owning and maintaining real property, including those involved with tenant default. The development of new systems to deliver power to or eliminate heat in data center facilities may impose significant costs on any of the Clients' portfolio companies in data centers or data infrastructure. Similarly, the development of new server technology that does not require the levels of critical load and heat removal that current facilities are designed to provide could be run less expensively on a different platform and may require additional capital infusions from the Clients or negatively impact the Clients' investment performance. In addition, data center power and cooling systems are difficult and expensive to upgrade. Accordingly, data center companies, assets, business companies and platforms, including those that the Clients may invest in, may not be able to efficiently upgrade or change these systems to meet new demands without incurring significant costs, which could adversely impact business, financial condition and results of operations and similarly negatively impact the Clients' portfolio companies. Any impact in performance and operations will have an effect on the data center and accordingly the Clients' ability to fully lease the data center to tenants.

Construction Risk. In connection with any new development project (i.e., a "greenfield" project), expansion of a facility or acquisition of a facility in late-stage development, a portfolio company may also face construction risks typical for infrastructure businesses, including (i) labor disputes,



shortages of material and skilled labor or work stoppages, (ii) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (iii) less than optimal coordination with public utilities in the relocation of their facilities, (iv) adverse weather conditions and unexpected construction conditions, (v) accidents or the breakdown or failure of construction equipment or processes and (vi) catastrophic events such as explosions, fires and terrorist activities and other similar events, in each case beyond the Clients' control. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of construction activities once undertaken, any of which could have an adverse effect on the Clients. Construction costs may exceed estimates for various reasons, including inaccurate engineering and planning, labor and building material costs in excess of expectations and unanticipated problems with project start-up. Delays in project completion can result in an increase in total project construction costs through higher capitalized interest charges and additional labor and material expenses and, consequently, an increase in debt service costs and insufficient funds to complete construction. Delays may also result in an adverse effect on the scheduled flow of project revenues necessary to cover the scheduled operations phase debt service costs, lost opportunities, increased operations and maintenance expenses and damage payments for late delivery. Portfolio companies under development or portfolio companies acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced. In addition, there are risks inherent in the construction work that may give rise to claims or demands against a portfolio company from time to time.

Development Risk. Successful development of new or expansion projects may require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics may include political or local opposition, receipt of regulatory approvals or permits, site or land procurement, environment-related issues, construction risks and delays, labor disputes, counterparty non-performance, project feasibility assessment and dealings with and reliance on third-party consultants. When investing in a portfolio company, value may be ascribed to potential development projects that do not achieve successful implementation, potentially resulting in lower than expected returns to the Clients.

Technical Risk. Investments in the infrastructure industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events that adversely affect operations. While the Clients intend to seek portfolio companies in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such risks can be mitigated or that such parties, if present, will perform their obligations.

Investments in the Transportation Sector. Some of the Clients expect to make investments in infrastructure opportunities relating to the transportation sector, which may include investments relating to airports, toll roads, bridges and tunnels, port terminals, railroads, municipal transport, parking facilities and other public or private transportation-related infrastructure investments. The Clients' ability to make attractive transportation-related infrastructure investments may be subject to a variety of considerations, including general supply / demand trends, overall economic development and growth in the jurisdictions in which the Clients may make investments, general market conditions, socioeconomic changes and changes relating to governmental spending and related policies. Any adverse or unexpected changes in such conditions, such as the current



economic downturn, could adversely affect the Clients' ability to consummate attractive transportation-related infrastructure investments and / or the performance of any portfolio companies in the transportation sector.

In the future, the relevant government bodies may seek to limit a portfolio company's ability to increase, or may seek to reduce, toll rates or fares outside the scope of the respective concession agreements, as a result of factors such as general economic conditions, negative consumer perceptions of increases in toll rates or fares, the prevailing rate of inflation, traffic volume and public sentiment about prevailing toll rates or fares.

Equipment Risks. The generation and transmission of electricity requires the use of expensive and complicated equipment. While the Clients will in the ordinary course cause their portfolio investments to implement maintenance programs, generating plants are subject to unplanned outages because of equipment failure. If such an equipment failure occurs while the Clients or some of their portfolio companies are party to a Power Purchase Agreement (a "PPA"), the Clients or their relevant portfolio company may be subject to financial penalties payable to its customers or may be required either to produce replacement power from potentially more expensive units or purchase power from others at unpredictable and potentially higher cost in order to supply its customers and perform its contractual agreements. Any of these results could increase costs and materially and adversely affect the amount of funds available for distribution to investors. These factors, as well as weather, interest rates, economic conditions, fuel availability and prices, price volatility of fuel and other commodities and transportation availability and costs are largely beyond the control of the Clients, but may have a material adverse effect on the Clients' earnings, cash flows and financial position.

In addition, the wind turbines, solar panels, solar trackers and other equipment used in renewable energy projects are still evolving and, as a result, much of the equipment being used has not undergone extensive field testing over a period of years to determine its long-term costs of operation or its durability. Manufacturing and delivery of the equipment as well as its timely installation may also be difficult due to rapidly changing product designs and general manufacturing issues. Also, as with any equipment purchase, the purchaser is subject to the risk that the equipment, software or processes may be protected intellectual property of third parties, which may subject a portfolio company to the risk of being unable to use the equipment as well as paying damages for its prior use. Each of these risks could result in late delivery or project underperformance. If the project is not delivered on time, at required productivity and capacity levels, not only will there be a drop in revenues, but PPA or financing commitments may not be met, leading to project failure. To protect against these risks, equipment suppliers or balance of plant contractors typically provide a guaranty of timely completion and a two-to-ten year (sometimes longer) equipment performance warranty. These warranties typically protect project owners against equipment capacity and efficiency shortfalls while they are effective. In most cases, however, the investment period in a project will extend beyond the warranty period. Furthermore, some equipment manufacturers or contractors may not be sufficiently capitalized to enable them to respond to all customer claims, especially serial defect warranty claims. As competition among equipment suppliers continues to drive down the cost of some wind turbines and solar panels, there is a risk that some equipment manufacturers may be unable to honor their warranty claims. In the context of financing, projects are typically exposed to vendor credit, as a credit event around a key vendor is often a financing event of default. A defect in vendor credit may also lead to a violation of financing. In the event of a failure of any equipment after the end of the warranty period (or during the warranty period if the supplier or contractor does not have



the ability to respond), a portfolio company may incur significant costs to keep the project operational or lose the project.

Power Purchase Agreement Risk. Portfolio companies may enter into PPAs. Payments by power purchasers to such companies pursuant to their respective PPAs may provide the majority of such companies' cash flows. There can be no assurance that any or all of the power purchasers will fulfill their obligations under their PPAs or that a power purchaser will not become bankrupt or that upon any such bankruptcy its obligations under its respective PPA will not be rejected by a bankruptcy trustee. There are additional risks relating to the PPAs, including the occurrence of events beyond the control of a power purchaser that may excuse it from its obligation to accept and pay for delivery of energy generated by a company. Subject to the terms of each applicable PPA, such events may include (i) a system emergency, transmission failure, adverse weather conditions or labor disputes, (ii) under certain PPAs, an extended force majeure event that may give rise to a termination right by a power purchaser under such PPA, and (iii) under certain PPAs, an extended failure to deliver minimum quantities of energy or meet minimum mechanical availability levels (due to lack of wind, interconnection arrangements or otherwise) that could entitle the power purchaser to claim and receive damages or, in some cases, terminate the PPA or reduce the contract price payable for energy under the PPA. The failure of a power purchaser to fulfill its obligations under any PPA or the termination of any PPA may have a material adverse effect on a portfolio company.

Energy and Natural Resources Regulatory Risk. The energy and natural resource sectors are subject to comprehensive laws and regulations. Present, as well as future, statutes and regulations could cause additional expenditures, decreased revenues, restrictions and delays that could materially and adversely affect the Clients' portfolio companies and the prospects of the Clients. There can be no assurance that (i) existing regulations applicable to portfolio companies generally or portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology, equipment, processes and procedures selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' businesses and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies. In addition, in many instances, the operation or acquisition of energy infrastructure assets may involve an ongoing commitment to or from a government agency. The nature of these obligations exposes the owners of infrastructure investments to a higher level of regulatory control than typically imposed on other businesses.

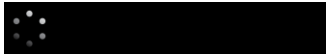
Statutory and regulatory changes or judicial or administrative interpretations of existing laws, rules and regulations that impose more comprehensive or stringent requirements could make it unfeasible or economically disadvantageous for the Clients to invest in a jurisdiction where a project or portfolio company is located or operates may make the continued operation of such project or company unfeasible or economically disadvantageous and any expenditures made to date with respect to such portfolio company may be wholly or partially written off. The location of a project or portfolio company may also be subject to government exercise of eminent domain power, expropriation or similar events. Similarly, regulatory differences between jurisdictions where a project or portfolio company is located or operates may make the commencement and / or continued operation of a project or company in a particular jurisdiction less feasible and / or less profitable than projects in other jurisdictions. The inability of the relevant Client and / or the

portfolio company to obtain and maintain regulatory permits or right-of-way or rental agreements on acceptable terms could adversely impact the Clients and / or a portfolio company, including by impeding their ability to complete construction projects on time, on budget or at all. Any of these factors could significantly increase the regulatory-related compliance and other expenses incurred with respect to portfolio investments and could significantly reduce or entirely eliminate any potential revenues generated by one or more of the portfolio companies, which could materially and adversely affect returns to the Clients.

There can be no assurance that (i) existing regulations applicable to portfolio Investments generally or the portfolio companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to portfolio companies; (iii) the technology, equipment, processes and procedures selected by portfolio companies to comply with current and future regulatory requirements will meet such requirements; (iv) such portfolio companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

Uncertainty of Renewable Energy Market. The market for renewable energy assets and businesses continues to evolve rapidly. Diverse factors, including the cost-effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives, as well as the potential for unforeseeable disruptive technology and innovations, present potential challenges to investments in renewable assets. Renewable resources (e.g., wind, solar, hydro, geothermal) are inherently variable. Variability may arise from site-specific factors, daily and seasonal trends, long-term impact of climatic factors, or other changes to the surrounding environment. Variations in renewable resource levels impact the amount of electricity generated, and therefore cash flow generated, by renewable energy investments. Renewable power generation sources currently benefit from various incentives in the form of feed-in-tariffs, rebates, tax credits, renewable portfolio standard regulations and other incentives. The reduction, elimination or expiration of government subsidies and economic incentives could adversely affect the cash flows and value of a particular portfolio company, the flow of potential future investment opportunities and the value of any platform in the sector. In addition, the development and operation of renewable assets may at times be subject to public opposition. For example, with respect to the development and operation of wind projects, public concerns and objections often center around the noise generated by wind turbines and the impact such turbines have on wildlife. While public opposition is usually of greatest concern during the development stage of renewable assets, continued opposition could have an impact on ongoing operations.

Solar Power. Some of the Clients may make investments in portfolio companies that will be engaged in solar power generation and power transmission. The development and construction of solar power plants can require long periods of time and substantial initial capital investments, and there are significant risks related to the development of solar power plants, including high initial capital expenditure costs to develop and construct functional power plant facilities and the related need for construction capital, the availability of favorable government tax and other incentives, the high cost and potential regulatory and technical difficulties in integrating into new markets, an often limited or unstable marketplace, competition from other sources of electric power, regulatory difficulties including obtaining necessary permits, difficulties in negotiating PPAs with potential customers, educating the market regarding the reliability and benefits of solar



energy products and services, costs associated with environmental regulatory compliance and competing with other solar energy companies and utilities.

Wind Power. Some of the Clients are expected to make investments in portfolio companies that will be engaged or involved in the development and operation of wind farms. The development of a wind farm can require substantial initial capital investments, and there are significant risks related to the development of wind farms, including the availability of favorable government tax and other incentives; the high cost and potential regulatory and technical difficulties in integrating into new markets; an often limited or unstable marketplace; competition from other sources of electric power and other wind farms; regulatory difficulties including obtaining necessary permits; difficulties in negotiating satisfactory turbine supply, engineering and construction agreements and with respect to connecting to the existing electricity transmission network; difficulties in negotiating PPAs with potential customers, educating the market regarding the reliability and benefits of wind energy products and services; and costs associated with environmental regulatory compliance.

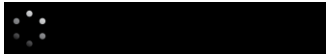
The performance of wind farms is dependent upon meteorological and atmospheric conditions that fluctuate over time. If the wind or solar conditions are unfavorable or below estimates, then the electricity production may be substantially below the investment team's expectations. Insufficient electricity production may trigger a contractual breach of or financial penalty under a PPA or ultimately cause a default in the project-level finance arrangements. Operating results for projects vary significantly from period to period. Wind and solar energy projects require natural resource conditions that are found in limited geographic areas and, within these areas, at particular sites. A key part of the investment team's investment decision-making process is to estimate the power production of the project, which includes an evaluation of the resource levels at the site in the context of the equipment that will be used at that site. Actual wind or solar conditions, however, may not conform to projected data in these studies and may be affected by variations in weather patterns, including any potential impact of climate change. Therefore, the electricity generated by the relevant Client's projects may not meet expected production levels or the rated capacity of the turbines or solar panels that comprise such projects, which could adversely affect the Client's performance. The amount of electricity generated by a wind farm depends upon many factors in addition to the quality of the wind resources, including turbine performance, aerodynamic losses resulting from wear on the wind turbine, degradation of other components, icing or soiling of the blades and the number of times an individual turbine or an entire wind farm may need to be shut down for maintenance or to avoid damage due to extreme weather conditions. In addition, conditions on the electrical transmission network can impact the amount of energy a wind farm can deliver to the network. Wind farms may be located in remote areas with limited transmission networks where intense competition exists for access to, and use of capacity on, the existing transmission facilities. Electricity transmission lines may experience unplanned outages due to system failures, accidents and severe weather conditions, or planned outages due to repair and maintenance, construction work and other reasons beyond the Client's control. As electricity generated from wind farms is generally not stored and must be transmitted or used once it is generated, some of the wind turbines of a wind farm may be turned off during such period when electricity is unable to be transmitted due to grid congestion or other grid constraints. Such events could reduce the actual net power generation of such wind farms. In addition, a number of other factors may further decrease electricity output, including wind speed or wind direction or other severe weather conditions. As a result, the relevant Client's portfolio companies may experience significant financial losses from the inefficient electricity outputs.



Shipping Investments. Some of the Clients may invest in portfolio companies in the shipping sector, which may include investments in shipping assets, and other public or private shipping-related investments. The ability of the relevant Client to make attractive shipping-related investments may be subject to a variety of considerations, including general supply / demand trends, overall economic development and growth, general market conditions, socioeconomic changes and changes relating to governmental spending and related policies. Any adverse or unexpected changes in such conditions could adversely affect the Client's ability to consummate attractive shipping-related investments and / or the performance of any underlying portfolio companies in the shipping sector.

Risks Associated with Aircraft Leases. Some of the Clients could participate in platform arrangements and other contractual arrangements relating to aircraft leasing. The airline industry is cyclical and highly competitive. Airlines and related companies (including airports) were significantly and materially affected by COVID-19 and could be affected by political or economic instability, terrorist activities, changes in national policy, competitive pressures on certain air carriers, fuel prices and shortages, labor stoppages, insurance costs, recessions, further world health issues and other political or economic events adversely affecting world or regional trading. The airline industry is highly sensitive to general economic trends and any downturn in the global economy or in the relevant local economy could further adversely affect results of operations and financial conditions. Any such negative impact on the airline industry could increase the risk of any airline defaulting on the terms of any aircraft lease investment made by the relevant Client and the ability of the relevant Client to source alternative airline operators to assume the obligations under such leases, which could adversely impact the performance of such investments. Similar considerations apply with respect to platform arrangements and other contractual arrangements relating to similar assets, such as ship leasing.

Credit Risk. One of the risks associated with the Clients' investments is credit risk, which is the risk that an underlying issuer or borrower will be unable to make principal and interest payments on its outstanding debt or other payment obligations when due or otherwise defaults on its obligations to the Clients and/or that the guarantors or other sources of credit support for such persons do not satisfy their obligations. The Clients' return to investors would be adversely impacted if an underlying issuer of debt investments or other instruments or a borrower under a loan in which the Clients invest were to become unable to make such payments when due. Although the Clients may make investments that the General Partners believe are secured by specific collateral the value of which may initially exceed the principal amount of such investments or the Clients' fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Clients could experience delays or limitations with respect to their ability to enforce rights against and realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Clients or the Clients' expected rights to such collateral could, under certain circumstances, be voided or disregarded. The Clients' investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Clients may not have priority over other creditors as anticipated. The Clients may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured portfolio investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, the Clients' right to payment and their security interest, if any, may



be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, certain instruments may provide for payments in-kind, which have a similar effect of deferring current cash payments. In both cases, a portfolio investment's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of the company, the occurrence of which is uncertain. With respect to the Clients' investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the credit agreement or indenture that governs loans or securities of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Clients. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Clients' investment or result in a pre-payment (in whole or in part) of the Clients' investment.

Similarly, while the Clients will generally target investing in or with companies they believe are of high quality, these companies could still present a high degree of business and credit risk. Credit risk may change over the life of the Clients' investment. Companies in or with which the Clients invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or economic and financial market downturns and dislocations. As a result, companies that the Clients expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or be experiencing financial distress.

Financial Services Sector Risks. Financial services companies, including those in the insurance, investment management, Fintech, payment and business and credit services industries, among others, have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services companies and may impact the value of financial instruments held by financial services companies. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable, may vary from country to country and may impact economic activity in various regions.

The profitability of the financial services sector may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services companies. There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income or its asset values in a changing interest rate environment. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment and the availability and cost of credit may significantly affect the activity levels of customers with respect to size, number and timing of transactions. A change in all or any of these factors would



likely lead to a decline in the volume of transactions that financial services companies execute for their customers and thus lead to a decline in revenues from fees, commissions and spreads.

The financial services sector is competitive, and it is expected that competitive conditions in the sector may continue or accelerate. Merger activity in the financial services sector has resulted in, and is expected to continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The financial services sector has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of e-commerce have made it possible for non-financial institutions to offer products and services that have been traditionally offered by financial services institutions. It is expected that cross-sector competition may continue and accelerate.

