

## **ITEM 1 – COVER PAGE**

### **ELDRIDGE GP1 ADVISERS, LLC**

[www.eldridge.com](http://www.eldridge.com)

7675th Avenue, 17th Floor  
New York, NY 10153

### **Part 2A of Form ADV**

December 13, 2024

This brochure (“Brochure”) provides information about the qualifications and business practices of Eldridge GP1 Advisers, LLC (“Adviser”). If you have any questions about the contents of this Brochure, please contact us at (212) 895-2000 or by email at [compliance@eldridge.com](mailto:compliance@eldridge.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Adviser is registered with the SEC as an investment adviser. This registration does not, however, imply a certain level of skill or training. Additional information about Eldridge GP1 Advisers, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2 – MATERIAL CHANGES**

As this is Adviser's initial Brochure, there are no material changes to disclose as of the filing date of this Brochure. In the future, this Item will identify and discuss specific material changes that were made to the Brochure and will provide clients with a summary of such changes.

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## ITEM 4 – ADVISORY BUSINESS

### About Adviser

Eldridge GP1 Advisers, LLC is a Delaware limited liability company, that was formed in May 2024. As a newly formed adviser, Adviser intends to serve as investment manager for various Advisory Clients, including Funds and Managed Accounts (each as defined below), although it does not have any Advisory Clients as of the date of this Brochure.

Adviser is a wholly owned subsidiary of Eldridge Capital Management, LLC, which is an indirect, wholly owned subsidiary of Eldridge Industries, LLC (“Eldridge Industries” and together with its controlled affiliates (including Adviser), “Eldridge”).

### About Eldridge

Eldridge Industries, founded in 2015, is a private company that invests in businesses across the asset management, insurance, technology, mobility, sports & gaming, media & music, real estate, and consumer landscapes. Eldridge Industries seeks to build and grow businesses led by proven management teams that have demonstrated leadership and experience to scale an enterprise. Eldridge Industries manages capital solely for itself and is not an investment adviser; Eldridge Industries conducts its activities separately from Adviser and the other registered investment advisers controlled by Eldridge Industries, unless specifically considered by applicable Client Documentation (defined below). Eldridge Industries is headquartered in Greenwich, Connecticut, with additional offices across the United States and in London. Todd Boehly is Chairman, Chief Executive Officer, and controlling member of Eldridge Industries.

Eldridge Industries owns and controls multiple subsidiary investment advisers, including Adviser, but as noted above, is not itself an investment adviser. Through these other advisers, Eldridge Industries’ affiliated advisers manage capital across a diversified set of strategies, including corporate credit, real estate credit, and structured credit. Eldridge has structured its asset management subsidiaries in such a way to leverage the efficiencies of a larger organization, including certain shared services across Eldridge and a deep bench of investment expertise.

For further information on Eldridge Industries, its other controlled investment advisers and their respective relationships with Adviser, please refer to the discussion below under “*Item 10 – Other Financial Industry Activities and Affiliations.*”

### Services Offered by Adviser

Adviser expects it will manage assets on both a discretionary and non-discretionary basis for a variety of institutional clients through separately managed accounts and unregistered pooled investment vehicles, using a variety of disciplines both within certain established investment strategies as well as certain emerging strategies. Such emerging strategies are currently expected to focus primarily on making private equity investments in portfolio companies of established private equity funds through general partner (“GP”) led transactions. The securities in the strategy will generally be illiquid or semi-liquid assets on a medium- to long-term basis. The description of Adviser’s advisory services contained herein is not exhaustive.

For information regarding the investment risks associated with Adviser's strategies, please refer to the discussion below under "*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.*"

## **Clients**

Adviser's anticipated investment advisory clients ("Advisory Clients") consist of (i) separately managed accounts ("Managed Accounts") and (ii) privately offered investment funds ("Funds"). Other than any Managed Accounts that have been designated as non-discretionary, Adviser will exercise control over investment decisions for Advisory Clients on a discretionary basis. Please see the discussion set forth below in "*Item 7 – Types of Clients*" for additional information regarding Advisory Clients.

In the case of Managed Accounts, Adviser will generally be able to tailor its advisory services and investments based on the specific Managed Account's objectives and/or investment strategies as discussed with the applicable Advisory Client. Adviser is available to discuss such customized investment strategies or individually Managed Accounts with existing and potential investors.

In the case of Funds, the specific needs of the individual investors in a Fund ("Fund Investors") are not the basis for recommendations by Adviser. Adviser's clients are the Funds, and Adviser provides investment advice directly to Funds as a collective pool of assets, not individually to Fund Investors.

## **Client Documentation**

The documentation governing each Advisory Client relationship, which may include non-discretionary or discretionary investment management agreements, private placement memoranda or other offering documents, subscription agreements, limited partnership or other operating agreements or governing documents, collateral management agreements, and indentures (collectively, "Client Documentation"), are expected to contain, among other things, detailed guidelines and restrictions regarding the types of investments and overall composition of an Advisory Client's portfolio, as well as Adviser's role and authority with respect to such portfolio. Advisory Clients and Fund Investors are encouraged to contact Adviser with respect to any questions regarding Client Documentation applicable to their respective Advisory Client relationship.