Financial Services Sector Regulatory Risks. Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension, forced closures or expulsion and potential termination of deposit insurance, which may have material adverse effects. The regulations may require a financial services institution to meet specific capital adequacy guidelines or rules that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Compliance with capital requirements could limit the operations of financial services institutions. A change in such requirements, or the imposition of new rules affecting the scope, coverage, calculation or amount of such capital requirements, or a significant operating loss or any unusually large charge against capital may adversely affect the ability of a financial services institution to expand or maintain levels of business or to pay dividends. Financial services companies may also be subject to qualitative judgments by the regulators about interest rate risk, concentration of credit risk, lack of adequate risk management and other internal controls and other factors. Changes in laws, rules, regulations or regulatory interpretations governing financial services companies and in levels of enforcement activity against, and governmental scrutiny of, financial services companies, including any such changes that could result from changes in U.S. executive administration and Congressional leadership and other U.S. political and regulatory developments and events, could adversely affect the Clients and/or their portfolio companies, and thereby returns to investors. The subsequent adoption of a law or regulation or a change of a law or regulation or of the interpretation thereof by a court or governmental authority could require the Clients to divest some or all of their investments under unfavorable market conditions. Further, investments in financial services companies often require the approval of various regulatory bodies and there is no guarantee that such approval will be obtained. Failure to obtain regulatory approvals in particular jurisdictions or sectors could result in the Clients not being able to make portfolio investments in jurisdictions or sectors in which Moontower might otherwise seek to invest.

Investments in Asset Managers. Certain Clients may make investments in asset managers. In such event, the relevant Client will generally seek to generate returns from (i) participation in a share of the asset manager's revenue streams or (ii) returns on capital invested (directly or through one or more subsidiaries) in the investment vehicles managed by the asset manager, which may include separate accounts managed in parallel with such vehicles and/or potential receipt of buyout consideration upon a partial or complete exit from an investment in the asset manager. The Client's investment results from investments in an asset manager will depend on



the performance of the relevant asset managers. The asset managers may utilize highly speculative investment techniques, including, without limitation, (i) leverage, short selling and securities lending; (ii) investing in non-marketable securities, fixed income securities, commodities, listed and over the counter options, options on securities and securities indices, uncovered option transactions, derivative instruments, forward transactions, futures and options on futures transactions, foreign currency transactions and various swap and swap-like arrangements; (iii) investing in workouts and startups; (iv) making illiquid investments; (v) taking control and/or minority positions, short-term trading, arbitrage, relative value and other trading strategies; (vi) investing in foreign securities; and (vii) making directional (i.e., investments with net exposure or non-hedged investments), concentrated and non-diversified investments.

Relating to Investments in Wealth Management and Financial Advisory Businesses. Certain Clients may make investments in wealth managers and financial advisory businesses. Wealth managers and financial advisory businesses generally are subject to inherent sector-specific risks which include: (i) dependence on their ability to attract and retain experienced and productive financial advisors; (ii) market fluctuations and other economic factors which may adversely affect financial conditions and business operations; (iii) significant interest rate changes that could adversely affect profitability; (iv) lack of liquidity or access to capital which could impair their business and financial condition; (v) poor service or performance of their financial products or competitive pressures on pricing of such services or products which may cause their clients to withdraw their assets; (vi) changes in U.S. federal income tax law which could make some of the products distributed less attractive to their clients; (vii) regulatory developments which could adversely affect their business by increasing costs or otherwise making their business less profitable; and (viii) failure to maintain technological capabilities, flaws in existing technology, difficulties in upgrading technology platforms or the introduction of competitive platforms which could have a material adverse effect on the performance of their business.

Illiquid and Long-Term Investments, Investments Longer than Term. Clients may invest in portfolio investments for which the number of potential purchasers and sellers, if any, is often very limited as well and which can be difficult or impossible to realize. This factor may have the effect of limiting the availability of these assets for purchase by the Clients and also may limit the ability of the Clients to sell such obligations at fair value prior to termination of the applicable Client or in response to changes in the economy. Due to the illiquid nature of many of the positions which the Clients are expected to acquire, as well as the uncertainties of the reorganization and active management process or litigation related to investments made by the Clients, the General Partners are unable to predict with confidence what the exit strategy will ultimately be for any given portfolio investment, or that one will definitely be available. It is anticipated that there will be a significant period of time before the Clients will have completed their investments in portfolio companies. Exit strategies that appear to be viable when a portfolio investment is initiated may be precluded by the time the portfolio investment is ready to be realized due to economic, legal, political or other factors. Although portfolio investments by the Clients occasionally generate some current income, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur only upon the partial or complete disposition or refinancing of such portfolio investment. In light of the foregoing, it is likely that no significant return from the disposition of the Clients' investments will occur for a substantial period of time from the date of the final closing of a Client, and may not occur until after the end of such Client's term. If the Clients invest during times of dislocation, as existed in the COVID-19 market environment, it is unlikely there will be a market for many of the securities or instruments held by the Clients at the time of their acquisition. In the case of privately negotiated transactions, the Clients generally will not be able to sell their securities or instruments publicly unless the issuer has made a public offering and such sale is



registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases the Clients will be prohibited by contract or other limitation from selling certain securities or instruments for a period of time (e.g., due to limitations on sale arising from contractual lockups, obligations to receive consent to transfer or assign interests, or rights of first offer), and as a result may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so. Further, dispositions of investments may require a lengthy time period or result in distributions in kind to investors. In such cases, the range of disposal strategies available to the Clients would be further limited.

A Client may invest in investments which may not be advantageously disposed of prior to the date that such Client will be dissolved, either by expiration of the Client's term or otherwise. Although the General Partners expect that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, it may be necessary or advisable for a Client to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of a Client, the General Partners (or the relevant liquidator) will be required to use their reasonable efforts to reduce to cash and cash equivalents the assets of the Client as the General Partner or such liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur. A portfolio investment that initially consists of an interest in assets may be exchanged, contributed or otherwise converted into private or publicly-traded stock of a corporation, interests in a limited liability company or other interests or assets (and vice-versa), and any such exchange, contribution or conversion will likely not constitute a disposition under the Governing Agreements of the type that results in investors receiving distributions, whether in-kind or otherwise.

Platform Investments. From time to time, the Clients may recruit a management team or other third party (including another private equity firm, sponsor or consortium), or establish a joint venture or other arrangement with any of the foregoing, to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other cases, the Clients may form a new portfolio company and recruit a management team or other third party (including another private equity firm, sponsor or consortium), or establish a joint venture or other arrangement with any of the foregoing, to build the portfolio company through acquisitions and organic growth. In both cases, the Clients will bear the expenses of the management team (or other third party) or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team (or other third party) or building out the platform company (whether by the Clients directly or by Moontower and may include amounts agreed to prior to the initial closing of a Client). Such expenses may be borne directly by the Clients as Operating Expenses (or Broken Deal Expenses, if applicable) or indirectly as the Clients bear the start-up and ongoing expenses of the newly-formed platform portfolio company. In certain cases, the services provided by a management team (or other third party) may overlap with the services provided by the Adviser. The compensation of management of a platform portfolio company (or other third party performing services with respect to such platform portfolio company) may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of an asset and such management team may invest in the portfolio company simultaneously with or following the Clients' investment. Such compensation may not be included in the periodic reporting or other information delivered to all investors. Although a platform portfolio company may be controlled by the Clients, members of a management team (or such other third party) will

not be treated as affiliates of the General Partners for purposes of the Governing Agreements. Accordingly, none of the expenses described above will offset the Management Fee.

In addition, platform investments may be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. For example, some portfolio company are expected to require several rounds of capital infusions and such additional financings may be invested based on valuations that differ materially. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Clients 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 portfolio investment may have to raise additional capital at a price unfavorable to the existing investors, including the Clients, or may suffer material adverse consequences if it fails to obtain the capital. Subsequent rounds of financing in “platform” portfolio company to which the Clients provided initial financing could be provided in whole or in part by co-investors and / or other Clients that did not participate in previous rounds of financing rather than by the Clients to the extent Moontower determines such allocation is appropriate, which would dilute the applicable Client’s ownership of such portfolio company. In addition, the Clients may make additional debt and equity investments or exercise warrants, options, convertible securities or other rights that were acquired in the initial investment in such portfolio company in order to preserve a Client’s proportionate ownership when a subsequent financing is planned, or to protect the Client’s investment when such portfolio investment’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 Clients or any portfolio investment. There can be no assurance that the Clients or any portfolio investment will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source when needed.

Additionally, related portfolio investments may be managed together (including, for example, the use of the same third-party manager(s) or service provider(s)) or otherwise operated as part of the same “platform”, combined and / or otherwise sold together as a part of a single transaction or series of related transactions. Such arrangements may result in the Clients’ interests in any such investments being subject to dilution and may give rise to other significant risks and conflicts of interest and there can be no assurance that the Clients will not be adversely affected by such arrangements. For example, a Client, any such platform entities and other vehicles or entities in which one or more affiliates of Moontower hold an interest (including other Clients and their affiliates) may engage in activities that compete with those of the Clients and otherwise make investments of a type that would be suitable for the same. Such investments may also be classified as separate portfolio investments for purposes of testing the Clients’ diversification limitations and, as a result, may cause the Clients’ investments to be more concentrated than if such investments were classified as separate portfolio investments. In addition, in the pursuit of any such “platform” strategy will likely be time-consuming, complex, costly and subject to unforeseen risks and obstacles, and there can be no assurance that any such “platform” strategy will achieve the originally anticipated results or reach the scale originally anticipates, and the Clients will nevertheless bear the costs related thereto. Such activities may result in allocations of investment opportunities to any such “platform” entities, permanent capital vehicles, accounts or other entities controlled by or in which an affiliate of Moontower holds an interest and consequently may result in the Clients not participating (and / or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated.

Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities. The Clients may hold non-controlling interests in certain portfolio companies and, therefore, may have no right to appoint a director and a limited ability to protect their interests in

such companies and to influence such companies' management. Similarly, the Clients may co-invest with third parties through joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. In such cases, the Clients could be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Clients are not affiliated and whose interests may conflict with the interests of the Clients. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party partner or co-venturer (i) may have financial difficulties resulting in a negative impact on such investment, (ii) may have economic or business interests or goals that are inconsistent with those of the Clients or (iii) may be in a position to take action contrary to the Clients' investment objectives. In addition, the Clients may, in certain circumstances, be liable for the actions of certain third parties, including co-investors. Investments made with third parties in joint ventures or other entities also often involve a special profits allocation and/or other fees, compensation or other amounts payable to such third-party partners or co-venturers. As a result, the Clients will have to bear the expenses, fees and performance-based compensation associated with such investments. There is a risk that the combination of the Management Fee and Carried Interest with such expenses, fees and performance-based compensation could result in lower returns to investors than are associated with other investments.

Syndication of Investments. The Clients may exceed certain investment concentration and diversification threshold limits if the General Partners believe in good faith that the amount invested in such portfolio investment can be reduced to below such limits within a certain period of time, as further set forth in the Governing Agreements. However, if this expectation is not realized, for example, because the Clients cannot successfully sell or assign such excess investment, or market changes make such sale or assignment imprudent, the Clients may retain such investments at the higher limit for an indeterminate period of time. In this case, the risks discussed herein, including with respect to concentration and diversification, may be exacerbated.

The Clients may, from time to time, in order to facilitate an investment (including co-investments) or for other purposes, make an investment with a view to disposing all or a portion of such investment prior to or after closing such investment, on such terms and conditions, including with respect to the price (including interest or cost of carry), as will be determined by the General Partners in their sole discretion. There can be no assurance (i) that the Clients will be successful in syndicating any interest, in whole or in part, (ii) that the closing of such syndication will be consummated in a timely manner, (iii) that the syndication will take place on terms and conditions that will be preferable for the Clients or (iv) that expenses incurred by the Clients with respect to such syndication (whether or not consummated) will not be substantial. If the Clients are not successful in syndicating such interest, the Clients may consequently hold a greater concentration and have more exposure in the related investment than initially was intended (and/or the expenses associated therewith, including if the investment does not close), which could make the Clients more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Clients that is not syndicated as originally anticipated could significantly reduce the Clients' overall investment returns and available capital for other investments. Conversely, the inclusion of other investors may result in the Clients investing less than it otherwise would have in the related investments.

Bridge Financings. From time to time, the Clients may make loans in connection with portfolio investments on a short-term, unsecured basis or otherwise invest on an interim basis in portfolio investments in anticipation of a future issuance of equity or long-term debt securities or other refinancing, recapitalization or syndication. Such bridge loans typically would be convertible into

a more permanent, long-term security or loan; however, for reasons not always in the Clients' control, such long-term securities or loan issuance or other refinancing, recapitalization or syndication may not occur and such bridge loans and interim investments may remain outstanding. In such event, the interest rate or the terms of such loans may not adequately reflect the risks associated with the unsecured position taken by the Clients.

Inability to Refinance Investment. If a Client makes an investment in a transaction with the intent of refinancing a portion of the equity investment, there is a risk that the Client will be unable to successfully complete the refinancing. There is also a risk that certain investments with financing in place may be difficult or impossible to refinance when the loan matures. The inability to complete a refinancing or to complete one as quickly as originally planned would lead to increased risk as a result of the Client having a larger long-term investment than expected and reduced diversification. In addition, if a loan matured before refinancing could be procured, the lender could foreclose on the collateral and the Client might suffer losses as a result of that foreclosure.

Reliance on Portfolio Companies' Management Teams. The day-to-day operations of each investment in which the Clients invest will be the responsibility of such company's management team. Although the applicable General Partner will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, or any successor, will operate the investment in accordance with the Clients' plans. The success of each investment depends in substantial part upon the skill, expertise and cooperation of the applicable investment's management team. Additionally, investments will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that investments will be able to attract, develop, integrate and retain suitable members of their management teams and, as a result, a Client may be adversely affected thereby.

In the case of certain types of businesses/operating companies, including corporate platforms, it may be beneficial to involve a local sourcer, operating partner and/or other resource. Clients can be expected to enter into an arrangement with one or more individuals (who typically have experience or capability in sourcing and/or managing investments) to undertake a build-up strategy to acquire and develop assets and business in a particular sector or involving a particular strategy. Such individuals are typically compensated with a salary and/or equity incentive plan which often takes the form of a management fee and/or profits allocation (whether paid, distributed or allocated directly to such individuals and/or to an affiliated entity controlled by such individuals). This can be calculated as a percentage of assets under management, a profits allocation and/or a distribution waterfall similar to a carried interest, as applicable. Each such individual, including existing or past service providers to Moontower or companies in which the Clients invest, can be expected to undertake analysis and evaluation of potential investment opportunities for such companies. In such circumstances, the Clients initially would invest capital to fund all or a portion of the overhead (including rent, salary or retainers for such individuals and/or their affiliated entity) and sourcing costs for initial investments by the platform and may provide ongoing contributions, for example, to fund investments and working capital. The Clients (and indirectly their investors) will bear the cost of overhead and the sourcing and analysis of investments, as well as compensation for the related counterparties, for any such arrangements, including platform companies (even if former Moontower personnel are part of the management team of such platform companies).



Risks in Managing Portfolio Investments and Effecting Operating Improvements. In some cases, the success of a Clients' investment strategy will depend, in part, on the ability of the Client to restructure and effect improvements in the operations of an investment. The activity of identifying and implementing restructuring programs and operating improvements entails a high degree of uncertainty. For example, cooperation of employees, consultants and other stakeholders required to make improvements could be difficult to obtain, or those employees, consultants and stakeholders may not be effective at making change. Furthermore, technology that Moontower expects to aid improvements may not be as effective or easily implemented as anticipated. In addition, executing operational improvements may divert the attention of key personnel and disrupt normal business. For these and other reasons, there can be no assurance that the Clients will be able to successfully identify and implement such restructuring programs and improvements.

The exercise of control over a company through a control position, or the service of an officer or employee of Moontower and its affiliates as a director of a company, could (i) expose the assets of the Clients to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, social and governance issues, workplace accidents, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. Liabilities of portfolio investments, including those related to activities that occurred prior to the Clients' investment therein, could have an adverse impact on the Clients. If these liabilities were to accrue, the Clients, directly, and their investors indirectly, could suffer losses. While the General Partners intend to manage the Clients in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded, if these liabilities were to arise, the Clients might suffer a significant loss.

Contingent Liabilities. From time to time, the Clients may incur contingent liabilities in connection with an investment. For example, the Clients may enter into agreements pursuant to which it agrees to assume responsibility for default risk presented by a third party, and may, on the other hand, enter into agreements through which third parties offer default protection to the Clients. From time to time, the Clients also may be asked to guarantee the liabilities of their affiliates. In addition, in connection with the disposition or financing of an investment, the Clients may be required to make representations about the business, financial affairs and other aspects (such as property, tax, insurance and litigation) of a portfolio investment typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosures ultimately prove to be inaccurate. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the Clients, subject to the terms of the Clients' Governing Agreements, the investors may be required to return to the Client all or a portion of amounts distributed to them to fund the Clients' indemnification obligations, subject to the limitations set forth in the Governing Agreements.

Environmental Risk. Infrastructure and other real assets may be subject to numerous statutes, rules, and regulations relating to environmental protection, and international, national and local environmental laws and regulation which affect the operations of such projects. Some of the Clients may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations, and permit requirements, and there can be no guarantee that all costs and risks regarding compliance with, or liability under, environmental laws and regulations can be identified. Violations of such requirements may result in administrative, civil and / or criminal enforcement proceedings, penalties and other liabilities



including claims and litigation from third parties who may be affected, curtailment or shutdown of operations, revocation or non-renewal of permits, loss of contracts, and reputational impacts. Standards are set by these laws and regulations regarding certain aspects of health, safety and environmental quality, and they provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, joint and several obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted or where materials were disposed of. In particular, the oil and gas industry sometimes causes environmental hazards, such as oil spills, natural gas leaks and ruptures, discharges of petroleum products and hazardous substances and historic disposal activities. Clean-up liabilities can arise under environmental laws and regulations, including on a strict, joint and several basis, which presents a risk of a portfolio company paying for more than its fair share of clean-up costs associated with a contaminated property. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on portfolio companies or potential investments. Required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the infrastructure, real estate and real assets industries. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a detrimental impact on the financial performance of infrastructure projects, real estate assets or other real assets. There can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims. Any noncompliance with these laws and regulations could subject the Clients and their properties to material penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as the Clients) subject to environmental liability.

Furthermore, the Clients may be exposed to claims and losses arising from known, undisclosed or unknown environmental contamination from pollutants or other hazardous materials, or health or occupational safety matters. Under laws in many jurisdictions similar to the Comprehensive Environmental Response, Compensation and Liability Act in the United States, liability for environmental contamination may be without regard to fault or causation and in many situations may be joint and several, so that a liable party may be exposed to the entire liability involved; and such liability may arise not only from currently owned or operated properties but former properties of entities that are the subject of portfolio companies, and other properties impacted by such contamination, exposing the Clients' portfolio companies to material liabilities for costs of investigating and remediating contaminated properties, and for damages to natural resources. The Clients could also suffer losses if reserves or insurance proceeds or indemnities prove inadequate to cover any such matters. Under the laws, rules and regulations of various jurisdictions, an owner of an asset can be liable for the costs of removal or remediation of certain hazardous or toxic substances, including asbestos, on or in the asset. The presence of environmental contamination on a property, whether known or latent, also could result in personal injury to persons removing or who are otherwise exposed to such materials, as well as contamination and damage to other property, which could give rise to liability to third parties. In the event that the Clients have an indemnity from a third party purporting to cover any such

liability, there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises or when recovery is sought under the indemnity. Insurance for such matters may not be available, especially for known or suspected conditions, and even if insurance coverage is in place, any proceeds may prove inadequate to cover the losses involved. The Clients may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its portfolio companies. Community and environmental groups may protest the development or operation of infrastructure or real estate assets which may induce government action to the detriment of the Clients. Some of the most onerous environmental requirements regulate air emissions of pollutants and greenhouse gases; these requirements may particularly affect companies in the energy sector.