Adviser and its affiliates expect to enter into side letter agreements or other similar separate agreements with certain Fund Investors, including affiliates of Adviser ("Letter Agreements"), that have the effect of establishing rights under, altering, or supplementing the terms of the relevant Client Documentation solely with respect to such Fund Investors. Adviser will consider various factors when deciding whether to enter a Letter Agreement, but Adviser expects to consider the size of the commitment to the Adviser or a Fund, strategic partners to the mandate, timing of the commitment, and other factors that Adviser considers reasonable in its discretion. Subject to applicable laws and regulations, such different or supplemental terms are expected to include, but are not limited to, information rights, co-investment rights, excuse or "opt out" rights with respect to certain investments, liquidity/redemption rights, reduced management fees and carried interest/performance fees, and "most favored nations" clauses. Additional information with respect to Letter Agreements or other arrangements will be found in Client Documentation of the applicable

Funds.

Adviser, in its sole discretion, has the ability and expects to offer more favorable terms (e.g., lower investment minimums, reduced or eliminated fees) to its personnel, related persons (including Eldridge and its affiliates), or others, including with respect to dedicated vehicles that invest in or alongside a Fund. Similarly, certain Advisory Clients, including Eldridge and its affiliates, can have different terms and advisory relationships, including different fee arrangements or other terms like those described above, than other Advisory Clients. For example, Adviser's affiliates will have an advisory relationship with Adviser, or another advisory affiliate, that will provide such affiliates with certain information rights and potential co-investment rights due to the anticipated size of the relationship.

To the extent there is a deviation between the general descriptions provided in this Brochure and the provisions and disclosures in Client Documentation applicable to a specific Advisory Client or Fund Investor, the terms of Client Documentation, as modified by any Letter Agreement, shall govern with respect to such person.

### **Regulatory Assets Under Management**

As of the date of this Brochure, Adviser does not have any Advisory Clients and thus does not have any regulatory assets under management, however, Adviser anticipates having regulatory assets under management of at least equal to the required threshold for registration with the SEC within 120 days after Adviser's registration as an investment adviser becomes effective, and will amend this Brochure to indicate it has met the asset eligibility requirement within such time period. As previously indicated, Adviser does not currently have any Advisory Clients and some statements included herein are therefore based on Adviser's expected operations.

### **ITEM 5 – FEES AND COMPENSATION**

The following is a general description regarding Adviser's approach to fees and compensation with respect to Advisory Clients. In general, Adviser anticipates it will receive a management fee (a "Management Fee") from each Advisory Client. For certain Advisory Clients, Adviser or Eldridge, and each of their respective networks of direct and indirect subsidiaries, and their respective partners, employees, officers, and directors, including those described in this Brochure but excluding Adviser (collectively, the "Adviser Related Parties") also expect to receive performance-based compensation ("Incentive Compensation"), which may be in the form of carried interest or incentive fees. From time to time, Adviser and Adviser's Related Parties can also be expected to receive additional compensation in connection with management and other services performed for Advisory Client portfolio companies or with respect to Advisory Client investments ("Additional Fees"). See "*Additional Fees*" below. Generally, Advisory Clients (and, indirectly, Fund Investors) will bear all costs and expenses generated by the operation of the applicable Advisory Client ("Expenses"). Client Documentation applicable to each Advisory Client will provide a more detailed and precise description of the various fees and expenses borne by such Advisory Client, subject to, with respect to any Fund Investor in such Advisory Client, any modification by a Letter Agreement with such Fund Investor. Advisory Clients and Fund Investors are urged to review Client Documentation with respect to the applicable Advisory Client in detail.

Management Fees, Incentive Compensation, and Expenses are expected to be paid, except as otherwise described in the applicable Client Documentation, over the term of each Advisory Client. Further, as a general matter, except as expressly stated in the applicable Client Documentation, Management Fees, Incentive Compensation, and Expenses will each be payable during any term extensions made in accordance with the applicable Client Documentation.

## **Management Fees**

Adviser is expected to receive Management Fees from its Advisory Clients. The amount of Management Fee payable by an Advisory Client will be based on a percentage of either the net asset value of such Advisory Client, the gross asset value of such Advisory Client, the invested capital of such Advisory Client, the capital commitments to such Advisory Client, or such other reference amount as negotiated with such Advisory Client, in each case, as detailed and more precisely described in the applicable Client Documentation. The calculation of Management Fee will be dependent on several factors which are described in more detail in the applicable Client Documentation. Adviser expects to deduct Management Fee directly from Advisory Clients or otherwise bill Advisory Clients on a quarterly basis and expects to generally prorate such fees for a period that is less than a calendar quarter. In the event an Advisory Client pays Management Fees to Adviser in advance, a pro rata portion of such fees will be refunded if such Advisory Client relationship is terminated prior to the end of the billing period based on the number of days elapsed during such period.