The cost to perform any remediation, and the cost to defend against any related claims, could exceed the value of the relevant investment. In such cases, governmental authorities and others may seek to require the Clients to satisfy the claims from other assets and portfolio companies and, depending on the circumstances, could prevail. The existence of contamination, the process of investigating and / or remediating contamination, and / or the failure to properly remediate contamination may adversely affect the owner's ability to develop, use or sell the asset or to borrow funds using such asset as collateral and may result in fines and other sanctions. The Clients may have an indemnity from a third party purporting to cover these liabilities, but there can be no assurance as to the financial viability of any indemnifying party at the time a claim arises. In addition, some environmental laws create a lien on a contaminated asset in favor of governments or government agencies for costs they may incur in connection with the contamination.

Health and Safety Risk. The employees and staff of infrastructure assets and businesses are exposed to health and safety risks that could result in death, permanent disability or other serious injury that may disrupt the operations of Investments, lead to economic loss, litigation or penalties for regulatory or contractual non-compliance, and may also adversely impact the reputation of portfolio companies, the Clients and their investors. Moreover, any loss from such events may not be recoverable under relevant insurance policies.

Climate Change Risk. Global climate change is widely considered to be a significant threat to the global economy. The Clients' portfolio investments may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. Also, the performance of certain renewable energy assets, such as solar power generators, wind turbines, and hydropower assets, is dependent on weather conditions, which could shift as a result of global climate change. The General Partners cannot rule out the possibility that climate risks, including changes in weather and climate patterns, could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on a portfolio investment or the Clients.

Additionally, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international and regional regulatory authorities around the world. More specifically, the Paris Agreement and other initiatives by international, federal, state and local policymakers and regulatory authorities as well as private actors seeking to reduce or mitigate the effects of greenhouse gas emissions may expose certain assets to so-called "transition risks" in addition to physical risks, such as: (i) political and policy risks (e.g., changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations); (ii) regulatory and litigation risks (e.g., changing legal requirements that could result in increased permitting and

compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts); (iii) technology and market risks (e.g., declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions) and (iv) reputational risks (e.g., risks tied to changing customer or community perceptions of an asset's relative contribution to greenhouse gas emissions).

Many industries (e.g., electrical power, mining, manufacturing, transportation and insurance) face various climate change risks, many of which could conceivably materially impact such industries. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses, especially for electricity, and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have an adverse effect on the Clients.

Waste Management Risks. The waste management industry is subject to extensive and evolving federal, state or provincial and local environmental, health, safety and transportation laws and regulations. These laws and regulations are administered by the U.S. Environmental Protection Agency and various other federal, state, provincial and local environmental, zoning, transportation, land use, health and safety agencies. Many of these agencies regularly examine a portfolio company's operations to monitor compliance with these laws and regulations and have the power to enforce compliance, obtain injunctions or impose civil or criminal penalties in case of violations. There has been an increase in both the amount of government regulation and the number of enforcement actions being brought by regulatory entities against operations in the waste services industry. There are significant capital expenditures in connection with environmental protection measures, including compliance with federal, state or provincial and local rules. There are costs associated with siting, design, permitting, operations, monitoring, site maintenance, corrective actions, financial assurance and facility closure and post-closure obligations. The acquisition, development or expansion of a waste management or disposal facility or transfer station involves considerable time, effort and cost to obtain or maintain required permits and approvals. There are no assurances that a portfolio investment will be able to obtain or maintain required governmental approvals. Once obtained, operating permits are subject to renewal, modification, suspension or revocation by the issuing agency. Compliance with current regulations and future requirements may require significant capital and operating expenditures. Advancements in disposal alternatives may adversely affect a portfolio investment engaged in waste management.

Control Person Liability. The Clients may acquire controlling interests in certain investments. The fact that the Clients, the General Partners or the Adviser exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may give rise to risks of liability (including under various theories of parental liability and piercing the corporate veil doctrines) for, among other things, personal injury and/or property or environmental damage claims arising from an accident or other unforeseen event, social and governance issues, product defects, employee benefits (including pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including securities laws, anti-trust laws, employment laws, anti-bribery (and other anti-corruption) laws) and other types of liability for which the limited liability characteristic of business ownership and the Clients themselves (and



the limited liability structures that may be utilized by the Clients or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. These risks of liability may arise pursuant to U.S. and non-U.S. laws, rules, regulations, court decisions or otherwise (including the laws, rules, regulations and court decisions that apply in jurisdictions in which an investment or its subsidiaries are organized, headquartered or conduct business). Such liabilities also may arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from its investments, even if such persons do not exercise control or otherwise exert influence over such investments (e.g., investors). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. For example, the European Commission held a fund liable as a result of a portfolio entity that engaged in anticompetitive cartel activities on the basis that the fund had exercised influence over the portfolio entity. Similarly, various jurisdictions permit certain classes of creditors to make claims (including, by way of example only, with regard to, environmental, consumer protection and pension and labor law matters and liabilities) against shareholders of a company if the company does not have resources to pay out the claim. The Clients could become liable for certain classes of claims against its portfolio investments. It is possible that creditors of portfolio investments owned by certain Clients may seek to make certain claims (including, by way of example only, with regard to, environmental, consumer protection and pension / labor law matters and liabilities) against other Clients due to its common control relationship amongst the Clients. The laws of certain jurisdictions provide not only for carve-outs from limited liability protection for a portfolio investment that has incurred certain liabilities, but also for recourse to assets of other entities under common control with, or that are part of the same economic group as, such company. For example, if a portfolio investment or a portfolio company of certain Clients is subject to bankruptcy or insolvency proceedings in a jurisdiction and is found to have liabilities under the local consumer protection laws, the laws of that jurisdiction may permit authorities or creditors to file a lien on, or to otherwise have recourse to, assets held by entities under common control or that form part of the same economic group, potentially including portfolio investments of other Clients, possibly resulting in significant losses and incurrence of significant liabilities and obligations for such other Clients. The having or exercise of control or influence over an investment could expose the assets of the Clients, the General Partners, the Adviser and their respective affiliates to such claims, and to claims of its security holders and its creditors and regulatory authorities or other bodies. While the General Partners intend to manage the Clients to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance as to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to the Clients. Moreover, it is possible that, when evaluating a potential investment, the General Partners or the Adviser may choose not to pursue or consummate such investment, if any of the foregoing risks may create liabilities or other obligations for any of the Clients, the General Partners, the Adviser or any of their respective affiliates.

Recourse to the Clients' Assets. The Clients' assets, including unpaid capital commitments to the Clients, any investments made by the Clients and any capital held by the Clients, are generally available to satisfy all liabilities and other obligations of the Clients. If the Clients become subject to a liability, parties seeking to have the liability satisfied could have recourse to the Clients' assets generally and might not be limited to any particular asset, such as the asset representing the investment giving rise to the liability. In such situations, under the Governing Agreements, the investor can be required to make additional capital contributions to the Client or to recontribute

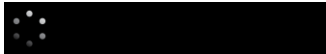


funds previously distributed by the Clients, in each case subject to the specific limitations set forth in the Governing Agreements.

As a result of the potential recourse obligations of the Clients as described above, liabilities relating to investments in which a partner has, for example, a small sharing percentage, could adversely impact investments in which such partner holds a greater sharing percentage. In circumstances where the Clients enter into a joint and several guaranty or otherwise guarantees more than their proportionate share of liabilities, the Clients could bear a disproportionate amount of the liabilities and costs associated with the relevant guarantee or other credit support, and the Clients' assets, including the relevant investment as well as the Clients' assets generally (including unpaid capital commitments to the Clients) will be available to satisfy such liabilities and costs.

Financial Projections Related to Portfolio Investments. The General Partners generally will make investment decisions and establish the capital structure of portfolio investments, and/or the terms of financing for a portfolio investment, on the basis of financial projections, including projections specific for such portfolio investments. There can be no assurance that financial or economic models used to determine investment decisions will be correct, accurate or appropriately reflect subsequent developments or all the other factors that could cause actual results to differ from such models or projections. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a negative impact on the reliability of such projections. Moreover, the portfolio investments, particularly investments in loans or other forms of indebtedness, may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer or borrower repaying the principal on an obligation held by the Clients earlier than expected (which could result in the Clients' investment return from such portfolio investment being less than that anticipated by the Clients when they made the portfolio investment). As a consequence, the Clients' ability to achieve their investment objectives may be affected.

Risks Relating to Due Diligence of and Conduct at Portfolio Investments. Before making portfolio investments, the General Partners and/or the Adviser typically will conduct due diligence that they deem reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment known at the time. Due diligence may entail, among other factors, evaluation of important and complex business, financial, tax, accounting, environmental, social, governance, technical, cyber, compliance and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties often are involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants presents a number of risks, including that the General Partners have reduced control of the functions that are outsourced. In addition, if the General Partners and/or the Adviser are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partners and/or the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. Representations made by a counterparty could be inaccurate, and the third-party investigations may not uncover risks. Conduct occurring at portfolio investments, even activities that occurred prior to the Clients' investment therein, could have an adverse impact on the Clients. The due diligence investigation that the General Partners and/or the Adviser carry out with respect to any investment opportunity may not reveal or highlight



all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the portfolio investment being successful. In circumstances where Moontower accesses non-public confidential information, there is a possibility that certain trading restrictions would apply to Moontower and its affiliates, which may affect the Clients' ability to transact. Additionally, it is difficult to obtain accurate and complete information regarding the true financial condition of certain companies, especially those in financial distress. There can be no assurance that attempts to provide downside protection with respect to assets or companies in which the Clients invest will achieve their desired effect, and potential investors should regard an investment in the Client as being speculative and having a high degree of risk.

In addition, at times, in light of the market-facing portion of the Clients' investment program and/or other factors, the Clients' transaction opportunities will require rapid execution, and investment analyses and decisions by the General Partners and the Adviser frequently will be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the General Partners and the Adviser at the time an investment decision is made can be limited, and the General Partners and/or the Adviser at times will not have access to detailed information regarding the portfolio investment. Therefore, no assurance can be given that the General Partners and the Adviser will have knowledge of all circumstances that could adversely affect a portfolio investment. In addition, the General Partners and the Adviser will from time to time involve independent consultants in connection with their evaluation and/or diligence of certain proposed portfolio investments. No assurance can be given as to the accuracy or completeness of the information provided by such independent consultants and the Clients may incur liability as a result of such consultants' actions.

Additionally, in the case of investments in loans, the company or the seller thereof may make material misrepresentations or omissions with respect to such loans. Such inaccuracy or incompleteness may adversely affect the value of the Clients' securities and/or instruments in such company and/or the valuation of the collateral underlying the loans or adversely affect the ability of the Clients to perfect or effectuate a lien on the collateral securing the loan. The Clients will rely upon the accuracy and completeness of representations made by companies and/or their former owners in the due diligence process to the extent reasonable, but cannot guarantee the accuracy or completeness of such representations. Under certain circumstances, payments to the Clients may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Potential Impact of Consulting and Other Relationships. The General Partners and the Adviser have the ability to engage and retain strategic advisors, operating specialists, senior advisors and other consultants and professionals, including members of "expert networks" who are not employees or affiliates of Moontower, including former senior officials, other high-profile figures and persons known to be close associates of such individuals. The nature of the relationship with each of these professionals and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide the General Partners or the Adviser with industry- or jurisdiction-specific insights and feedback on investment themes, assist in transaction due diligence and make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and contribute to the origination of new investment opportunities. In certain instances, the General Partners or the Adviser have formal arrangements with these professionals (with varying termination features), and in other cases the relationships are more informal.

There can be no assurance that any of the consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with the General Partners or the Adviser for the duration of the investments with which they are involved or otherwise throughout the term of the Clients. Further, by virtue of information received from such professionals, the Clients may become (or elect to become) subject to trading restrictions pursuant to Moontower's internal trading policies or as a result of applicable law or regulations or be prohibited for a period of time from purchasing or selling securities, which prohibition may have an adverse effect on the Clients. Moontower and its affiliates also may become subject to legal, regulatory, reputational and other unforeseen risks that arise from associating with these and other service providers who themselves face such issues.

Litigation. In connection with ordinary course investing activities, Moontower, the Clients and their respective affiliates, as well as the Clients' investments may become involved in litigation, including as a party or non-party or in a governmental and/or regulatory inquiries, investigations and/or proceedings either as a plaintiff or defendant. There can be no assurance that any such litigation, investigation or proceedings, once begun, would be resolved in favor of the Adviser and/or the Client (as applicable). Any such litigation could be prolonged and expensive. In addition, it is not unusual for participants in reorganizations, take-privates or other transactions to use the threat of, as well as actual, litigation as a negotiating technique. The expense of researching and gathering information in respect of any discovery requests or potential litigation, of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Client and would reduce net assets or could require limited partners to return to the Client distributed capital and earnings. In addition, from time to time past or current partners, members, employees and managers of the Adviser may disagree with the Adviser and/or its management over terms related to separation or other issues. If not resolved, such disputes could lead to litigation or arbitration, which could be costly, distracting and/or time consuming for the Adviser.

Interest Rate Risk. Changes in interest rates may adversely affect the Clients' investments. Changes in the general level of interest rates can affect the Clients' income by affecting the spread between the income on their assets and the expense of their interest-bearing liabilities, as well as, among other things, the value of their interest-earning assets, the capitalization rate at which their assets are valued in the market and their ability to realize gains from the sale of assets. Interest rates are highly sensitive to many factors, including inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental, monetary and tax policies, domestic and international economic and political considerations, instability in domestic and foreign financial markets and stimulus measures intended to counteract other events, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Clients. Any deterioration of the global debt markets, any possible future failures of financial services companies and a significant rise in market perception of counterparty default risk, interest rates and/or taxes may make it difficult for the Clients to obtain favorable financing terms for their investments and adversely affect their ability to generate attractive risk-adjusted investment returns. The Clients may finance their activities with both fixed and floating rate debt. With respect to their floating rate debt, the Clients' performance may be affected adversely if the Clients fail to limit the effects of changes in interest rates on their operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. Should the Clients so elect (and they will be under no obligation to do so), the use of these instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Clients'

earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Clients may also be exposed to the risk that the counterparties with which the Clients trade may default, or may cease making markets and quoting prices in such instruments, which may render the Clients unable to enter into an offsetting transaction with respect to an open position.

There could be significant expected and unexpected movements in interest rates, which movements could have adverse effects on portfolio investments and the economy as a whole. The Clients may periodically experience imbalances in the interest rate sensitivities of their assets and liabilities and the relationships of various interest rates to each other, which could adversely affect their performance. In a changing interest rate environment, it is possible that the Clients will not be able to manage this risk effectively. If the Clients are unable to manage interest rate risk effectively, the Clients' performance could be adversely affected. While the Clients are permitted to seek to do so, they are not required to hedge their interest rate risk. Due to developments surrounding the regulation of OTC derivatives, the Clients' ability to hedge interest rate risk could be limited.

Derivative Investments. The Clients may invest in certain kinds of derivative instruments. Investing in derivative instruments presents various risks, including lack of liquidity and risks of purchasing outside of an exchange. An imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged or tracked may prevent the Clients from achieving the intended hedging effect or expose the Clients to the risk of loss. Derivative instruments, especially when purchased in large amounts, may not be liquid in all circumstances, so that in volatile markets the Clients may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits imposed by regulators, exchanges, or other trade execution facilities on transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Clients to the potential of greater losses. Derivative instruments that may be purchased or sold by the Clients may include instruments not traded on an exchange. Derivative instruments not traded on exchanges or centrally cleared are also not subject to the same type of government regulation as exchange-traded or cleared instruments, and many of the protections afforded to participants in a regulated environment may not be available in connection with such transactions. The General Partners may cause the Clients to take advantage of investment opportunities with respect to derivative instruments that are neither presently contemplated nor currently available, but which may be developed in the future. Any such portfolio investments may expose the Clients to unique and presently indeterminate risks, the impact of which may not be capable of determination until (or after) such instruments are developed and/or the General Partners determine to make such a portfolio investment.

Hedging Transactions. The Clients may (but are under no obligation to) enter into swaps, forward contracts and other arrangements to seek: (i) to protect against possible changes in the market value of the Clients' portfolio investments resulting from fluctuations in the securities markets and changes in interest rates, foreign currency and prices of reference instruments; (ii) to protect the Clients' unrealized gains in the value of their portfolio investments; (iii) to limit losses; (iv) to facilitate the sale of any such portfolio investments; (v) to enhance or preserve returns, spreads or gains on any portfolio investment; (vi) to hedge the interest rate or currency exchange rate on any of the Clients' liabilities or assets; (vii) to protect against any increase in the price of any securities or instruments the Clients anticipate purchasing at a later date; or (viii) for any other



reason that the General Partners deem appropriate. Such transactions have special risks associated with them, including the possible default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Clients relating thereto. Although these transactions may reduce the Clients' exposure to currency fluctuations or decreases in the value of investments, unanticipated changes in interest rates, securities prices or currency exchange rates and the costs associated with these arrangements may result in a poorer overall performance for the Clients than if they had not entered into such hedging transactions. The Clients may be exposed to such risks by reason of their investment in the relevant assets, and there can be no assurance that any hedging strategies will be effective in protecting against currency exchange rate fluctuations. In addition, there can be no assurance that adequate hedging arrangements will be available on an economically viable basis. While the General Partners do not in the ordinary course expect to hedge currency risks, they may consider it prudent to do so (either at the level of the Clients or at the level of the portfolio investment).

There can be no assurance that the Clients will be able to execute hedging transactions in the OTC derivatives markets on commercially reasonable terms. Regulators in the United States, as well as various other jurisdictions, have issued or proposed regulations implementing broad new regulatory requirements and broad new structural requirements applicable to OTC derivative markets that include: requirements that many categories of the most liquid OTC derivatives be executed on qualifying, regulated exchanges or trading facilities and be submitted for clearing at a registered clearinghouse; requirements for swap market participants to post variation margin in respect of exposures arising in respect of their uncleared OTC derivatives; and the imposition of trade reporting, recordkeeping, compliance and disclosure requirements for dealers offering OTC derivatives to their clients. These regulations will result in additional costs to the Clients in connection with their use of OTC derivatives (which could reduce the level of exposure the Clients are able to obtain for hedging purposes through OTC derivatives) and to the extent the Clients are required to post margin or pay additional fees to their swap counterparties, potentially reduce the amounts available to the Clients to make non-derivative investments. Furthermore, the margin requirements for cleared and uncleared OTC derivatives may require that the General Partners, in order to maintain their expected exemption from "commodity pool operator" registration under CFTC Rule 4.13(a)(3), limit the Clients' ability to enter into hedging transactions or to obtain synthetic investment exposures, in either case adversely affecting the Clients' ability to mitigate risk. Ongoing changes to the regulation of the derivatives markets and potential changes in the regulation of funds using derivative instruments could limit the Clients' ability to pursue their investment strategies. New regulation of derivatives may make them more costly, or may otherwise adversely affect their liquidity, value or performance.