In some cases, Management Fees paid will vary among Fund Investors in the same Fund, including with respect to affiliates and related persons of Adviser. Adviser, at its sole discretion, can elect to reduce, rebate, waive, or calculate differently Management Fees with respect to any Fund or Fund Investor. Waived or reduced Management Fees are not subject to the Management Fee offsets described below, and the amount of such waived or reduced Management Fees has the potential to be significant. Adviser also reserves the right to defer all or any portion of any Management Fee payable by an Advisory Client in its sole discretion.

Client Documentation of certain Funds are expected to permit Adviser to waive or reduce a Fund's Management Fee and treat such waived portions of such Management Fee as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to such Fund. Fund Investors in such Funds will generally be required to make a pro rata contribution according to their respective capital commitments to such Fund in order to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions.

## **Managed Accounts**

Management Fees payable in respect of Managed Accounts will be negotiated on a case-by-case basis and vary across Managed Accounts based on the type of service provided, the size of the relevant Managed Account, and the overall relationship between Adviser and its affiliates on the one hand, and the relevant Advisory Client on the other hand. Management Fees applicable to Managed Accounts will be set forth in Client Documentation applicable to such Managed Account. It is anticipated that Management Fees payable in respect of Managed Accounts will vary from

Management Fees payable by a Fund (and indirectly, Fund Investors), including in instances in which a Managed Account and a Fund pursue similar strategies.

### **Incentive Compensation**

Adviser and Adviser Related Parties will typically have the right to receive Incentive Compensation. Such Incentive Compensation would typically constitute a percentage of appreciation or depreciation or net realized gains of the relevant Advisory Client's portfolio during a particular performance period. To the extent Client Documentation of an Advisory Client provides for Incentive Compensation, it is typically payable only if a specified return is achieved, in each case as more precisely and specifically set forth in the applicable Client Documentation. Please see the discussion below in "*Item 6 – Performance-Based Fees and Side-by-Side Management*" for additional information about Incentive Compensation.

### **Additional Fees**

Adviser and Adviser Related Parties expect to receive, from time to time, certain Additional Fees in connection with management and other services provided to an Advisory Client's portfolio companies or with respect to its investments. Additional Fees may include, without limitation, business development, monitoring, consulting, advisory, directors', agent, administrative, transaction, syndication, origination, closing, undrawn commitment, break-up, anniversary, documentation, amendment, and prepayment fees. Certain Additional Fees will be apportioned among Adviser, Adviser Related Parties, and applicable Advisory Clients, as set forth in the applicable Client Documentation. Such apportionment, if any, potentially could take the form of a reduction of such Advisory Client's Management Fees or a direct credit to such Advisory Clients.

To the extent Additional Fees are paid in connection with an investment where multiple Advisory Clients have invested, an Advisory Client will, in most cases, only benefit with respect to its allocable portion of any such Additional Fees and not the portion of any Additional Fees that relate to such other Advisory Clients or co-investors. In addition, an Advisory Client will not benefit where other parties, such as lenders or consultants, that have negotiated for a share of such Additional Fees, which have the potential to be significant. Other Additional Fees likely would be solely for the account of Adviser or Adviser's Related Parties and not offset or paid or only a part of such Additional Fees would be paid or offset against the applicable Management Fee, as set forth in the applicable Client Documentation. To the extent that an offset credit would reduce Management Fees payable by an Advisory Client for the relevant period below zero, the credit will be carried forward for future application against future Management Fees payable by such Advisory Client. Unless otherwise agreed with Advisory Clients, Additional Fees generally will be payable without further offset during term extensions of an Advisory Client, even if Management Fees of such Advisory Client are reduced or eliminated during the extended term. Additional Fees will be offset only to the extent they are paid during the holding period of the relevant Advisory Client, and Advisory Clients (and, indirectly, Fund Investors) generally will not receive the benefit of Additional Fees paid prior to the relevant Advisory Client's acquisition of the relevant investment.

In addition, employees, partners, senior advisors, operating partners, consultants, or independent contractors (including operating partners) of Adviser and its related persons potentially will serve, in connection with a workout or otherwise, as directors of portfolio companies in certain circumstances, and any directors' fee or similar fee received in connection with such service will

not be credited to any Advisory Client, unless otherwise expressly required by the applicable Client Documentation.

Subject to the terms of the applicable Client Documentation, Adviser expects to recommend that Advisory Clients invest in certain assets, directly or indirectly, such as co-investment vehicles or holding companies, to whom Adviser or an affiliate may charge Additional Fees, resulting in multiple layers of fees on an investment. Any such compensation is in addition to the fees described above and, unless specifically provided for in Client Documentation, will not offset or otherwise reduce these or other fees or expenses payable by such Advisory Clients. As a result, Adviser will have an incentive to select investments based on compensation to itself or its affiliates rather than an Advisory Client's needs. For more information on transactions involving affiliated entities, including Adviser's procedures for addressing and disclosing such conflicts to Advisory Clients, please see the discussion set forth below in "*Item 11 – Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading*".

## **Expenses**

In addition to any Management Fees, Incentive Compensation, and Additional Fees, Advisory Clients are expected to bear certain expenses as set forth in the applicable Client Documentation.

As set forth more fully in the applicable Client Documentation, Funds generally will bear all fees, costs, expenses, liabilities, and obligations relating to such Fund's (and its subsidiaries' and intermediate entities') activities, investments, and business to the extent not reimbursed by portfolio companies or applied to reduce Management Fees, and potentially including, without limitation: (i) costs, expenses, liabilities, and obligations attributable to the origination, identification, and sourcing of investment opportunities for the applicable Fund, including attending and sponsoring industry conferences and events, meeting with and engaging consultants, senior advisors, operating partners, finders, broker-dealers, investment banks, and other sources of investments and developing and maintaining an investment pipeline, (ii) all costs, expenses, liabilities, and obligations attributable to pursuing, structuring, organizing, negotiating, financing, refinancing, diligencing, acquiring, holding, and disposing of the applicable Fund's investments and incurring or seeking to incur indebtedness (including any credit facility, letter of credit, or similar credit support) (including without limitation, any subscription fees to any periodicals, databases, and/or research services; interest and fees on money borrowed by or on behalf of the applicable Fund; registration expenses; brokerage, finders', custodial, and other fees; loan accounting and servicing fees and expenses; and cash management systems and service provider expenses), (iii) legal, tax, accounting, auditing, insurance (including directors and officers and errors and omissions liability insurance), travel, meals, lodging, entertainment, printing, communication, marketing, litigation, and indemnification costs and expenses, judgments and settlements, consulting, finders', financing, credit agreement sourcing, appraisal, filing, custodian, rating agency, valuation (including third-party valuations, fairness opinions, appraisals, or pricing services), third-party administrator, software licensing, database subscription and other fees and expenses (including, without limitation, expenses associated with the preparation and distribution of the Fund's financial statements, tax returns, and Schedule K-1s or any other reporting to its investors and the seeking and/or obtaining amendments, waivers, or consents pursuant to the constituent documents of the applicable Fund), (iv) expenses of the advisory committee, (v) costs, expenses, liabilities, and obligations incurred by the applicable Fund, its General Partner, or its affiliates relating to investment and disposition opportunities for the applicable Fund not consummated (including legal, accounting, auditing, insurance, travel,

meals, lodging, entertainment, communication, marketing, consulting, finders', financing, appraisal, filing, printing, real estate title, and other fees and expenses), (vi) all costs, expenses, liabilities, and obligations attributable to defaults by limited partners of the applicable Fund in the payment of any capital contributions, (vii) all costs, expenses, liabilities, and obligations attributable to the termination, liquidation, winding up, or dissolution of the applicable Fund and any entities owned directly or indirectly by such Fund (including portfolio companies and special purpose vehicles) and related entities, (viii) unreimbursed costs incurred in connection with any transfer or proposed transfer of Fund interests or any limited partner's name change, internal restructuring, or change in trust, registered agent, or custodian, (ix) all out-of-pocket fees and expenses incurred by the applicable Fund, its General Partner, or any of their affiliates in connection with any conference or meeting of its investors or other contact with its investors (including travel, meals, and entertainment), (x) taxes, fees, and other governmental charges levied against the applicable Fund, (xi) any costs and expenses of or related to the "partnership representative" of the Fund (for tax purposes), (xii) placement fees, (xiii) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles as promulgated in the United States ("GAAP"), (xiv) all costs and expenses associated with operating any feeder vehicle to the Fund, including all expenses associated with its organization, management, operation, winding-up, liquidating, and dissolution, and (xv) other expenses approved by an advisory committee, if any, for such Fund, but not ordinary overhead and administrative expenses of Adviser (such ordinary expenses include items such as employee compensation, rent, utilities, and general office expenses). In addition, to the extent permitted by a Fund's Client Documentation, such Fund will bear certain amounts for administrative services provided by employees of Adviser or its affiliates in connection with such Fund's operations, including but not limited to services related to maintaining capital accounts and other books and records, preparing and issuing financial statements, reports and statements, annual audits, preparation and delivery of capital call and distribution notices, other periodic and episodic investor communications and notices, portfolio reporting and similar investor services and treasury services, subject to the terms and conditions of such Fund's Client Documentation. Funds will also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management, and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities, and obligations of legal counsel, consultants, and/or other service providers to procure, develop, establish, review, revise, customize, upgrade, and/or negotiate relationships relating to the foregoing items. In certain cases, these or similar expenses (and/or third-party fees) are expected to be charged to portfolio companies or, to the extent necessary or desirable for operational, administrative, tax, or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company.