The success of any hedging strategy of the Clients will depend, in part, upon the General Partners' ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many instruments change as markets change or time passes, the success of the Clients' hedging strategy will also be subject to the General Partners' ability to continually recalculate, adjust and execute hedges in an efficient and timely manner. While the Clients may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Clients than if it had not engaged in such hedging transactions. For a variety of reasons, the General Partners may not seek to establish a direct or exact correlation between the hedging instruments utilized by the Clients and the portfolio investments being hedged. Such an imperfect correlation may prevent the Clients from achieving the intended hedge or expose the Clients to risk of loss. The Clients at times will not hedge against a particular risk because the General Partners do not regard the probability of the risk occurring

to be sufficiently high as to justify the cost of the hedge, or because the General Partners do not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of the Clients' portfolio investments.

The terms of hedging or other derivative arrangements entered into by the Clients may provide that related collateral given to, or received by, the Clients may be pledged, lent, re-hypothecated or otherwise re-used by the collateral taker for its own purposes. If collateral received by the Clients reinvested or otherwise re-used, the Clients are exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Clients will have less protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise re-uses collateral received from the Clients and suffers a loss as a result, it may not be in a position to return that collateral to the Clients should the relevant transaction be completed, unwound or otherwise terminated and the Clients are exposed to the risk of loss of the amount of collateral provided to the counterparty.

Regional Risk; Interdependence of Markets. Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend result in problems in one country adversely affecting regional and even global economic conditions and markets. The market and the economy of a particular country in which a Client invests is influenced by economic and market conditions in other countries in the same region or elsewhere in the world. For example, financial turmoil in certain countries in the Asia Pacific region in the late 1990s adversely affected Asian economies generally. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn starting in 2007 had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Currency Risks. The portfolio investments that are denominated in a currency other than U.S. dollars will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. The General Partners may try (but shall not be obligated) to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but there can be no assurance such strategies will be effective. The occurrence of a fundamental change with respect to the currency in which one or more investments, or hedging transactions thereof, is denominated could adversely impact the Clients' performance. There can be no assurance that such an event, which is outside the control of the Clients and could arise due to factors such as political instability, sovereign distress or extreme inflation, will not occur. To the extent unhedged, the value of the Clients' positions in non-U.S. investments will fluctuate with U.S. dollar exchange rates as well as with the price changes of the investments in the various local markets and currencies. In such cases, an increase in the value of the U.S. dollar compared to the other currencies in which the Clients make investments will reduce the effect of any increases and magnify the effect of any decreases in the prices of the Clients' securities in their local markets and may result in a loss to the Clients. Conversely, a decrease in the value of the U.S. dollar will have the opposite effect on the Clients' non-U.S. dollar investments.



Trade Policy. Some political leaders around the world (including in the United States and certain European nations) have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has imposed tariffs on certain foreign goods, including steel and aluminum, and has more recently implemented export controls with regard to U.S. computer sales in China. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Other countries, including Mexico, have threatened retaliatory tariffs on certain U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Clients and their portfolio investments. In particular, although the United States and China have signed the phase I Economic and Trade Agreement relating to the trade disputes between the United States and China, there are still ongoing trade disputes, which if they remain unresolved, are expected to be an ongoing source of instability, potentially resulting in significant currency fluctuations and/or have other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). While this dispute has had negative economic consequences on the U.S. markets, if trade-related disputes persist, including as a result of geo-political tensions, there could be additional significant impacts on the industries in which the Clients participate, the jurisdiction of portfolio investments and other adverse impacts on portfolio investments. In addition, trade disputes may develop between other countries, which may have similar or more pronounced risks and consequences for the Clients or their portfolio investments.

Force Majeure and Expropriation Risk. The Clients and their portfolio investments could be affected by force majeure events (i.e., subject to applicable laws, events beyond the control of the party claiming that the event has occurred, including acts of God, fires, floods, earthquakes, hurricanes, tornadoes, landslides, explosions, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, regional arm conflict, terrorism, nationalization of industry and labor strikes). For example, many countries have been affected by earthquakes, floods, typhoons, drought, heat waves or forest fires. Disease outbreaks have occurred in the world in the past and are currently occurring (including severe acute respiratory syndrome, or SARS, avian flu, H1N1/09 flu, respiratory syncytial virus, or RSV, COVID-19 and other coronaviruses) and any prolonged occurrence of infectious disease, or other adverse public health developments or natural disasters in any country in which the Clients target investments could have a material adverse effect on the macro economy and/or the business operations of portfolio companies in which the Clients invest. Force majeure events may adversely affect the ability of a party (including a company or a counterparty to the Clients or a company) to perform its obligations, including the construction of its in-process development. The liability and cost arising out of a failure to perform obligations as a result of force majeure event could be considerable and could be borne by the Clients or portfolio companies. In addition, the cost to a company or the Clients of repairing or replacing damaged assets resulting from such force majeure event could be material. Certain force majeure events (such as war, earthquakes, fires or an outbreak of infectious disease) could have a broader negative impact on the global or local economy and international business activity generally, or in any of the countries in which the Clients invest specifically. Additionally, a major governmental intervention into an industry in light

of a force majeure event or otherwise, including the nationalization of an industry or the assertion of control over one or more companies or assets, could result in a loss to the Clients, including if its investment in such company or asset is canceled, unwound or acquired (which could be without what the Clients consider to be adequate compensation) if a portfolio investment is affected, and any compensation provided by the relevant government may not be adequate. Any of the foregoing may therefore adversely affect the performance of the Clients and their portfolio investments.

Epidemics/Pandemics. Certain countries have been susceptible to epidemics which can be designated as pandemics by world health authorities, most recently COVID-19. The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and could continue to have a negative impact on the economy and business activity globally (including in the countries in which the Clients invest), and therefore can be expected to adversely affect the performance of the Clients' portfolio investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Clients and the performance of their portfolio investments, portfolio investment operations, and the ability of the Clients to achieve their investment objectives.

In the event of another pandemic or global health crisis like the COVID-19 pandemic, portfolio investments could experience decreased revenues and earnings, which could adversely impact the Clients' ability to realize value from such investments and in turn reduce the Clients' performance. Portfolio investments could also face increased credit and liquidity risk due to volatility in financial markets, reduced revenue streams and limited access or higher cost of financing, which could result in potential impairment of the Clients' investments. In addition, it can be expected that tenants leasing real estate properties owned by Clients will not be able to pay rents in a timely manner or at all, resulting in a decrease in value of the Clients' investments. In the event of significant credit market contraction as a result of a pandemic or similar global health crisis, the Clients could be limited in their ability to sell assets at attractive prices or in a timely manner in order to avoid losses and margin calls from credit providers.

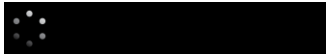
A pandemic or global health crisis can be expected to also pose enhanced operational risks. For example, Moontower's employees could become sick or otherwise unable to perform their duties for an extended period, and extended public health restrictions and remote working arrangements can be expected to impact employee morale, integration of new employees and preservation of Moontower's culture. Remote working environments could also be less secure and more susceptible to hacking attacks, including phishing and social engineering attempts. Moreover Moontower's third-party service providers could be impacted by an inability to perform due to pandemic-related restrictions or by failures of, or attacks on, their technology platforms. Additionally, restrictions on immigration and processing of visas and other work permits could affect the work force of the Clients' portfolio investments, some of which rely on foreign talent as an important part of their work force, which could have a material adverse impact on their ability to implement their business plans.

In connection with a public health emergency like the COVID-19 pandemic, Moontower could determine, in its discretion, that it is most effective and/or efficient to use private air and/or charter travel due to travel restrictions and/or health and safety considerations, including to and from locations where Moontower's personnel are currently living (even if different than where Moontower currently has offices). The cost of such private air or charter travel, which could be

increased due to the pandemic, shall be an expense of the Clients subject to and in accordance with Moontower's policies and the Clients' organizational documents.

Benchmark Rates. Updates to the U.S. Dollar London Interbank Offered Rate ("LIBOR"), which is commonly used as a reference rate within various financial contracts (any such rate, a "Reference Rate"), are no longer published. In anticipation of the end of LIBOR, the United States and other countries have worked to replace LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate ("SOFR") is the Reference Rate recommended by the Alternative Reference Rates Committee (the "ARRC"). The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which the Clients are a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including the Clients and their counterparties. With respect to financial contracts to which the Clients are a party, including corporate and municipal bonds and loans, consumer loans, bank loans, floating rate debt, certain asset-backed securities, and interest rate swaps and other derivatives, any such contract that uses LIBOR as a Reference Rate (other than contracts that include curative fallback language or which have other curative mechanisms available, such as safe harbor legislation adopted in the State of New York to permit the replacement of LIBOR with the rates recommended by the ARRC in contracts governed by New York law) may need to be renegotiated, the process of which will consume resources of the Clients and may result in disputes among counterparties, the result of which may be adverse to the Clients. Regulators encouraged market participants to cease entering new contracts that use U.S. Dollar LIBOR as a reference rate by December 31, 2021. Alternative Reference Rates must now be used for new financial arrangements and market participants are expected to continue to seek to transition away from LIBOR in existing contracts to the applicable Reference Rate. It is not possible to predict with certainty the overall effect of LIBOR reform, but the discontinuance of LIBOR and the transition to alternative Reference Rates raises a number of risks. For example, there may be delays or failures in meeting the conditions to amend a financing arrangement and there may be mismatches if the reference rate cannot be remediated or if a hedge related to such financing arrangement and the financing arrangement itself cannot be transitioned to the same Reference Rate at the same time. The potential impact of wider conceptual and operational differences between LIBOR and alternative Reference Rates, as described above, would also likely apply to remediation of these contracts in due course. In addition, higher borrowing costs may apply to the Clients' and or their portfolio investments' (as applicable) financing arrangements following the transition to alternative Reference Rates.

Investors should expect that the Clients will be parties to SOFR-based contracts, or contracts utilizing other alternative Reference Rates. Investors should also be aware that the Clients are likely to bear (directly, and through the exposures of their portfolio investments, indirectly) additional costs and expenses in relation to the discontinuation of LIBOR and the use of alternative Reference Rates. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which the Clients are a party may adversely affect the performance of the Clients. It is difficult to predict all potential effects of these changes on U.S. and global credit markets or the Clients or their ability to obtain favorable financing terms.



Uncertain Geopolitical Events. International and/or local geopolitical events are likely to influence the issuers of, and markets for, instruments traded by the Clients. Geopolitical events, including national referenda, political elections, international violent and non-violent conflicts, political movements and reactions to national and international emergencies, can affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that could impact the Clients and/or their ability to operate and/or pursue their investment strategy.

Terrorist Action. There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in the global market. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but could have a material effect on general economic conditions and market liquidity.

The Clients' investments could involve assets with a significant national or regional profile. The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Any terrorist attacks that occur at or near these assets likely would cause significant harm to employees, property, and, potentially, the surrounding community, and could result in liability with respect to an investment far in excess of available insurance coverage. A terrorist attack on an asset also could have adverse consequences for assets of that type or in the same vicinity, including those owned by a portfolio investment or other issuer, and could result in a company being forced to increase preventative security measures or expand its insurance coverage (if available), adversely affecting the profitability of such investment. Terrorist attacks could reduce the availability of insurance coverage going forward for losses arising from similar events. A terrorist attack could cause reduced patronage, usage, and demand for an entire class of assets or for assets in the region of the terrorist attack, either of which could adversely affect an investment's profitability. In addition, hostile cyber intrusions, including those targeting information systems as well as electronic control systems used by portfolio investments or other issuers could severely disrupt business operations and result in the loss of service to customers, and therefore of revenues, as well as create significant expense to repair security breaches or system damage.

Availability of Insurance. Certain losses of a catastrophic nature that may potentially impact all or any portfolio investments of the Clients, such as wars, natural disasters, terrorist attacks or other similar events, could be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Most insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against terrorism. If a major, uninsured loss occurs, the Clients could lose both invested capital in and anticipated profits from the affected investments.

No Market for Investor Interests / Transferability Restrictions and Limited Liquidity. The interests in the Clients will not be registered under the Securities Act, the securities laws of any U.S. state or the securities laws of any other jurisdiction. Therefore, the interests cannot be resold unless subsequently registered under the Securities Act and other applicable laws or an exemption from such registration is available. It is not contemplated that registration of the interests under the Securities Act or other securities laws ever will be effected. There is no public market for the interests and none is expected to develop. Accordingly, it may be difficult to obtain



reliable information about the value of the interests. In addition, the interests are not transferable except with the consent of the General Partners, which they may withhold in their discretion. An investor will not be permitted to share confidential information regarding the Clients or such investor's interests with prospective purchasers of its interests unless the General Partners provide their prior written consent, which it may withhold in their discretion. Investors may not withdraw capital from the Clients, except in very limited circumstances. The General Partners are under no obligation to facilitate or approve transfers or withdrawals and may deny any such requests for any reason. The Clients expect to invest a substantial portion of their assets in securities and/or loans that are not publicly traded and which the Clients may not be able to readily dispose of and, in some cases, may be contractually prohibited from disposing of for a specified period of time. Consequently, investors may not be able to liquidate their investments prior to the Clients' dissolution and must therefore be prepared to bear the economic risk of an investment for an indefinite period. An investment in the Clients is suitable only for sophisticated investors who do not require liquidity for their investment.

Systems and Operational Risk. Execution of the Client's strategies is dependent in part on certain systems. The Clients depend on the Adviser to develop and implement appropriate systems for the Clients' activities. These systems and procedures are unlikely to account for every actual or potential disruption of the Clients' operations. The Clients' businesses are dynamic and complex. As a result, certain operational risks are intrinsic to the Clients' operations, especially given the diversity and complexity of transactions that the Clients are expected to enter into. The Clients' business is highly dependent on its ability to process, on a daily basis, investment activity across numerous and diverse markets. Consequently, the Clients rely heavily and on a daily basis on financial, accounting and other data-processing systems to execute, clear and settle transactions across numerous and diverse markets and to evaluate certain financial instruments, to monitor its portfolio and capital and to generate risk management and other reports that are critical to oversight of the Clients' activities. Certain of the Clients' and the Adviser's activities will be dependent upon systems operated by third parties, including prime brokers, administrators, counterparties and other service providers, and the Adviser often is not in a position to verify the risks or reliability associated with such third-party systems. Failures or vulnerabilities in the systems employed by the Adviser, prime brokers, administrators, counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for or other adverse consequences. Disruptions in the Clients' operations could cause the Clients to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a negative impact on the Clients and the investors' investments therein.

Cybersecurity Breaches and Identity Theft. Moontower's information and technology systems and those of companies on which the Clients rely and in which the Clients invest are, just as with other companies, vulnerable to potential damage or interruption from cyber-attacks (such as computer viruses, malicious software, infiltration or tampering by unauthorized persons, ransomware demands and denial of service attacks), security breaches (such as physical and electronic break-ins), network failures, computer and telecommunication failures, ransomware demands, denial of service attacks, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Moontower has implemented, and portfolio companies likely will have implemented, various measures designed to manage risks relating to these types of events, if important systems are



compromised, become inoperable for extended periods of time or cease to function properly, it likely would be necessary for Moontower, the Clients and/or a portfolio company in which a Client has an investment to make a significant investment to fix or replace them. The failure or inadequacy of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Moontower's, the Clients' and/or a portfolio company's operations and result in a failure to maintain capabilities essential to the Clients' operations and/or the security, confidentiality and privacy of proprietary or sensitive data and information processed and stored in, and transmitted through, Moontower's, the Clients', any third party's on which the Clients rely or their downstream vendors' computer systems and networks, including investors' personal information. Such a failure could result in reputational harm to Moontower, the Clients and/or the affected portfolio company, result in loss of business, increased costs and/or regulatory penalties, subject any such entity and its affiliates to legal claims and otherwise affect its business and financial performance. If a significant number of Moontower's personnel were to be unavailable in the event of a disaster, Moontower's ability to effectively conduct the Clients' business could be severely compromised. In addition, there are increased risks relating to Moontower's reliance on its computer programs and systems if Moontower's personnel are required to work remotely for extended periods of time as a result of events such as an outbreak of infectious disease or other adverse public health developments or natural disasters, including an increased risk of cyber-attacks and unauthorized access to Moontower's computer systems. Moontower's service providers are subject to similar electronic information security threats and may, in certain cases, be subject to greater threats or vulnerabilities. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the Clients, including information normally made available to investors, may become inaccessible and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed. Notwithstanding the diligence that Moontower performs on its service providers, Moontower often is not in a position to verify the risks or reliability of their respective information technology systems.

The loss or improper access, use or disclosure of Moontower's or the Clients' proprietary information may cause Moontower or the Clients to suffer, among other things, financial loss, the disruption of their business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a negative effect on the Clients.

The financial services industry is highly dependent on communications and information systems and is exposed to many types of operational risks, including the risk of fraud or security breaches by employees or other parties, record keeping errors, errors resulting from faulty or "hacked" computer or telecommunication systems, computer failures or interruptions, and damage to computer and telecommunication systems caused by internal or external events. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Further, the failure of these systems could cause significant interruptions in the operations of the Clients' portfolio investments and could harm the reputation of the Clients and/or such portfolio investment, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

Technological Innovations. Recent technological, scientific and other innovations have disrupted numerous established industries and those with incumbent power in them. As technological, scientific and other innovation continues to advance rapidly, it could impact one or more of the Clients' portfolio investments. For example, there are currently many market participants including a number of companies and scientific research institutions seeking to develop disruptive technologies designed to reduce dependence upon large-scale fossil fuel

generation. In the event that a disruptive technology in the energy industry is successfully developed and implemented, certain of the Clients' portfolio investments, in the energy sector, for example, could be adversely affected. While other portfolio investments may benefit from such technologies, there can be no assurance that technology innovation will not favor investments and / or assets of a type not held by the Clients, which would competitively disadvantage the Clients and possibly drive down the value of its assets. Moreover, given the pace of innovation in recent years, the impact on a particular portfolio investment may not have been foreseeable at the time the Client made such portfolio investment and may adversely impact the Clients and / or their portfolio investments. Furthermore, the General Partners could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Artificial Intelligence and Machine Learning Developments. Recent technological advances in artificial intelligence and machine learning technology (collectively, "Machine Learning Technology"), including OpenAI's release of its ChatGPT application, pose risks to Moontower, the Clients and the Clients' portfolio investments. While Moontower could utilize Machine Learning Technology in connection with its business activities, including investment activities, Moontower continues to evaluate the use of Machine Learning Technology by its employees. Notwithstanding any such policies, Moontower's senior advisors, special advisors, operating partners, employees, other consultants to Moontower and other associated persons of Moontower or any Moontower affiliates could, unbeknownst to Moontower, utilize Machine Learning Technology in contravention of such policies. Moontower, the Clients and the Clients' portfolio investments could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Moontower, also use Machine Learning Technology in their business activities. Moontower will not be in the position to control the manner in which third-party products are developed or maintained or the manner in which third-party services are provided.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information)—either by third-parties in contravention of non-disclosure agreements, or by Moontower employees or the aforementioned Moontower advisors and affiliates in contravention of Moontower's policies—into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users. For more information on risks relating to information security.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that Moontower, the Clients or the Clients' portfolio investments are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Moontower, the Clients or the Clients' portfolio investments.

Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Social Media. The use of social networks such as Facebook, Twitter, Instagram and TikTok, message boards such as Reddit and other internet channels has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding Moontower, the Clients and the portfolio investments or their respective affiliates could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect the portfolio investments or their respective affiliates.

Transportation and Storage Risks. There are a variety of hazards and operating risks inherent to the transportation, relocation and storage of equipment, raw materials, waste materials and other hazardous, radioactive and explosive materials, such as leaks, releases, explosions, mechanical problems and damage caused by portfolio companies and / or third parties. Additional risks to vessels include adverse sea conditions, capsizing, grounding and navigation errors. These risks could result in serious injury and loss of human life, significant damage to property and natural resources, environmental pollution and impairment of operations, any of which also could result in substantial financial losses. For assets located near populated areas, including residential areas, commercial business centers, industrial sites and other public gathering areas, the level of damage resulting from these risks may be greater. Failure of a portfolio company to properly handle, transport or dispose of these materials or otherwise conduct its operations in accordance with applicable environmental laws may negatively impact the revenues and cash flows of a portfolio company and expose the portfolio company to substantial liability for administrative, civil and criminal penalties, cleanup and site restoration costs and liability associated with releases of such materials, damages to natural resources and other damages, as well as potentially impair its ability to conduct operations. In addition, losses in excess of a portfolio company's insurance coverage could have an adverse effect on its business, financial condition and results of operations.

Disclosure Requirements. In order to comply (or to facilitate compliance) with regulations and policies to which the Clients, Moontower or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with the consummation of investments or with respect to any lender, the Clients, Moontower, their respective affiliates and their respective consultants, attorneys or other advisors could be required to disclose information about the investors, including their identities and the identities of their beneficial owners, as well as information reasonably required in connection with any tax audit involving the Clients or any investor. It should be noted that the General Partners may cause the Clients to purchase insurance for the Clients, the General Partners and each of their respective employees, agents and representatives.

Indemnification; Absence of Recourse. The Clients will be required to indemnify the General Partners, the Adviser, certain service providers, their respective affiliates, and their respective officers, directors, agents (including the "partnership representative" and the "designated individual"), stockholders, members and partners for liabilities incurred in connection with the affairs of the Clients. Additionally, such parties may be entitled to exculpation by the Clients. Such liabilities may have a negative effect on the returns to the investors. For example, in their capacity



as directors of portfolio investments, the officers, directors, agents, stockholders, members or partners of the General Partners or the Adviser may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of the Clients would be payable from the assets of the Clients, including the unpaid capital commitments of the investors. If the assets of the Clients are insufficient, the General Partners may recall distributions previously made to the investors (subject to certain limitations as set forth in the Governing Agreements). Furthermore, as a result of the provisions contained in the Governing Agreements, the investors may have a more limited right of action in certain cases than they would in the absence of such limitations. In addition, the General Partners may cause the Clients to advance the costs and expenses of an indemnitee pending outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification). As a result, there may be periods when the Clients are advancing expenses to an individual or entity with which the Clients are not aligned or is otherwise an adverse party in a dispute. As set forth in the Governing Agreements, any person entitled to indemnification from the Clients will first seek recovery under any other indemnity or under any insurance policy applicable and available to such person before seeking indemnification from the Clients, but only to the extent that the indemnitor with respect to such indemnity or the insurer with respect to such insurance policy provides (or acknowledges its obligation to provide) such indemnity or coverage on a timely basis, as the case may be.

In-Kind Distributions. Without limiting the right to make in-kind distributions in accordance with the Governing Agreements, in the event that not all portfolio investments are realized by the end of the Clients' term, in the General Partners' sole discretion, there may be in-kind distributions by the Clients of securities of instruments, which may be illiquid. There can be no assurance that investors will be able to dispose of such securities of instruments or that the fair value of such securities of instruments determined by the Clients for purposes of the determination of distributions and the calculation of the General Partners' Carried Interest ultimately will be realized. In-kind distributions may comprise, among other things, participation interests or other derivatives referring to certain assets of the Clients, interests in subsidiaries of the Clients holding securities also being held or that were held by the Clients, or participation interests or other derivatives referring to such subsidiaries. In addition, if the Clients receive distributions in kind from any portfolio investment, it may incur additional costs and risks in connection with the disposition of such assets. The General Partners may, in certain circumstances, offer the investors to receive an in-kind distribution of marketable securities in lieu of receiving cash, and there may be conditions associated with such a choice that renders such election unavailable to certain investors.

Public Disclosure. Some of the interests are expected to be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend can be expected to continue. To the extent that disclosure of confidential information relating to the Clients or their portfolio investments results from interests being held by public investors, the Clients may be adversely affected. The General Partners have the authority, in order to prevent any such potential disclosure, to withhold information otherwise to be provided to such public investors. Conversely, recent and potential future regulatory changes applicable to investment advisers and/or the accounts they advise will or could result in Moontower and/or the Clients becoming subject to additional disclosure requirements, the specific nature of which is, to some extent, as yet uncertain.

Side Letters; Different Terms. The General Partners, on their own behalf or on behalf of the Clients without the approval of or notice to any investor or any other person, has the authority to enter into a side letter with one or more investors that has the effect of establishing rights under, or altering or supplementing the terms of the partnership agreement or the subscription agreement of any Clients with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Any rights established, or any terms of the partnership agreement or any subscription agreement of any Clients altered or supplemented in a side letter or other similar agreement with an investor will govern solely with respect to such investor, notwithstanding any other provision of the partnership agreement or any subscription agreement related thereto. Such rights or terms in any such side letter or other similar agreement may include: (i) excuse rights applicable to particular investments, which may increase the percentage interest of other investor in, and contribution obligations of other investors with respect to, such investments; (ii) reporting obligations of the applicable General Partner, including the General Partner's agreement to extend certain information rights or additional reporting to such investor, including to accommodate special regulatory or other circumstances of such investor; (iii) waiver of certain confidentiality obligations and/or documentation that might be requested by the General Partner for the benefit of lenders or other persons extending credit to or arranging financing for the Client; (iv) consent of the General Partner to certain transfers by such investor, or other exercises by the General Partner of its discretionary authority under the partnership agreement for the benefit of such investor; (v) additional notification rights, including key-person notifications; (vi) excuse or withdrawal rights due to legal, regulatory or policy matters, including matters related to political contributions, gifts and other such policies; (vii) rights or terms necessary in light of particular legal, tax, regulatory or public policy characteristics of an investor; (viii) additional obligations and restrictions of the Client with respect to the structuring of any portfolio investment (including with respect to alternative investment vehicles); (ix) waiver, reduction or other changes in the Management Fee and/or Carried Interest rate or terms for such investor; (x) rights to make additional capital commitments to the Client; or (xi) time limitations on any obligation to return distributions previously made by the Client. Any such waivers, modifications, rights or terms so established in a side letter with an investor will not require the approval of any other investor, notwithstanding any other provision of the partnership agreement. Moontower may grant certain terms not subject to "most favored nation" treatment to any person that Moontower determines can provide Moontower with meaningful strategic advice or assistance, including with respect to investing and/or committing capital to the Clients, or access in connection with investments, which terms can be preferential and can include Management Fees and Carried Interest rates or terms that are lower or calculated differently than those applicable to the other investors or certain co-investment opportunities on a priority basis and/or on preferential terms.

It is also expected that Moontower will from time to time confirm factual matters to incoming or existing investors, make statements of intent or expectation to such investors or acknowledge statements by such investors that relate to the Clients and/or Moontower's activities pertaining thereto in one or more respects, and side letters or similar arrangements may include undertakings to make certain confirmations. Any such statements, confirmations, acknowledgments, agreements or undertakings are not rights or benefits that are subject to the "most favored nations" process or election by the investors, and investors generally will as a result not typically receive notice thereof or copies of the documentation (if any) in which they are contained. The matters of interest and importance to investors as to which they request disclosures can influence, where considered appropriate, the decisions made by the General Partners in the management of the Clients.

Misconduct of Moontower Personnel and Third-Party Service Providers. The Adviser's reputation is critical to maintaining and developing relationships with existing and prospective investors, as well as with the numerous third parties with which the Adviser and the Clients do business. In recent years, there have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry, and there is a risk that employee misconduct could occur with respect to the Clients. Misconduct by employees or by third-party service providers could cause significant losses to the Clients. Employee misconduct could include, among other things, binding a Client to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, would result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to a Client and/or Moontower. In addition, any improper use or disclosure of confidential information by employees and third-party service providers, which could result in litigation or serious financial harm, including limiting the Clients' business prospects or future activities. Furthermore, misdeeds by another Moontower entity (or its personnel) could result in foreclosing the Clients' ability to conduct its activities in the manner otherwise intended. It is not always possible to detect, deter and/or prevent misconduct by employees and/or service providers, and the precautions the General Partners and/or the Adviser takes to detect and prevent this activity are not guaranteed to be effective in all cases. It is also the case that misconduct at the level of a company in which the Clients invest also could have a negative effect on such company, and potentially on the Clients and/or other Moontower affiliates, and similar challenges in detection, deterrence and prevention apply, to an even greater degree, at such level.

General Economic and Market Conditions. The success of the Clients' investment activities will be affected by general economic and market conditions in the relevant economy (whether within or outside the United States), such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of portfolio investments) trade barriers, currency exchange controls, continued technology disruption, tax reform or other significant policy changes as well as national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations) in respect of the countries in which the Clients may invest. These factors may affect the level and volatility of prices and the liquidity of portfolio investments. Volatility or illiquidity could impair the Clients' profitability or result in losses in the event the Clients are unable to maintain their positions through such periods. Moreover, a sustained downturn in the U.S. or global economy (or any particular segment thereof) could adversely affect the Clients' profitability or impede the ability of the companies in which the Clients are invested to perform. In addition, rapid changes in inflation could have a negative effect on the performance of the Clients. Any of the foregoing events could result in substantial or total losses to the Clients in respect of certain investments, which losses will likely be exacerbated by the presence of leverage applied by the Clients or at the investment level. The factors that could cause one of the portfolio investments to decline in value or otherwise perform poorly can affect the fair value of the portfolio investments, possibly adversely. The investment performance of one or more portfolio investments may not be uncorrelated or unrelated to the investment performance of other portfolio investments generally. In the event of a broad market downturn or developments within one or more portions of the global economy, a large portion of the portfolio investments may together be adversely affected. Prospective investors should not expect that any particular portfolio investment or the Clients' portfolio as a whole will be isolated from the potential negative effects of market events or general economic trends. The Clients have the authority to maintain

certain substantial trading positions that can be adversely affected by the level of volatility in the financial markets – the larger the positions, the greater the potential for loss. The financial condition of a company in which the Clients invest, the Clients or Moontower may be adversely affected by a significant general economic downturn and such company, the Clients or Moontower may be subject to legal, regulatory, reputational and other unforeseen risks that could have a negative effect on their business and operations and thereby could impact the Clients.

Real Estate Market Conditions. Certain Clients' strategy in some portfolio companies may be based, in part, upon the premise that real estate businesses and assets will be available for purchase by the Clients at prices that the General Partners consider favorable. Further, the Clients' strategy relies, in part, upon market conditions existing during the term of each of the Clients. For instance, any downturn in the global economy may adversely affect the financial condition of residential owners and tenants, making it more difficult for them to meet their periodic repayment obligations relating to certain residential, multi-family real estate properties, which could adversely impact the Clients' investment performance. Local real estate markets can decline for any of a number of reasons, including population decline, natural disasters, poor regional economic performance, excess development leading to oversupply, local government policies and heightened taxes. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will recover, continue to improve or not deteriorate as the case may be, since this will depend, in part, upon events and factors outside the control of the General Partner. Actual or perceived trends in real estate markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends. In addition, current trends in the real estate market and broader market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches are likely to be created that will compete with the Clients and/or their portfolio companies or alter the market practices the Clients' strategy has been designed to function within and depend on for investment return. Any of these new approaches could damage the Clients' investments, significantly disrupt the market in which it operates and subject it to increased competition, which could negatively affect its business, financial condition and results of investments.

Financial Market Fluctuations. The prices of assets in which the Clients invest can be highly volatile and are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic, public health and other events and policies. The Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses. In addition, general fluctuations in the market prices of assets may affect the value of the investments held by the Clients. Instability in the securities markets also may increase the risks inherent in the portfolio investments. The ability of portfolio investments to refinance debt securities or loans may depend on their ability to sell new securities or incur additional borrowings in the public high-yield debt market or otherwise.

Fluctuations in Capitalization Rates. Pricing of commercial real estate is commonly tracked through prevailing market capitalization rates. An asset's capitalization rate is its net operating income divided by its market value. If the market capitalization rate of an asset acquired by the Clients rises above the capitalization rate at the time of its acquisition, the value of the asset would be negatively affected, absent offsetting increases to net operating income since the time of



acquisition. There can be no assurance that capitalization rates will not increase from the time of acquisition.

Highly Volatile Markets. The prices of financial instruments in which the Clients may invest can, at times, be highly volatile. Price movements of forward and other derivative contracts in which the Clients' capital may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments and national and international political and economic events and policies. Any governmental intervention in an applicable jurisdiction often is intended to directly influence prices and at times, together with other factors, causes all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The Clients also are subject to the risk of the failure of any of the exchanges on which their positions trade or of their clearinghouses.

Volatility of Commodity Prices. The performance of certain of the portfolio companies may be substantially dependent upon prevailing prices of oil, natural gas, coal, metals and other commodities and the differential between prices of specific commodities that are a primary factor in the profitability of certain conversion activities such as petroleum refining ("crack spread") and power generation ("spark spread"). For example, the operation and cash flows of a Clients' portfolio company may depend, in some cases to a significant extent, upon prevailing or improving market prices for energy and other commodities. Commodity prices have been, and are likely to continue to be, volatile and subject to wide fluctuations in response to uncertain market factors that are beyond the control of the Clients, the General Partners and the Adviser, including (i) relatively minor changes in the supply of and demand for such commodities; (ii) market uncertainty and the condition of various economies (including interest rates, levels of economic activity, the price of securities and the participation by other investors in the financial markets); (iii) political conditions in international commodity producing regions; (iv) the extent of domestic production and importation of oil, natural gas, natural gas liquids, coal or metals in certain relevant markets; (v) the foreign supply of oil, natural gas and metals; (vi) the price of foreign imports; (vii) the price and availability of alternative fuels; (viii) the level of consumer demand; (ix) the price of steel and the outlook for steel production; (x) weather conditions; (xi) the competitive position of energy-related commodities as compared with other energy sources; (xii) the industry-wide refining or processing capacity for energy-related commodities; (xiii) weather conditions; (xiv) the effect of U.S. and non-U.S. federal, state and local regulation on the production, transportation and sale of commodities; (xv) breakthrough technologies (such as hydrofracking and other methodologies to extract shale oils, improved storage or clean coal technologies) or government subsidies, tax credits or other support that allow alternative fuel generation projects to produce more reliable electric energy or lower the cost of such production compared to natural gas fueled electric generation projects; (xvi) with respect to the price of oil, actions of the Organization of Petroleum Exporting Countries ("OPEC"), including in reaction to political developments, international conflicts and regional strife, and other large petroleum exporting countries that are not a member of OPEC, such as Russia; (xvii) the expected consumption of coking coal in steel production; (xviii) the amount and character of excess electric generating capacity in the market area; (xix) terrorist acts; (xx) overall economic conditions; (xxi) the strength of the U.S. dollar relative to other currencies; (xxii) terrorist acts and the impact of military and other action; and (xxiii) a variety of additional factors that are beyond the control of Moontower or the Clients. These factors are expected to affect the level and volatility of commodities prices and the liquidity of the portfolio companies, as evidenced by recent oil price shocks resulting from disputes among members of OPEC in connection with the COVID-19 pandemic, which could impair the Clients' performance or result in losses, potentially materially. For example, volatile oil, natural gas and



natural gas liquids prices make it difficult to estimate the value of developed properties that are the subject of financing and often cause disruption in the market for oil, natural gas and natural gas liquids developed properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisition and development and exploitation project financings. Although the Clients intend to partially mitigate commodity risk through long term power sales contracts with parties that it deems to be creditworthy and that have fixed capacity payments and pass through certain variable costs such as fuel and change-in-law costs to the power purchasers, there can be no assurances that the Clients will be able to enter into contracts covering any or all of each project's electrical output and the term of such contracts are likely to vary leaving open commodity risk at the end of such contract terms.

Political and Societal Challenges. Large-scale infrastructure projects may be particularly susceptible to political and societal challenges, which may, in turn, affect a project's ability to receive, renew or maintain required permits or approvals and may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations. For example, proposals to site a particular infrastructure project, such as a bridge, airport or energy plant, or engage in activities relating to a project, such as drilling activities in a particular location, may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Concerns can also arise regarding some of the techniques used in the extraction of natural resources relating to an infrastructure project, such as the extraction of shale gas in order to enhance recovery, such as the use of natural gas hydraulic fracturing (also known as "fracking"), which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions.

Legal and Regulatory Risks. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Clients and their portfolio investments. As further described below, legal, regulatory and tax changes could occur during the term of the Clients that may adversely affect the Clients. Securities and futures markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other regulators and self-regulatory organizations and exchanges authorized to take extraordinary actions in the event of market emergencies. There has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry in general. It is impossible to predict what, if any, changes in regulations will occur, but any regulations that restrict the ability of the Clients to trade in securities or engage in portfolio investments or the ability of the Clients to employ, or brokers and other counterparties to extend, credit in their trading (as well as other regulatory changes that result) could have a negative effect on the Clients' performance and, consequently, on the Clients' portfolio.