A Fund will also generally bear its offering and organizational expenses subject, in certain cases, to a maximum amount as set forth more fully in such Fund's Client Documentation. Organizational expenses in excess of any such maximum will be borne by such Fund but will be subject to an offset against Management Fees payable by such Fund in accordance with the terms of such Fund's Client Documentation.

Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring, and complying with investment guidelines and directives relating to the Fund's strategy, including in Letter Agreements relating thereto. Additionally, subject to applicable Client Documentation, a

Fund typically will bear certain unreimbursed expenses of intermediate holding vehicles through which the Fund invests.

Managed Accounts bear similar expenses as Funds incurred in connection with the investments held in their respective accounts, in each case as set forth in the applicable Client Documentation.

Certain Expenses are expected to be paid for or reimbursed by an Advisory Client and/or its portfolio companies. Adviser will not necessarily seek out the lowest cost options when incurring (or causing an Advisory Client or its portfolio companies to incur) such Expenses.

Brokerage fees for Advisory Clients may be incurred in accordance with the practices set forth in “*Item 12 – Brokerage Practices.*”

### **Allocation of Expenses**

Subject to any relevant restrictions or other limitations contained in the applicable Client Documentation, Adviser will, in its sole discretion, allocate Expenses, including fees payable to third parties, in a manner that it believes is fair and equitable to its Advisory Clients under the circumstances over time and considering such factors as it deems relevant. In exercising such discretion, Adviser expects to be faced with a variety of potential conflicts of interest.

As a general matter, Expenses typically will be allocated among all relevant Advisory Clients eligible to reimburse Expenses of that kind. Adviser’s allocation methodologies seek to allocate Expenses in a manner that generally reflects each Advisory Client’s relative consumption of resources, relative allocation of benefits, and/or other considerations that may be appropriate under the circumstances. The allocations of Expenses will not necessarily be proportional, and any such determinations involve inherent matters of discretion, and subjective judgement, e.g., in determining whether to allocate pro rata based on the number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to an Advisory Client or to Adviser.

Advisory Clients generally will have different expense reimbursement terms, including with respect to any Management Fee offsets, which is expected from time to time to result in Advisory Clients bearing different levels of expenses with respect to the same investment. Further, Adviser reserves the right to consider each relevant Advisory Client’s strategy as a component of its allocation of investment expenses, and as a general matter will not allocate Expenses associated with one Advisory Client’s mezzanine investment to a different Advisory Client’s senior credit investment, or vice versa, even if the two investments are in the same portfolio company. In some circumstances, to the extent set forth in Client Documentation, an Advisory Client will bear 100% of Expenses attributable to an unconsummated investment.

### **Co-Investment – Additional Fees and Expenses**

Fees charged by Adviser to co-investors and/or the share of Additional Fees apportioned to co-investors may differ among co-investors and are likely to differ from the fees charged and Additional Fee apportionment share provided to Advisory Clients.

From time to time, for various reasons, a co-investor or co-invest vehicle may purchase a portion of

an investment from one or more Advisory Clients after such Advisory Clients have consummated their investment in the portfolio company, which generally will have been funded through Advisory Client and/or Fund Investor capital contributions and/or use of an Advisory Client's credit facility. Where appropriate, and in Adviser's sole discretion, Adviser reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Advisory Client for such interest and related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Advisory Client.

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

### **Performance-Based Fees**

As described under "*Item 5 – Fees and Compensation*", Adviser in many cases will receive Incentive Compensation in respect of an Advisory Client as set forth in the applicable Client Documentation for such Advisory Client or Fund Investor. Adviser's Incentive Compensation will be structured to comply with applicable requirements of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Such fees will be disclosed in the applicable Client Documentation (and Letter Agreement, as applicable) and vary among Advisory Clients, Fund Investors, and investment strategies.

With respect to Funds, Incentive Compensation is generally payable to Adviser or Adviser's Related Parties if a Fund has achieved the internal rate of return and/or other performance return thresholds set forth in the applicable Client Documentation of such Fund and will be borne by Fund Investors.

With respect to Managed Accounts, Incentive Compensation is negotiated on a case-by-case basis and set forth in Client Documentation applicable to such Managed Account. Each of these arrangements creates a variety of risks and conflicts, including, but not limited to, those described below.

Incentive Compensation could be calculated on a basis which includes realized and unrealized appreciation and depreciation on all portfolio assets, including with respect to those assets for which independent quotations are not readily available or are deemed to be unreliable in which instances such assets are valued by Adviser in accordance with its valuation policies. Adviser has a conflict in determining such valuations because they directly impact Adviser's level of performance-based compensation. It is possible that identical assets in Advisory Clients' accounts could be valued differently for different Advisory Clients. For example, this may occur when pursuant to relevant Client Documentation, valuation guidelines or valuation agents differ from one Advisory Client to another Advisory Client.

The receipt of Incentive Compensation, and the presence of different pecuniary interests in Advisory Client accounts, creates a conflict of interest between Adviser's interest to generate revenue for itself, its personnel, and affiliates, and the interests of Advisory Clients (and, indirectly, Fund Investors). Specifically, performance-based compensation arrangements create an incentive for Adviser to make investments that are considered riskier or more speculative than those that would be otherwise recommended under a different fee arrangement. In most cases, the payment of performance-based compensation is dependent on portfolio performance creating an incentive for Adviser to make decisions which may conflict with the interests of some Advisory Clients (and, in

the case of Funds, indirectly, Fund Investors).

Adviser also has an incentive to favor Advisory Clients paying higher fees or in which Adviser and its affiliates may have a greater pecuniary interest (e.g., in the form of a carried interest) when allocating investment opportunities. Additionally, to the extent that Adviser and its related personnel are assigned varying percentages of Incentive Compensation from Advisory Clients that pay such compensation, Adviser and its personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Advisory Clients from which they are entitled to receive a higher percentage of Incentive Compensation. Adviser seeks to mitigate these conflicts through disclosure and implementing its allocation policy as described below.

### **Side-by-Side Management**

“Side-by-side management” refers to the simultaneous management of multiple types of Advisory Client accounts and/or investment products. As discussed above, Adviser expects to manage a variety of Advisory Clients that pursue investment objectives, policies, or strategies that are similar to, competing with, or complementary to, one another. Side-by-side management gives rise to a variety of potential and actual conflicts of interest for Adviser and its affiliates and personnel, including the incentive to favor certain Advisory Clients with performance-based fees, higher fee-paying Advisory Clients, or those Advisory Clients where Adviser and its affiliates and their respective personnel have a pecuniary interest.

As further described in “*Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – Conflicts of Interest*”, Adviser has an allocation policy designed to mitigate this conflict by seeking to allocate investment opportunities among eligible Advisory Clients in a manner deemed by Adviser to be consistent with its fiduciary duties to its Advisory Clients. Many Advisory Clients have specific targeted investment strategies, investment objectives, or risk parameters as described in their applicable Client Documentation. Accordingly, such Advisory Clients have less flexibility to invest across multiple asset classes. In cases where there is a limited offering (which is generally the case for all investment opportunities considered by Adviser), eligible Advisory Clients will receive larger allocations or the entire allocation of an investment opportunity where Adviser determines, in its discretion and consistent with its allocation policies, that such opportunity aligns more with an Advisory Client’s specific investment target, investment guidelines, target returns, or risk parameters and not with those of other Advisory Clients. The application of these considerations will result from time to time in non-pro rata allocation of an investment opportunity to some Advisory Clients (including Advisory Clients in which Adviser or its affiliates or their respective personnel have a direct or indirect pecuniary interest) when other Advisory Clients receive a smaller allocation or none.

### **ITEM 7 – TYPES OF CLIENTS**

As described in “*Item 4 – Advisory Business*”, Adviser expects to provide investment advice to Funds as well as other Advisory Clients, including Managed Accounts.

Advisory Clients (and, indirectly, Fund Investors) generally could include banks or thrift institutions, insurance companies, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable

organizations, or other corporations or business entities. Advisory Clients also from time to time could include, directly or indirectly, principals or other employees of Eldridge and members of their families, affiliates of Eldridge, or other service providers retained by Eldridge.

### Funds

Funds generally include investment partnerships or other investment entities formed under US or non-US laws and operated as investment pools that are excluded from the definition of “investment company” under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Affiliates of Adviser will generally serve as general partners or managing members of, or in other similar capacity to, Funds (each, in such capacity, a “General Partner”) and have the authority to make decisions for Funds. The General Partner of each Fund can only be removed under limited circumstances as set forth in the applicable Client Documentation of such Fund. General Partners generally delegate day-to-day advisory responsibilities for their respective Funds to Adviser as more precisely and specifically described in each Fund’s applicable Client Documentation. Please see the discussion set forth below in “*Item 10 – Other Financial Industry Activities and Affiliations*” for additional information regarding the General Partners.

Fund Investors generally are required to be Accredited Investors (as such term is defined in Regulation D promulgated under the Securities Act of 1933, as amended). In addition, unless otherwise stated in the applicable Client Documentation, Fund Investors are required to be Qualified Purchasers (as such term is defined in the Investment Company Act).

### Managed Accounts

Adviser expects to provide advisory services to each Managed Account pursuant to Client Documentation of such Managed Account that is negotiated on a case-by-case basis. The description of Advisory Clients contained herein is not exhaustive. Adviser may provide other advisory services to other types of Advisory Clients not described herein.

### **Minimum Investment Amounts**

Minimum investment amounts for Fund Investors will be set forth in the applicable Client Documentation. Minimum investment amounts and investor qualification standards for Managed Accounts and other Advisory Clients are determined on a case-by-case basis taking into account, among other things, the nature of the investment strategy and investment objectives. Accordingly, there is no set minimum amount for Managed Accounts and such amounts could vary. In addition, subject to the terms and conditions of the applicable Client Documentation, Adviser reserves the right, in its discretion, to waive minimum investment amounts in certain circumstances.