The business of Moontower and its affiliates, including the Clients, is dynamic and expected to change over time. Therefore, a Client could be subject to new or additional regulatory constraints in the future, including by virtue of legal and regulatory matters affecting Moontower or other Client. This Brochure cannot address or anticipate every possible current or future regulation that may negatively affect the General Partners, the Adviser, the Clients, their respective affiliates or their respective businesses. Such regulations could have a negative effect on the investors or the operations of the Clients, including restricting the types of investments the Clients make,

preventing the exercise of their voting rights with regard to certain financial instruments, requiring the Clients to disclose the identity of their respective investors or otherwise. In addition, in order to comply (or to facilitate compliance) with regulations and policies to which the Clients, the General Partners or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with the consummation of portfolio investments or with respect to any lender, the Clients, the General Partners, their respective affiliates and their respective consultants, attorneys or other advisors could be required to disclose information about the investors, including their identities and the identities of their beneficial owners, as well as information reasonably required in connection with any tax audit involving the Clients or any investor. The General Partners have the authority, in their discretion, to cause the Clients to be subject to laws and regulations and associated legal obligations if it believes that doing so would be in the Clients' interest generally, even in circumstances where such laws or regulations may have a different, and possibly less favorable, impact on one or more investors. The application of laws and regulations and associated legal obligations (relating to competition, for example) also can have a sweeping and also a potentially varying impact with respect to Moontower and its affiliates, including the Clients and their investments. Prospective investors are encouraged to consult their own advisors regarding an investment in the Clients.

Documentation and Other Legal Risk. In addition to the matters described above in "Equipment Risks" and "Power Purchase Agreement Risk" regarding PPAs, real estate, infrastructure and other real asset investments are typically governed by other complex legal agreements. As a result, there is a higher risk of dispute over interpretation or enforceability of the agreements.

Regulatory Oversight. The Clients do not expect to be required, and do not expect to register, as registered investment companies under the Investment Company Act. Accordingly, the provisions of the Investment Company Act applicable to registered investment companies (which require, among other things, investment companies to have a majority of disinterested directors, that securities be held in custody and individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company) are not applicable to the Clients.

It should be noted that in the execution of the affairs of the Clients, Moontower will, from time to time, have contact with regulators and other governmental bodies, including in connection with reviews and examinations, applications for authorizations and licenses, submission of proofs of claim with courts and participating in other legal proceedings, responding to requests for information and filing periodic reports and correspondence related thereto. There can be no assurance as to the outcome of license and other applications, of legal proceedings or of other dealings with regulators and governmental bodies.

Enhanced Scrutiny and Potential Regulation of the Alternative Asset Management Industry. There continue to be significant legislative and regulatory developments affecting the alternative asset management industry. It is difficult to determine what impact, if any, any increased regulatory scrutiny or initiatives will have on the private fund industry. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on the Clients' activities, including the ability of the Clients to achieve their investment objectives.

As private investment firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private fund industry has recently been subject to criticism by some politicians, regulators and market

commentators. In Germany, for example, U.S. and UK alternative asset management firms are perceived by some as being responsible for high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies have been examining the role of placement agents, finders and other similar private fund service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have, from time to time, directed opposition efforts toward a campaign targeting alternative asset management firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio investments. There can be no assurance that the foregoing will not have an adverse impact on Moontower or the Clients or otherwise impede the Clients' activities.

In the United States, the Dodd-Frank Act, which was enacted in July 2010, has resulted in extensive rulemaking and regulatory changes that affect private fund managers, the funds that they manage and the financial industry as a whole. Under the Dodd-Frank Act, the CFTC and the SEC have mandated (and may in the future mandate) new recordkeeping, reporting, central clearing and mandatory trading on electronic facilities requirements for investment advisers, which add costs to the legal, operational and compliance obligations of the Adviser and the Clients and increase the amount of time that the Adviser spends on non-investment-related activities. The Dodd-Frank Act affects a broad range of market participants with whom the Clients interact or may interact, including banks, non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies, payday lenders and broker-dealers, and affects the way in which the Clients conduct business with their counterparties. Rulemaking and regulatory changes have not yet been concluded and regulatory scrutiny of various aspects of the financial services industry continues across the jurisdictions in which the Clients will operate. Other U.S. and non-U.S. government agencies also have proposed regulatory changes that are expected to broadly impact the financial industry. Notably, the U.S. Department of the Treasury issued a final rule, Customer Due Diligence Requirements for Financial Institutions, effective July 11, 2016, requiring certain financial institutions to identify the beneficial owners of many of their legal entity customers (including private funds and their managers). In addition, a significant feature of the Dodd-Frank Act is the so-called "Volcker Rule" (together with its implementing regulations, the "Volcker Rule"), which amended the U.S. Bank Holding Company Act of 1956, as amended, to significantly restrict investments by banking entities (generally defined as (i) any insured depository institution, subject to certain exceptions including for depository institutions that (together with every company that controls it) have \$10 billion or less in total consolidated assets and trading assets and liabilities that are less than 5% of total consolidated assets, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law and (ii) any affiliate or subsidiary of the foregoing entities) investing in, or conducting certain activities with a private fund, hedge fund or other fund that would be investment companies for purposes of the Investment Company Act but for Section 3(c)(1) or 3(c)(7) of the Investment Company Act, subject to certain exclusions (each a "Covered Fund"). The Clients relies upon Section 3(c)(7) of the Investment Company Act and therefore would be a Covered Fund unless an available exclusion applies. On May 24, 2018, the U.S. president signed into law the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Consumer Protection Act"). Further, in July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Consumer Protection Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance



requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by proposing new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles. These amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds and therefore should expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Dodd-Frank Act, the Consumer Protection Act and other legislative and regulatory developments on the Clients and their activities remain uncertain; however, industry observers generally agree that most advisors to private funds will be affected. Prospective investors in the Clients that are banking entities should consult their bank regulatory counsel prior to making an investment.

Regulation of the private investment fund industry in the United States has recently been the subject of increased focus from, among other things, existing and prospective public officials. In particular, multiple members of the United States Congress have put forth bills and/or outlined proposed legislation intended to, among other things, impose certain requirements on the economic, governance and transparency of private investment funds, their investors, their portfolio companies and their managers. More specifically, the SEC has also recently proposed other new rules and rule amendments under the Advisers Act in relation to: ESG categorization and reporting for investment advisers; the safeguarding of client assets (which would amend and redesignate the existing Custody Rule); the outsourcing of certain functions by advisers to service providers; and cybersecurity risk governance for investment advisers. It is unclear whether any of these (or other) proposals will be enacted and what the terms of any enacted legislation would provide. Prospective investors should note, however, that any such legislation or regulation is likely to increase the compliance and similar burdens on the Clients and the General Partners or otherwise limit the ability of the General Partners to manage the Clients and their investments in the manner that the General Partners believe to be in the Clients' best interest. Any such consequences could materially and adversely affect the Clients and their performance.

Moontower and its affiliates are subject to extensive regulation, including periodic examinations by governmental agencies and self-regulatory organizations in the jurisdictions in which they operate around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including United States and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker-dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against Moontower or its personnel. Moreover, the SEC has specifically focused on the alternative investment industry and, in the current environment, even historical practices that have been previously examined are being revisited. Moontower can be expected to be subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities. Even if an investigation or proceeding did not result in a sanction or the sanction imposed was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm Moontower and the Clients. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing would not have a material adverse effect on the Clients and their ability to achieve their investment objectives.

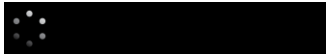


In recent years, the SEC staff's stated examination priorities and published observations from examinations have included, among other things, private equity firms' collection of fees and allocation of expenses, compliance with the custody rule, reporting requirements to investors, marketing and valuation practices, allocation of investment opportunities, cybersecurity policies and procedures, terms agreed to in side letters and similar arrangements with investors, consistency of firms' practices with disclosures, handling of material non-public information and insider trading, books and records retention, purported waivers or limitations of fiduciary duties and the existence of, and adherence to, policies and procedures with respect to conflicts of interest.

The SEC's stated examination priorities also include investment advisers' and funds' compliance with new and amended rules that it recently adopted, including rules that are referenced herein. For example, the SEC (in May 2023) adopted, and the SEC and CFTC jointly (in February 2024) adopted, changes to Form PF, a confidential form relating to reporting by private fund advisers and intended to be used by the Financial Stability Oversight Counsel ("FSOC") for systemic risk oversight purposes, that expand existing reporting obligations. Such increased obligations could increase the costs incurred by the Clients.

In addition to the U.S. legislative developments described above, other jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations and have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, private investment funds. There is therefore a material risk that regulatory agencies in the U.S., Europe or elsewhere could adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, that are specifically targeted at the alternative asset management industry, or other changes that could adversely affect alternative asset management firms and the funds they sponsor, including the Clients. Finally, increased reporting, registration and compliance requirements divert the attention of personnel and the management teams of Moontower and/or the companies in which it invests, and could furthermore place the Clients at a competitive disadvantage to the extent that Moontower or the companies in which it invests are required to disclose sensitive business information.

Prospective investors should also note that the current political climate creates uncertainty with respect to legal, tax and regulatory regimes in which the Clients and their portfolio investments, as well as Moontower and its affiliates, will operate. In addition to the proposed legislation described above, any significant changes in, among other things, economic policy (including with respect to interest rates), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on the Clients and their portfolio investments. This regulatory complexity, in turn, may increase the need for broader insurance coverage by fund managers and increase such costs and expenses charged to the funds they manage and their investors, if permitted. Certain of the proposed rules may also increase the cost of entering into and maintaining relationships with service providers to the Adviser and may limit the number of service providers and/or costs of engaging with service providers. In addition, these amendments could increase the risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Moontower and its reputation and to negatively impact the Clients in conducting its business. While the full extent of any proposed rules' impact cannot yet be determined, the general anticipation is that they will increase regulatory and compliance costs, place burdens on



Moontower's resources, including the time and attention of Moontower's personnel, and heighten the risk of regulatory action.

Global Data Security and Privacy Law. Moontower and the Clients' portfolio companies are subject to various risks and costs associated with the collection, storage, transmission and other processing of personally identifiable information ("PII") and other sensitive and confidential information. This data is wide ranging and relates to Moontower's investors, employees, contractors and other counterparties and third parties. Any inability, or perceived inability, by us to adequately address privacy concerns, or comply with applicable privacy laws, regulations, policies, industry standards, or related contractual obligations, even if unfounded, could result in regulatory and third-party liability, increased costs, disruptions to business and operations, and reputational damage. Furthermore, any such inability or perceived inability of the Clients' portfolio companies, even if unfounded, could result in reputational damage to us.

Data security and privacy compliance obligations to which Moontower subject impose compliance costs on us, which could increase significantly as laws and regulations evolve globally. Moontower's compliance obligations include those relating to U.S. laws and regulations, including, without limitation, state regulations such as the CPRA, if applicable. At the U.S. federal level, the SEC has adopted the previously proposed changes to Regulation S-P under the Gramm-Leach-Bliley Act ('GLBA'), which will require, among other things, that covered institutions, such as Moontower, adopt policies and procedures to notify affected individuals of a breach involving their personal financial information within 30 days of becoming aware that it occurred. The newly adopted amendments to Regulation S-P will be effective as of December 3, 2025.

Any inability, or perceived inability, by Moontower or the Clients' portfolio companies to adequately address data protection or privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations, or other legal obligations, even if unfounded, could result in significant legal, regulatory and third-party liability, increased costs, disruption of Moontower's and the Clients' portfolio companies' business and operations, and a loss of client (including investor) confidence and other reputational damage. Many regulators have indicated an intention to take more aggressive enforcement actions regarding data privacy matters, and private litigation resulting from such matters is increasing and resulting in progressively larger judgments and settlements. Specifically, the SEC's stated examination priorities include an intended focus on adviser's policies and procedures, internal controls, oversight of third-party vendors and governance practices as it pertains to the safeguarding of customer records. Furthermore, as new data protection and privacy-related laws and regulations are implemented, the time and resources needed for Moontower and the Clients' portfolio companies to comply with such laws and regulations continues to increase and become a significant compliance workload.

Private Investment Funds. The legal, tax and regulatory environment worldwide for private investment funds and their managers is evolving. Changes in the regulation of private investment funds, their managers and their trading and investing activities may have a material adverse effect on the ability of the Clients to meet their investment objectives and the value of investments held by the Clients.

Nature of Investments. Portfolio companies in which the Clients invest are confronted with a high degree of financial and operating risk, including risks associated with companies with little or no operating history, companies operating at a loss or with substantial inter-period variations, companies which incur a high level of debt as a result of a leverage buyout, companies where

some members of the management team are inexperienced and companies with a need for substantial contributions to capital to support expansion or to achieve or maintain a competitive position. Losses of principal are possible on any particular investment.

Investments in more mature companies in the expansion or profitable stage also involve substantial risks. The companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire a business or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing and general management of these activities.

Item 9: Disciplinary Information

The Adviser and its management persons have not been subject to any legal or disciplinary events that would be material to its business or to an investor or prospective investor's evaluation of the Adviser or the integrity of its management persons.

Item 10: Other Financial Industry Activities and Affiliations

Neither Moontower nor any of its management persons is registered or has an application pending to register as (i) a broker-dealer or a registered representative of a broker-dealer or (ii) a futures commission merchant, a commodity pool operator, a commodity trading advisor or associated person of the foregoing.

The Adviser currently has no material relationships or arrangements with a related person who is a broker-dealer, investment company, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or an entity other than the commonly controlled general partners (or equivalent) that sponsor or syndicate investment vehicles that are material to its advisory services, Clients or its investors. Certain Clients may, in the future, make an investment in a broker-dealer or financial planning firm. The Adviser has developed and will continue to develop relationships with professionals who provide services such as legal, accounting, banking, tax preparation, insurance brokerage and other personal services.

Certain supervised persons of the Adviser may serve as directors and officers of certain portfolio companies, and, in that capacity, would be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders and its clients. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that are in the best interests of the portfolio company may not be in the same best interests of the Clients that are shareholders, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals' duties as a supervised person of the Adviser and such individuals' duties as a director or officer of such portfolio company. Moontower maintains policies and procedures relating to conflicts of interest.



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

The Adviser has adopted a Code of Ethics (the “Code”) that is designed to meet the requirements of Rule 204A-1 under the Investment Advisers Act of 1940 (the “Advisers Act”). The Code covers standards for business conduct, fiduciary standards, compliance with federal securities laws, reporting violations and personal securities transactions (including reporting and limitations), among other things. The Adviser’s compliance manual also sets forth policies and procedures in employee conduct-related areas, including conflicts of interest, insider trading, gifts and entertainment, outside business activities and political and charitable contributions. The Adviser’s compliance manual and the Code are subject to change in the Adviser’s sole discretion.

The Code applies to all employees and supervised persons of Moontower and its subsidiaries (“Employees”) and sets forth a standard of business conduct that takes into account the Adviser’s fiduciary duty as an investment adviser to its Clients. The Code requires Employees to comply with applicable federal securities laws, and to promptly bring any violations of the Code to the attention of the Adviser’s chief compliance officer (the “Chief Compliance Officer”). All Employees are provided with a copy of the Code and are required to acknowledge receipt and understanding of the Code at least annually.

All Employees must provide an initial list of personal securities accounts and holdings. Thereafter, Moontower requires its Employees to report their securities transactions on a quarterly basis and to disclose their securities holdings on an annual basis. All Employees must pre-clear transactions involving reportable securities, with certain limited exceptions.

The Adviser will provide a copy of its Code to any existing or prospective client upon request to its compliance team by phone at 512-922-5111 or by email at compliance@moontower.com.

The Adviser and certain of its partners, officers, employees, affiliates and respective family members may invest alongside Clients in portfolio investments or directly in Clients and are afforded a waiver of Management Fees, Carried Interest or other fees and expenses ordinarily borne by investors. Conflicts of interest may arise when such persons invest in or alongside Clients, including, potentially, in connection with follow-on investment opportunities that may arise and with investment allocation determinations more generally.

Cross transactions between Clients are expected to take place and will give rise to conflicts of interest, including as a result of differences that may exist between the economic terms applicable to the Clients entering into the cross transaction (e.g., where one Client is subject to a higher Carried Interest rate than the other Client). Any such transactions will give rise to conflicts of interest and are subject to the terms of the applicable Governing Agreements and the policies and procedures in the Adviser’s compliance manual.

Employees are permitted to purchase or sell securities on their own behalf which may differ from those purchased or sold for the Clients, even if their investment objectives are the same as or similar to that of any such other entity. While Moontower has a personal trading policy designed to mitigate conflicts of interest and risks associated with these activities, it is possible that these activities could adversely affect the prices and availability of other securities held by or potentially considered for the Clients and expenses of the Clients generally are not specially allocated to Moontower personnel (except in relation to their interests in such entities).



The Adviser addresses these potential conflicts through its Code, which requires the Adviser to act in the best interest of its Clients, through regular monitoring of the Clients' portfolios, and through its other policies and procedures including the allocation policy discussed in Item 6.

In instances where an investment may be appropriate for more than one Client, it is the Adviser's policy to allocate investment opportunities in a manner consistent with the Adviser's fiduciary obligations as well as within the Clients' investment objectives.

Under Moontower's allocation policy, if Moontower determines that an investment opportunity is suitable for multiple Clients, Moontower will allocate the investment opportunity between or among such Clients based on relevant factors, as determined in Moontower's sole discretion, related to each Client, which may include but are not limited to:

- Whether the risk-return profile of the proposed investment is consistent with the Client's investment objectives and program, whether such objectives are considered in light of the specific investment under consideration or in the context of a Client's overall holdings;
- The appropriate sizing of an investment made by each Client taking into account a variety of factors including, but not limited to, the existing investments held by such Client and the Client's available capital;
- The potential for the proposed investment to create an imbalance in a Client's portfolio (taking into account potential inflows and outflows of capital);
- The existing portfolio composition of each Client and the potential for concentration risk;
- The investment's expected time horizon and the duration of each Client's investment period;
- Availability of capital commitments;
- Liquidity requirements;
- Potential tax consequences;
- Regulatory and other restrictions or risks that would or could limit a Client's ability to participate in a proposed investment;
- Legal, regulatory, accounting and other similar considerations deemed relevant by Moontower;
- Co-investment arrangements;
- Timing expected to be necessary to execute an investment;
- The "ramp-up" period for newly launched Clients.

The Adviser makes all allocations of investment opportunities in a manner consistent with its fiduciary duty obligations and on a fair and reasonable basis. Further, the Adviser will not allocate



investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Client or (ii) the profitability of any Client to Moontower.

If any matter arises that the Adviser determines in good faith to constitute an actual conflict of interest, the Adviser will take such actions as may be necessary or appropriate, within the context of the Code, the Adviser's compliance manual and/or a Client agreement to address the conflict.

Set forth below is a summary of the conflicts of interest that could arise in connection with Client activities. Such summary does not purport to be an exhaustive or fully comprehensive list or explanation of the conflicts of interest that could arise. A more detailed explanation of these conflicts could be found private placement memoranda (or similar disclosure document) of the Clients which should be reviewed carefully prior to making an investment.