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

### **General**

Adviser’s overall investment methodology is described below. Fund Investors should review a Fund’s Client Documentation, including its private placement memorandum and governing agreement(s), as applicable, for more detailed information regarding the investment strategies to be employed in connection with and/or any investment restrictions that pertain to such Fund’s particular

investments. Managed Account Advisory Clients should review the applicable Managed Account Client Documentation, including the applicable investment management agreement for more detailed information regarding the investment strategies to be employed in connection with and/or any investment restrictions that pertain to such Managed Account's particular investments. There can be no assurance that Adviser will achieve an Advisory Client's investment objectives, and a loss of investment may be possible.

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

Adviser's investment advisory services are expected to include identifying and evaluating investment opportunities, negotiating the terms of investments, managing, and monitoring investments, interacting with management teams of sponsors and portfolio companies, and achieving dispositions for such investments. In connection with certain investments, Adviser's senior principals or other related personnel may serve on the boards of directors, advisory committees, or other formal or informal positions with respect to the Underlying Funds (as defined below) and/or portfolio companies in which an Advisory Client invests or otherwise act to influence the management of such Underlying Fund's sponsor or portfolio companies until the applicable Advisory Client(s) exit such investment. Adviser's senior principals and other personnel may receive compensation for this service, which typically will not be offset against other fees paid by or allocated to Advisory Clients, absent language in Client Documentation stating that they will be subject to an offset.

Adviser tailors the investment strategies employed on behalf of an Advisory Client to meet such Advisory Client's specific investment objectives. Each Advisory Client will be managed with the goal of achieving the investment objective of such Advisory Client, as agreed upon in the relevant Client Documentation.

Adviser sources investments through direct origination efforts focused on private equity firms, investment banks, business brokers, commercial lenders, accountants, lawyers, and other centers of influence in the broader secondaries and sponsor-led markets.

Adviser focuses on risk management and high transaction selectivity. To the extent applicable to the relevant Advisory Client's investment strategy, Adviser also seeks to build portfolio diversity by transaction type, industry, and/or geography.

For more information on the investment strategies employed by Adviser on behalf of its Advisory Clients, please see "*Item 4 – Advisory Business*".

## **Risks of Investment**

Advisory Clients will bear the risk of loss that Adviser's investment strategy entails. A prospective Advisory Client or Fund Investor should only invest with Adviser as part of an overall investment strategy and only if such Advisory Client or Fund Investor is able to withstand a total loss of its investment. Prospective Advisory Clients or Fund Investors should not construe the performance of earlier investments by Adviser or its affiliates as providing any assurances regarding future performance.

Risks involved with Adviser's investment strategy and an investment in a Fund or by another Advisory Client include, but are not limited to, those described in Exhibit A and in the applicable

Client Documentation. Fund Investors should additionally review the applicable private placement memorandum or other similar disclosure document(s) for specific information regarding the risks associated with an investment in a given Fund, which are available to prospective Fund Investors prior to a Fund's closing and are available to existing Fund Investors upon request.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Adviser and its management persons have not been subject to any material legal or disciplinary events required to be disclosed in this Brochure.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The organizational, ownership, and investment structure of Adviser creates conflicts of interest. Notwithstanding the structural potential for conflicts, Adviser and Eldridge have instituted policies and procedures, including information barriers and allocation of investment opportunities, to mitigate potential conflicts of interest and to ensure investment advice is impartial and in the best interests of Advisory Clients.

Adviser is affiliated with other persons and entities engaged in the financial services and financial services support business and, in some cases, has business arrangements with such persons and entities that are material to its advisory business or to its Advisory Clients. These relationships are described in more detail below and, in some cases, cause Adviser's or an Adviser Related Party's interests to conflict with the interests of an Advisory Client.

### **General Partners and Related Entities**

Adviser will be affiliated with the General Partners, which will be subject to the Advisers Act pursuant to Adviser's registration in accordance with SEC guidance and which collectively with Adviser operate as a single advisory business. As used herein "Adviser" shall be deemed to include reference to the General Partners where applicable.

Adviser and the General Partners will generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions. Adviser also contracts to receive personnel and non-investment related services from an affiliated service company.

### **Eldridge and Its Affiliates**

Eldridge Industries is a private company that owns directly or indirectly businesses that operate within a number of industries, including the financial services industry.

Adviser's relationship with Eldridge Industries and the resources of Eldridge and other affiliates potentially available to invest in co-investment opportunities make it likely that Eldridge or another affiliate will have frequent access to, and participate in, co-investment opportunities, provided that such co-investment opportunities are not first allocated to Advisory Clients or Fund Investors in accordance with Adviser's allocation policies and procedures or other relevant documentation. It is expected that co-investment opportunities, if any, will be offered to some Fund Investors and not to others.