Allocation of Investment Opportunities. There can be no assurances that all investment opportunities identified by Moontower will be made available to all Clients. Consistent with the foregoing, from time to time, Moontower may be presented with investment opportunities that fall within the investment objective or guidelines of more than one Client and in such circumstances, subject to the applicable Governing Agreements, Moontower will allocate such opportunities between such Clients on a basis that it believes in good faith to be fair and reasonable, taking into account such factors and considerations deemed relevant by Moontower in good faith. Such factors and considerations may include the Clients' objectives (whether considered solely in light of the specific investment under consideration or in the context of the portfolio's overall holdings), the risk-return profile of the proposed investment, the proximity of the Clients or to the end of their specified term/commitment period, the relative amounts of capital available for investment, the potential for the proposed investment to create an industry, sector, issuer or other similar imbalance in the Clients' portfolios, legal, tax, regulatory and other similar considerations, the availability of leverage and any requirements or other terms of any existing leverage facilities, the sourcing of the transaction and other considerations deemed relevant by Moontower in good faith. Consistent with the foregoing, certain opportunities within a Client's primary investment objective may be shared with, or made by (to the potential exclusion of such Client), one or more other Clients.

The activities of Clients may give rise to actual or potential conflicts of interest. Subject to the Governing Agreements, Moontower may sponsor and/or manage Clients which may have similar or overlapping investment objectives to those of other Clients and/or engage in transactions in the same or similar types of securities and instruments as such Clients. These can be expected to include, without limitation, entities formed to effect the monetization or disposition of one or more portfolio investments, such as a "yieldco" or other financing vehicle. Furthermore, for various reasons, the General Partners and their affiliates may give advice and recommend securities to certain Clients which may differ from advice given to, or securities recommended or bought for, another Client, even though their investment objectives may be similar or substantially similar to one another. In certain cases, a Client may make portfolio investments in which other Clients have or are concurrently making a different principal investment (and vice versa). In such situations, such Clients may have conflicting interests (e.g., over the terms of their respective investments). In that regard, actions may be taken for certain Clients that are adverse to other Clients. Even if the Clients invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for different Clients may not be the same. Additionally, Clients may have different expected termination dates and/or



investment objectives (including target return profiles), and Moontower, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. Moreover, Moontower and its affiliates and personnel may have differing levels of investment in each Client. As a result, Moontower and its affiliates and personnel may be incentivized to favor certain Clients to the extent they have a greater level of investment therein. In addition, Moontower and its affiliates may be entitled to different amounts of Carried Interest, Management Fees or other compensation from certain Clients, which may incentivize the General Partners and their affiliates to favor such other Clients. Additionally, the General Partners and their affiliates may be incentivized to allocate more time, effort and resources to certain Clients based on the stage in their marketing or investment horizon or, by virtue of obligations under the Governing Agreements of certain Clients, allocate more time to such other Client. While Moontower will seek to manage conflicts of interest in good faith, there can be no assurance that any such conflicts will be resolved in a manner that is favorable to each Client.

Additionally, Moontower is expected to, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, may provide for referral or sharing of investment opportunities. While it is possible that the Clients will, along with Moontower itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that would otherwise be presented to or made by the Clients would instead be referred (in whole or in part) to such third party. In addition, the General Partners may give certain persons, including investors as well as third parties, an opportunity to co-invest in particular investments with the Clients. The allocation of co-investment opportunities may involve a benefit to Moontower including Management Fees or Carried Interest from the co-investment opportunity and/or capital commitments to certain Clients. There can be no assurances with respect to the amount of any co-investment opportunity that will be allocated to the investors. See “Co-Investment Opportunities” below.

Syndication. Subject to the limitations in the Governing Agreements, the Clients are expected to, in certain circumstances, commit to or initially acquire an investment and subsequently syndicate, or sell some or all of it, to Moontower, one or more other Clients, joint venture partners, consultants or affiliates or related parties of the foregoing or other third parties (including any person (including, if applicable, any investor other than solely in its capacity as such and consultants) that the Adviser determines has the ability to add value to a portfolio investment in light of its relationships, experience, geographic location, market or industry knowledge and/or other relevant attributes as determined by Moontower), notwithstanding the availability of capital from the investors applicable credit facilities. If any such intended syndication is not ultimately consummated, Moontower, the Clients or the other party that initially acquires such portion will be expected to retain it, leading to the Clients or such other party having more of the portfolio investment (including expenses relating to such unconsummated syndication) initially intended to be syndicated than it would otherwise have had if such syndication had not initially been contemplated. For the avoidance of doubt, certain other Clients participating in such portfolio investment will likely not take part in any such syndication in the same manner or to the same extent (if at all) or could participate in a syndication alongside other Clients but at a different interest rate, due to legal, regulatory, accounting, administrative or other considerations. The General Partners reserve the right to cause these transfers to be made at cost, or cost plus an interest rate or carrying cost charged from the time of acquisition to the time of transfer, notwithstanding that the fair market value of any such portfolio investments could have declined below or increased above cost from the date of acquisition to the time of such transfer. The General Partners also reserve the right to determine another methodology for pricing these



transfers, including fair market value at the time of transfer. Also, subject to the limitations contained in the Governing Agreements, the General Partners or one or more of their affiliates will, in certain circumstances, charge fees on these transfers to either or both of the parties to them. The Clients or their affiliates are permitted to retain any portion of a portfolio investment initially acquired by them with a view to syndication to co-investors or other potential purchasers to the extent such portion has not been syndicated after reasonable efforts to do so. Conflicts of interest are expected to arise in connection with these affiliate transactions, including with respect to timing, structuring, pricing and other terms. For example, the General Partners will have a potential conflict of interest when Moontower receives fees, including Carried Interest, from a Client acquiring from or transferring to another Client all or a portion of a portfolio investment. Furthermore, the General Partners and their affiliates have the right to commit to or initially acquire a portion of an investment alongside a Client if they intend to syndicate such amounts to other Clients or third parties (which could include one or more investors in other Clients) and to retain such amounts not ultimately syndicated after having used reasonable efforts to syndicate. The commitments/funds in any such underwriting by the General Partners and their affiliates can come from Moontower's own balance sheet and/or from one or more third parties that enter into arrangements with Moontower with respect thereto and can come from another Client. In such circumstances, Moontower will have the right to earn underwriting and/or syndication fees from the portfolio investments or the purchasers of such commitments, and the Clients and the investors will not be entitled to share in or receive the benefit of any such underwriting and/or syndication fees. As a result, the General Partners could be incentivized to underwrite and/or syndicate amounts of commitments in portfolio investments due to the right to earn fees not subject to offset in favor of the investors, even if the capital used to underwrite such amounts do not come entirely from Moontower's own balance sheet as described above, and Moontower could share such fees with one or more third parties that commit to such investments and could charge purchasers of the commitments fees and Carried Interest with respect thereto.

Portfolio Investment Activities and Relationships. Certain Clients may from time to time invest in securities or instruments of actual or potential portfolio investments. The trading activities of such Clients will at times differ from or be inconsistent with activities which are undertaken for the account of other Clients in such securities or related securities, including as a result of the facts and circumstances described herein. In addition, a Client will in certain circumstances not pursue a portfolio investment as a result of such investing or trading activities by other Clients. Additionally, if Moontower personnel serve on the board of directors (or other similar committees or bodies) of any portfolio investment or any company in which certain Clients has invested, then such Moontower personnel can become subject to fiduciary duties or other similar obligations to such portfolio investments, companies and/or their other respective constituents. While Moontower personnel would generally assume such positions in order to promote the interests of the Clients, Moontower may not be able to put the interests of the Clients ahead of the interests of such companies or constituents and/or it is possible that Moontower will be unable to take certain actions in respect of the Clients that it otherwise would have taken had such personnel not served in any such capacities. With respect to companies more generally, it is also possible that such companies (or subsidiaries thereof), or portfolio companies (or subsidiaries thereof) of certain Clients, engage in investing activities that are similar or related to the investing activities of such Clients. In such cases (and even in cases where a company engaged in an operating business is contemplating a strategic transaction), Clients or Moontower expects at times to come into possession of non-public confidential information or otherwise become bound by confidentiality, standstill or other obligations. It is possible that the activities of and information within a company will result in the Clients being required to forgo certain investment or divestment

activity and otherwise restrict the ability of the Clients to engage in certain activities that would not be prohibited but for such relationships.

Certain portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with more than one Client or other Moontower affiliates that, although Moontower determines to be consistent with the requirements of the applicable Clients' Governing Agreements, may not otherwise have been entered into but for the affiliation with Moontower, and which may involve fees and/or servicing payments to Moontower-affiliated entities that are not subject to the Management Fee reductions described herein. In connection therewith, a portfolio company may spend a disproportionate amount of time providing services to certain Clients (or another portfolio company thereof) that is not commensurate with such Client's *pro rata* interest in the portfolio company, or provide services to another Client (or a portfolio company thereof) that has no interest in such portfolio company. With respect to transactions or agreements with portfolio investments, at times, including if unrelated officers of a portfolio company have not yet been appointed, Moontower will be negotiating and executing agreements between Moontower and the Clients on the one hand and the portfolio investment or its affiliates on the other hand, including management services agreements or similar agreements, which would entail a conflict of interest in relation to efforts to enter into terms that are arm's-length. Among the measures Moontower uses to mitigate such conflicts is involving outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

Allocation of Time and Attention. The General Partners and their respective affiliates will devote as much of their time to the activities of the Clients as they deem necessary and appropriate in their discretion. Except as may be set forth in the Governing Agreements, the General Partners and their respective affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even if such activities are in competition with the Clients and/or involve substantial time and resources of the General Partners and their respective affiliates. Moontower personnel are permitted to have outside business activities under certain circumstances. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of the General Partners and their officers and employees will not be devoted exclusively to the business of the Clients. Any time spent on other initiatives would divert attention from the activities of the Clients, which could negatively impact the Clients and investors. Furthermore, Moontower and/or its personnel can derive financial benefit from these other activities, including fees and performance-based compensation. These and other factors create potential conflicts of interest in the allocation of time and attention by Moontower personnel. The General Partners' determination of the amount of time necessary to conduct the Clients' activities will be conclusive, and investors rely on the General Partners' judgment in this regard.

Material, Non-Public or Price-Sensitive Information. From time to time, the General Partners, the Adviser or any of their respective affiliates expect to, for a variety of reasons including when employees of the General Partners or the Adviser or their affiliates sit on advisory boards of Clients or portfolio companies controlled by such accounts, come into possession of material, non-public or price-sensitive information, and such information may limit the ability of a Client to buy and sell investments, even if such information was obtained in the context of the investment activities of other Clients or companies in which they are invested. Additionally, from time to time, Moontower will decide, for compliance and similar reasons, to restrict its ability to buy and sell securities in light of information received or otherwise. Even if disclosure of such information to Moontower's personnel responsible for the affairs of a Client does not occur, such Client would generally not be free to act upon any such information. Due to these restrictions and/or contractual



restrictions imposed on any affiliate of the applicable General Partner or the Adviser in connection with the management of other Clients, such Client would not be able to initiate a transaction that it otherwise might have initiated and would not be able to sell an investment that it otherwise might have sold.

Affiliated Investors. To the extent current and/or former partners, employees, or charitable programs, endowment funds, estate planning vehicles and related entities established by or associated with such persons (including any trusts, family members, family investment vehicles, descendant, trusts and other related persons and entities) make capital commitments and/or otherwise invest in or alongside the Clients, including indirectly through the General Partners, any such amounts may, in the General Partners' sole discretion, be treated as satisfying the applicable portion of any required capital commitment of the General Partners and/or their affiliates to the Clients (even in circumstances where any such commitments or investments are made following a separation from Moontower). In addition, the General Partners may agree that certain investors in the Clients that are individuals or entities established by or for the benefit of such individuals (including any trusts, family members, family investment vehicles, estate planning vehicles, descendant, trusts and other related persons or entities) with whom Moontower has a personal and/or strategic relationship will bear reduced or waived Management Fee rates.

Moontower Strategic Relationships & Multi-Fund Arrangements. It can be expected that Moontower will enter into both (i) strategic relationships with investors (and/or one or more of their affiliates) that involve an overall relationship with Moontower that could (but is not required to) incorporate one or more investment strategies in addition to the Clients' strategies and (ii) arrangements that involve an agreement or understanding to subscribe for a capital commitment to one or more Clients (any such overall relationship and/or multi-fund arrangement in the foregoing (i) and (ii), a "Strategic Relationship"). A Strategic Relationship often involves (but is not required to involve) an investor agreeing to make a capital commitment to one or more Clients. Other investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) or receive any other disclosure or reporting of the terms of or existence of any Strategic Relationship and will be unable to elect in the "most-favored nations" election process any rights or benefits afforded through a Strategic Relationship (and, for the avoidance of doubt, it is not expected that the terms of, existence of or other information about any Strategic Relationship will be shared with other investors in any Client). Specific examples of such additional rights and benefits have included, and can be expected to include, among others, specialized reporting, discounts or reductions on and/or reimbursements or rebates of Management Fees or incentive allocation, targeted amounts for co-investments and/or co-underwriting alongside Clients (including preferential or favorable allocation of co-investment and/or co-underwriting opportunities, and preferential terms and conditions related to co-investment and/or co-underwriting or other participation in Clients (including any Carried Interest and/or Management Fees to be charged with respect thereto, as well as any additional discounts, reductions, reimbursements or rebates thereof or other penalties that would result if certain target co-investment allocations or other conditions under such arrangements are not achieved)). To the extent an investor receives any such discounts or reductions on Management Fees due to a Strategic Relationship, such investor will have fewer interests in a Client reduced as a result of such discounts or reductions on Management Fees as compared to any other investors in such Client without such discount or reduction (and the same consequences will result from the different Management Fee terms amongst investors in the Client). Moontower, including its personnel, can be expected to receive compensation from Strategic Relationships and be incentivized to allocate investment opportunities away from a Client to or source investment



opportunities for Strategic Relationships. Strategic Relationships will, in certain circumstances, result in fewer co-investment opportunities (or reduced allocations) being made available to other investors in the Clients. In addition, from time to time, a Client may enter into economic and/or fee sharing arrangements with respect to one or more other Clients or certain limited partners thereof and, subject to the Governing Agreements of such other Clients, such rights will not generally be made available to other investors.

Conflicting Fiduciary Duties to Amongst Clients. Moontower may structure an investment, a result of which is that one or more Clients are offered the opportunity to participate in the same or a separate position in such investment's capital stack as one another. Additionally, a Client may purchase investments in which another Client already has an interest, or otherwise another Clients may purchase an investment in a portfolio company of another Client, and may do so at different points in time. As investment adviser to applicable Clients, Moontower would owe a fiduciary duty to all Clients. If any Client were to purchase an interest in a portfolio investment in which any other Clients then holds an interest, Moontower may face a conflict of interest in respect of decisions made with regard to such Clients (e.g., with respect to the terms of such securities, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

Co-Investment Opportunities. The General Partners are expected to, but is under no obligation to, provide co-investment opportunities relating to portfolio investments to investors and/or persons (other than, except as expressly permitted by the Governing Agreements, the General Partners, their affiliates and their employees), including where the General Partners determine that the size, risk and/or other characteristics of an investment is either prohibited by the Governing Agreements or is not in the interests of the Clients or the investors. Any co-investment opportunity will be provided at the General Partners' discretion on such terms and conditions that the General Partners and the investors participating therein agree, including with respect to the economic terms. Participation by an investor in a co-investment opportunity will be entirely the responsibility and investment decision of such investor. No investor shall have a right to any co-investment opportunities, and the General Partners may offer any such opportunities in their sole discretion to one or more investors and/or third parties to the exclusion of other investors (regardless of whether any such investors have expressed an interest in co-investment opportunities) and/or third parties. It is expected that many investors who express an interest in co-investment opportunities will not be allocated any co-investment opportunities or will receive a smaller amount of co-investment opportunities than the amount requested. The General Partners will take into account various facts and circumstances deemed relevant by the General Partners in allocating co-investment opportunities, which may include the character and nature of the transaction (including structure, geographic location, tax characteristics, applicable regulation and relevant industry), speed of execution required, tax, legal, regulatory and confidentiality considerations (including, for example, if an investor is subject to The Freedom of Information Act or similar regulations and/or whether participation by a particular investor could increase the risk of antitrust or foreign investment approval), familiarity with, capability and history of investing in the relevant asset class and industry (for example, if the potential co-investor is involved in the same industry as a target company in which a Client wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of the Client being able to capitalize on a potential investment opportunity), prior expressions of interest in making similar investments, such person's ability to consummate co-invest opportunities in a meaningful size, ability to provide strategic insights and/or capital, the likelihood that such co-investor would require governance rights that would complicate or



jeopardize the transaction (or, alternatively, whether the co-investor would be willing to defer to Moontower and assume a more passive role in governing the portfolio investment), the Moontower team's past experiences and relationships with the potential co-investor, the willingness or ability of such party to respond promptly and/or affirmatively to opportunities, the expected amount of negotiations required in connection with a potential co-investor, the transparency and predictability of the potential co-investor's investment process, whether a potential co-investor could help establish, recognize, strengthen and/or cultivate relationships that may provide longer-term benefits to the Clients, Moontower, or their respective portfolio companies or affiliates, the level of demand for participation in such co-investment opportunity and such other factors that the General Partners deem relevant under the circumstances. The allocation of co-investment opportunities will in many or all cases involve a benefit to Moontower, including fees or Carried Interest from the co-investment opportunity and/or commitments to the Clients, and/or any co-investment vehicle, which may differ as among co-investors and also may differ from the fees and/or Carried Interest borne by investors in the Clients. The General Partners or their affiliates may make a nominal (or such greater amount as is determined by the General Partners to be necessary or advisable including for legal, regulatory, tax, accounting or other similar considerations) investment in any additional capital vehicle; otherwise, the General Partners or their affiliates or their employees may only participate in a co-investment opportunity if and to the extent the investors (that are not affiliated with Moontower) have first been given the opportunity for such co-investment and excess capacity remains thereafter. The General Partners may agree with one or more investors to more favorable rights with respect to co-investment opportunities, which may result in fewer co-investment opportunities being made available to other investors. It should also be noted that the General Partners may present co-investment opportunities to certain potential co-investors at any time and, with respect to any particular co-investment opportunity, at different times. Thus, one or more potential co-investors may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity.

Transaction-specific returns, and an investor's overall returns from its investment in the Clients, may be affected significantly by the extent to which the General Partners offer co-investment opportunities. The performance of co-investments is not aggregated with that of the Clients, including for purposes of determining Carried Interest or Management Fees. In addition, co-investors generally will not share in broken deal expenses (all of which may be borne by the Clients, even if a portion of such investment would have been or was offered for co-investment). Prospective investors should note that while the General Partners may offer co-investment opportunities in their sole discretion, the General Partners are not expected to offer co-investment with respect to all investments made by the Clients and there are no assurances that any such opportunities will be offered.

In the event that one or more co-investors or co-investment vehicles invest side-by-side with the Clients in securities and defaults on its obligations with respect to such investment, it is possible that any liability accruing as a result of such default will be borne by the Clients in excess of the Client's *pro rata* portion (based on the amount initially invested or intended to be invested in such investment) of such investment.

Service Providers. Certain advisors and other service providers, or their affiliates (including accountants, appraisers, valuation experts, tax advisors, fund administrators, compliance advisors, lenders, servicers, asset managers, bankers, brokers, attorneys, financial advisors, consultants and investment or commercial banking firms), to the Clients and their portfolio companies may also provide goods or services to or have business, personal, political, financial



or other relationships with Moontower or its affiliates. Such advisors and service providers may be investors in the Clients and/or their portfolio companies, affiliates of the General Partners or the Adviser, sources of investment opportunities or co-investors or counterparties therewith. These relationships may influence a General Partner in deciding whether to select or recommend such a service provider to perform services for a Client or a portfolio company (the cost of which will generally be borne directly or indirectly by such Client or such portfolio company, as applicable). Similarly, these service providers and their affiliates may engage in competitive activities and may earn fees from or receive or provide other consideration from such persons or entities, and may provide different advice or services or take different action for any other client or account, including their own accounts, from the advice or services they provide or action they take for the Clients and/or the portfolio companies. Notwithstanding the foregoing, Moontower will generally seek to engage advisors and service providers in connection with investment transactions for the Clients that require their use on the basis of the overall quality of advice and other services provided, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the General Partners believe to be of benefit to the Clients. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Moontower, the General Partners, the Adviser or their affiliates as compared to services provided to the Clients and/or the portfolio companies, which may result in more favorable rates or arrangements than those payable by the Clients and/or such portfolio companies. In such circumstances, one or more of such persons (including Moontower) may be receiving a benefit that was derived, at least in part, by work paid for by other such persons.

Moontower is expected to outsource to third parties many of the services performed for the Clients and/or its related entities, including services (such as administrative, legal, accounting, tax or other related services) that can be performed in-house by Moontower and its personnel, and the fees, costs and expenses of such third-party service providers will be borne by the Clients as Operating Expenses for which its investors are responsible. Outsourced services include certain services that often would be provided at Moontower's expense if such services had been performed in-house by Moontower personnel. In such cases, the fees, costs and expenses associated with the provision of such services will be borne by the Clients instead of Moontower, thereby increasing the Operating Expenses borne by the investors. Outsourced services also include certain services that may, subject to the terms of the Governing Agreements, also be provided by Moontower in-house as Operating Expenses. From time to time, Moontower may provide such services alongside (and/or supplement or monitor) a third-party service provider on the same matter or engagement and in certain cases the cost of Moontower's services are reimbursable under the Governing Agreements. Determining whether to engage a third-party service provider and the terms (including economic terms) of any such engagement will be determined by each General Partner in its discretion, taking into account such factors as it deems relevant under the circumstances. Moontower may have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne by a Client as Operating Expenses (with no reduction or offset to Management Fees) and retaining third parties will reduce Moontower's internal overhead and compensation costs for employees who would otherwise perform such services in-house. Outsourcing may not occur uniformly for all Moontower managed vehicles and accounts and, accordingly, certain costs may be incurred by (or allocated to) a Client through the use of third-party service providers that are not incurred by (or allocated to) other Clients.



Certain service providers and/or their employees can be expected to dedicate substantially all of their business time to the Clients, Moontower and/or portfolio companies, while others may have other clients. In certain cases, service providers and/or their employees may spend a significant amount of time at Moontower offices, have dedicated office space at Moontower, receive administrative support from Moontower personnel or participate in meetings and events for Moontower personnel, even though they are not Moontower employees or affiliates.

The involvement of third-party service providers may present a number of risks due to, among other factors, Moontower's reduced control over the functions that are outsourced. There can be no assurances that Moontower will be able to identify, prevent or mitigate the risks of engaging third-party service providers. The Clients may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Investors do not have contractual privity with service providers by virtue of their investment in the Clients. Rather, each investor's relationship in respect of its interest in a Client is with such Client only. Accordingly, absent a direct contractual relationship between the investor and the relevant service provider, investors generally will not have standing to bring contract-based claims against the Clients' service providers.

Senior Advisors; Operating Partners. Moontower may engage and retain operating specialists, senior advisors and other similar consulting professionals who are not employees or affiliates of Moontower and who may, from time to time, receive payments from, or allocations with respect to, portfolio investments (as well as from Moontower or the Clients). In such circumstances, such payments from, or allocations with respect to, portfolio investments and/or the Clients will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Moontower, be deemed paid to or received by Moontower and such amounts will not be subject to any offset provisions as described in the Governing Agreements. Operating specialists, senior advisors and other consultants and/or other professionals at times have the right or are offered the ability to co-invest alongside the Clients, including in those investments in which they are involved, participate in equity plans for management of any such portfolio investment, or invest directly in the Clients or other vehicles controlled by Moontower subject to reduced or waived Management Fees and/or Carried Interest. The nature of the relationship with each of the operating specialists, senior advisors and/or other similar consulting professionals and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they provide Moontower with industry-specific insights and feedback on investment themes, assist in transaction due diligence, or make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the identification and origination of new investment opportunities. In certain instances, Moontower has formal arrangements with these operating specialists, senior advisors and other consultants and/or other professionals (which may or may not be terminable upon notice by any party and may include compensation, no compensation or deferred compensation until occurrence of a future event, such as commencement of a formal engagement), and in other cases the relationships are more informal. It is not uncommon for these arrangements to include some form of exclusivity. Operating specialists, senior advisors and other consultants and/or other professionals may either be compensated (including pursuant to retainers and expense reimbursement) from Moontower, the Clients and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. Any such compensation can take the form of a Management Fee and/or profits allocation (whether paid directly to such individuals and/or to an affiliated entity controlled by such individuals), which may be calculated as a percentage of assets under



management and/or a waterfall similar to a carried interest, respectively. Amounts charged by operating specialists, senior advisors and/or other similar consulting professionals will not necessarily be confirmed as being comparable to market rates for such services. Such amounts could be borne directly by the Clients as Operating Expenses (or Broken Deal Expenses, if applicable) or indirectly through expenditures by a portfolio company.

In certain cases, operating specialists, senior advisors and/or other similar consulting professionals have attributes of Moontower “employees” (e.g., they may have dedicated offices at Moontower, receive administrative support from Moontower personnel, participate in general meetings and events for Moontower personnel or on Moontower matters as their primary or sole business activity, have Moontower-related e-mail addresses or business cards and participate in certain benefit arrangements typically reserved for Moontower employees), even though they are not Moontower employees, affiliates or personnel for purposes of the Governing Agreements, and their salary and related expenses are paid by the Clients as Operating Expenses or by portfolio companies. Some operating specialists, senior advisors and/or other similar consulting professionals work only for the Clients and their portfolio companies, while others may have other clients; in either case, they could have conflicts of interest between their work for the Clients and their portfolio companies, on the one hand, and themselves or other clients, on the other hand, and the General Partners are limited in their ability to monitor and mitigate these conflicts.

Operating specialists, senior advisors and/or other similar consulting professionals may be sources of investment opportunities, co-investors or counterparties of the Clients, or have prior relationships with Moontower or its personnel or affiliates. These relationships may influence the decision whether to select or recommend such an operating specialist, senior advisor and/or other similar consulting professional to perform services for the Clients or a portfolio company. There can be no assurance that any of the operating specialists, senior advisors and/or other similar consulting professionals will continue to serve in such roles and/or continue their arrangements with Moontower, the Clients and/or any portfolio companies throughout the duration of a particular investment or of the Clients. The benefits described above may continue after termination of status as an operating specialist, senior advisor and/or other similar consulting professional.

Investor Advisory Committee Rights. The Clients will establish Advisory Committees, consisting of representatives of investors. A conflict of interest may exist when some, but not all, investors are permitted to designate a member to the Advisory Committee. Except where the Governing Agreements specifically requires that a matter be brought to the Advisory Committee, the General Partners will have sole discretion to decide whether to present any potential conflict to the Advisory Committee. For example, the General Partners may disclose to the Advisory Committee certain actions or activities related to conflicts of interest or may seek the consent of the Advisory Committee in certain situations requiring consent of a client of a registered investment adviser under the Advisers Act. In the event that the General Partners consult with the Advisory Committee as to certain potential conflicts of interest, it could be disadvantageous to the investors, including those investors who do not designate a member to the Advisory Committee. The Advisory Committee may form one or more subcommittees, any of which may be delegated the authority to approve any matter otherwise allocated to the full Advisory Committee (including, but not limited to, a conflicts committee) as a majority of its members (excluding observers) consider appropriate. The Governing Agreements are expected to contain provisions designed to ensure that the General Partners and the Clients conform to Section 721 of the U.S. Defense Production Act of 1950, as amended, or any directive or order from the Committee on Foreign Investment in the United States, which include clarifications of the matters

that the Advisory Committee may determine and restrictions on the right of Advisory Committee members to receive any information from or about a portfolio investment which is determined by the General Partners in their sole discretion to be material non-public technical information, critical data, or another classification of information that is reasonably deemed sufficiently sensitive by the Adviser.

Further, the Advisory Committee may have access to material non-public information relating to the activities of the Clients and Moontower which is not available to the investors generally. This asymmetry of information may cause the interests of the Advisory Committee to diverge from or be adverse to the interests of the investors generally, and may cause the Advisory Committee to take certain actions or make certain decisions for the benefit of its members that may have an adverse effect on the interests of other investors. No member of the Advisory Committee is under any obligation to continue its representation on the Advisory Committee.

Diverse Limited Partner Group. Investors are expected to be based in a wide variety of jurisdictions and take a wide variety of forms. The investors at times will have conflicting investment, tax and other interests with respect to their participation in the Clients and their investments. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Clients, the selection, structuring, acquisition, management and/or disposition of investments (including the timing of such disposition), internal investment policies of individual investors and their respective objectives. As a consequence, conflicts of interest may arise in connection with the decisions made by the General Partners or Adviser, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In addition, the Clients may make investments which may have a negative impact on related investments made by investors in separate transactions. In selecting and structuring investments appropriate for the Clients, the General Partners will consider the investment and tax objectives of the Clients and its investors as a whole, not the investment, tax or other objectives of any investor individually. As a consequence of the foregoing, the General Partners may have the authority to and may elect to exclude certain investors from particular investments of the Clients for legal or regulatory reasons applicable to any such investment, in which case the other Clients participating in such investments and/or the non-excluded investors would be allocated a greater proportionate interest in such investment.

In addition, certain investors also may be individuals or entities that have business or other relationships with Moontower or its personnel, may be existing or prospective limited partners in other Clients or may be affiliates of potential portfolio companies. It is also possible that a Clients or the portfolio companies will from time to time be counterparties or participants in agreements, transactions or other arrangements with investors or an affiliate of an investor. Such investors described in the previous two sentences will at times therefore have different information about Moontower and a Client than investors not similarly positioned. Prospective investors should note that, to the extent members of an Advisory Committee or investors vote on any matter regarding conflicts (including conflicts between Clients) or otherwise participate in matters involving a vote or action thereby, any such investors or members of an Advisory Committee may not be motivated to vote solely in accordance with their interests related to a Client. In such circumstances, it is not necessarily the case that an Advisory Committee member or investor would seek to recuse itself or otherwise be excluded from voting. Additionally, not all investors monitor their investments in vehicles such as the Clients in the same manner. For example, certain investors periodically request from General Partners information regarding the Clients and investments and/or companies in which a Client invests that is not otherwise set forth in (or has yet to be set forth in)



the reporting and other information required to be delivered to investors generally. In such circumstances, a General Partner may provide such information to such investor, but just because it has provided such information upon request by one or more investors does not mean the General Partner will be obligated to affirmatively provide such information to all investors. As a result, certain investors may have more information about a Client than other investors, and the General Partner will have no duty to ensure all investors seek, obtain or process the same information regarding the Client and its portfolio investments.

Moontower Policies and Procedures. Policies and procedures implemented by Moontower from time to time (including as may be implemented in the future) to, among other goals, mitigate actual or potential conflicts of interest and address certain regulatory requirements and contractual restrictions could at times reduce the synergies across Moontower's areas of operation or experience that the Clients expect to draw on for purposes of pursuing attractive investment opportunities. Moontower is subject to a number of actual and potential conflicts of interest, regulatory considerations and legal and contractual restrictions. In addressing these conflicts and regulatory, legal and contractual requirements, Moontower may implement certain policies and procedures (such as, for example, information walls) that could reduce the positive synergies that the Clients expect to utilize for purposes of finding attractive investments. Additionally, the terms of confidentiality or other agreements with or related to companies in which Moontower or any of its affiliates or personnel has or has considered making an investment may restrict or otherwise limit the ability of the Clients and/or their portfolio investments and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. In addition, Moontower may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although may be intended to provide greater opportunities for the Clients, may require the Clients to share such opportunities or otherwise limit the amount of an opportunity the Clients can otherwise take.

Purchase of Interests by Moontower. The General Partners have the authority to consent to any transfer of all or a portion of an investor's interest, including a transfer to the General Partners or any of their affiliates. Any such transaction would present a conflict in that, by virtue of their role as such, the General Partners would be expected to possess more information and more detailed information regarding the Clients and their investments than the relevant investor. There is no guarantee that the General Partners would consider (or if they did consider, would consummate) a transfer of all or any portion of an interest from an investor to the General Partners, or that any such transfer would be available to investors generally. Investors should not expect that any such transfer will be available at any time.

Valuation Matters. The Clients will rely on their respective General Partners and their affiliates for valuation of the Clients' assets and liabilities. The Clients will primarily hold securities and other assets that will not have readily assessable market values. In such instances the General Partners will determine the fair value of such securities and assets in their reasonable judgment based on various factors and could be expected to rely on internal pricing models, all in accordance with the Adviser's valuation policies and procedures. It is expected to be necessary in certain circumstances to rely on models and/or make assumptions regarding various facts and circumstances that cannot be predicted or verified with certainty, particularly when valuing less liquid and hard-to-value investments. Methodologies used to value any investment will involve subjective judgments and projections, and the resulting valuations may not be accurate. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct. Ultimate realization of the value of an asset depends to a great extent on economic, market and other conditions beyond Moontower's control. The fair value of a



portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair value and the ultimate sale price could be material.

Determinations as to the valuation of portfolio investments (including as to whether an investment has been permanently impaired or is worthless, if applicable) can be expected to affect the amount and timing of the General Partners' Carried Interest and, under certain circumstances, the amount and timing of Management Fees payable to the Adviser. The valuation of portfolio investments also affects the Clients' performance and thereby affects the ability of Moontower to raise capital for investment vehicles (including successor funds to the Clients) in the future. For these and other reasons, the General Partners' valuation determinations will present conflicts of interest, including that the General Partners could, in certain circumstances, be incentivized to determine valuations that may be higher than the actual fair value, as applicable, of portfolio investments, refrain from or delay in determining that an investment has been permanently impaired or is worthless or hold investments longer than they would otherwise be held. In addition, in the event that the Clients make any distribution in kind, the fair value of such property of the Clients will be determined by the General Partners, subject to the terms and conditions of the Governing Agreements. If the valuations made by the General Partners are incorrect, the amount of Carried Interest or Management Fees received by Moontower and/or its affiliates in relation to the Clients, or the timing of receipt of Carried Interest or Management Fees, also could be incorrect.

Item 12: Brokerage Practices

The Adviser is primarily focused on making investments in private companies; therefore the Adviser does not regularly transact with broker-dealers of public securities and securities commissions are not ordinarily payable. To the extent the Adviser transacts in public securities on behalf of Clients, the Adviser selects a broker-dealer based upon the broker's ability to provide "best execution" for Clients. The Adviser is generally authorized to make the following determinations, subject to the Clients' investment objectives and restrictions: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker-dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for Clients, the Adviser considers a variety of factors, as it determines relevant in its sole discretion, including but not limited to:

- Liquidity;
- Geographic location;
- Price;
- Transaction costs;
- Speed of execution;
- Expertise transacting in the relevant type of security;
- Administrative competence;
- Financial condition; and
- Business reputation.

Although the Adviser generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve



specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

The Adviser does not participate in any soft dollar arrangements with broker-dealers. Any incidental research received from broker-dealers is supplemental to the Adviser's own research efforts and may be used for the benefit of any Client. To the extent that Moontower engages in any such soft dollar transactions in the future, it will seek to comply with the safe harbor set forth under Section 28(e) of the Securities Exchange Act of 1934.

Item 13: Review of Accounts

Each Client portfolio is monitored and undergoes regular review by partners and principals of the Adviser portfolios to monitor performance and compliance with applicable investment guidelines.

Generally, Clients and underlying investors receive quarterly unaudited financial statements, quarterly capital account statements, and (as described in Item 15) audited financial statements on an annual basis.

Item 14: Client Referrals and Other Compensation

The Adviser and their related persons, in certain instances, may receive discounts on products and services provided by portfolio companies of Clients. For details regarding economic benefits provided to the Adviser by non-Clients with respect to break-up, transaction, monitoring, commitment, waiver and similar fees, including a description of the material conflicts and how they are addressed, please see Item 5 above.

The Adviser does not compensate any person for investor or client referrals as a paid endorser. To the extent such endorsement arrangements were employed in the future, they would be conducted in compliance with Rule 206(4)-1 under the Advisers Act. The Adviser has not entered into arrangements whereby it has appointed placement agents in connection with the offer and sales of interests in any Clients, but may do so in the future.

Item 15: Custody

The Adviser will comply with Rule 206(4)-2 under the Advisers Act (the "Custody Rule") by maintaining Clients' funds and securities with qualified custodians and, where required, distributing to investors annually, within 120 days of the pooled vehicle's fiscal year end, audited fund financial statements prepared in accordance with U.S. generally accepted accounting principles by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (PCAOB).

Item 16: Investment Discretion

The Adviser has discretionary authority to manage securities accounts on behalf of certain Clients, though in some case the Clients have opt-out rights with respect to investment acquisitions.

Exercise of such discretionary authority will be subject to the investment guidelines and other terms and conditions contained in the applicable Client's Governing Agreements.



Item 17: Voting Client Securities

The Adviser primarily invests in companies that are not publicly traded, so the Adviser expects to rarely vote proxies on behalf of Clients. If a voting opportunity does arise, the Adviser will vote consistent with the proxy voting policies and procedures it has adopted in accordance with Rule 206(4)-6 under the Advisers Act. The investment team coordinates the Adviser's proxy voting process.

The Adviser's proxy voting policies and procedures are designed to ensure that proxies are identified and voted and that any conflicts of interest are addressed. In the presence of a conflict of interest, the Adviser will determine how a vote should be cast or whether abstention is appropriate, in either case, taking into consideration the best interests of the Clients.

Clients may request a copy of the proxy voting policies and procedures and information regarding the manner in which any proxies of securities were voted by contacting the Adviser at compliance@moontower.com or 512-922-5111.

Item 18: Financial Information

The Adviser has never been the subject of a bankruptcy petition and does not believe that there are any financial conditions that are reasonably likely to impair the Adviser's ability to meet contractual commitments to its Clients.