Adviser is affiliated through common ownership with the Eldridge-owned businesses listed below.

- Security Benefit Life Insurance Company (“SBL”), a Kansas insurance company that specializes in fixed, fixed indexed, and variable annuities.
- Maranon Capital, L.P., a registered investment adviser, offering investment advisory services primarily focused on senior credit, mezzanine investments, and equity co-investments to a variety of institutional clients through separately managed accounts and private funds.
- Cain International Advisers Limited, a registered investment adviser, primarily engaged in investment advisory services relating to debt and equity real estate investments.
- Panagram Structured Asset Management, LLC (“PSAM”) and Panagram Capital Corporation Adviser, LLC (“PCCA”). PSAM is a registered investment adviser that offers investment advisory services to institutional clients, primarily focusing on structured credit, including the debt and equity tranches of collateralized loan obligations, as well as asset-backed securities. PCCA is a registered investment adviser that serves as the investment adviser to an externally managed, nondiversified, closed-end management investment company that has registered as an investment company under the Investment Company Act.
- Eldridge SME Advisers, LLC, a registered investment adviser, primarily engaged in investment advisory services relating to the sports, media, and entertainment industries.
- Stonebriar Commercial Finance LLC, a privately held commercial finance company controlled by Eldridge that provides financing to businesses in a wide variety of industries.
- First Security Benefit Life Insurance and Annuity Company of New York, a New York insurance company and an affiliate of SBL.
- Everly Life Insurance Company, a Kansas insurance company and an affiliate of SBL.
- Security Distributors LLC, a registered broker-dealer and an affiliate of SBL.
- Johnstone Brokerage Services, LLC, a registered broker-dealer.
- Sixth Avenue Reinsurance Corporation, an insurance company.
- Clearcover Inc., an automobile insurance company.
- Clearcover Insurance Company, an automobile insurance company.

#### **Certain Potential Conflicts Relating to Affiliated Industry Participants**

Eldridge, Adviser, and Adviser Related Parties engage in a number of businesses with a broad array of products and services and the resulting transactions can create actual or potential conflicts of interest with Advisory Clients and Adviser’s activities on behalf of Advisory Clients. The following

discussion briefly summarizes some of these conflicts, but is not intended to include an exhaustive list of all such conflicts. Advisory Clients and Fund Investors should also carefully review the applicable Client Documentation, which may contain further information on conflicts of interest.

#### Overlapping and Competing Objectives.

Eldridge and certain of the Adviser Related Parties (including Eldridge Industries' CEO and controlling member, Todd Boehly), engage in investment operations that in certain cases are expected to be substantially similar to and/or competitive with those of Adviser, including opportunities in which Advisory Clients are expected to consider for investment. For example, an Adviser Related Party could make an investment that falls within an Advisory Client's investment objectives, could invest in a company in which an Advisory Client also holds an interest (which may be at the same or a different level of such company's capital structure), could invest in a company that competes or has another business relationship with a portfolio company of an Advisory Client, or could otherwise engage in an activity that would be inconsistent with the interests of Adviser, an Advisory Client or a portfolio company. The performance and operation of such competing businesses is likely to, in certain cases, conflict with and adversely affect the performance and operations of Adviser and its Advisory Clients, and has the potential to adversely affect the prices and availability of investment opportunities or transactions available to Advisory Clients.

Eldridge and its management personnel and other Adviser Related Parties reserve the right, but are under no obligation, to share any research or opportunities with Adviser. Eldridge and these other persons are not part of Adviser's investment team and, in part, due to information barriers are separated from the investment function of Adviser. Accordingly, subject to a Client Documentation and Adviser's obligations to its clients, Eldridge and its management personnel are not under any obligation to offer investment opportunities of which they become aware to Adviser or any Advisory Client, share with or inform Adviser or any Advisory Client of any investment before offering such investments to other affiliates or for Adviser to share with other Advisory Clients. Moreover, Eldridge, its management personnel and other Adviser Related Parties expect to, from time to time, invest on behalf of themselves in such opportunities. This has the potential to result in financial benefits to Eldridge and other Adviser Related Parties, and their respective personnel, which are not experienced by Adviser or its Advisory Clients. To the extent Advisory Clients and clients of Adviser Related Parties have overlapping investments or similar investment strategies, Adviser Related Parties reserve the right to give advice or take action for their own accounts that differs from, potentially conflicts with or is adverse to advice given or action taken by Adviser for any of its Advisory Clients.

If other Adviser Related Parties share with Adviser material non-public information, Adviser may be precluded from making certain investments in, or providing advice regarding, such securities for its Advisory Clients. In any event, as discussed further below, Adviser and Eldridge share a "restricted list" to mitigate the potential misuse of material non-public information by Adviser, Eldridge or other Adviser Related Parties.

#### Related Issuers.

Adviser, from time to time, reserves the right to initiate or recommend transactions with or investments in portfolio companies in which Adviser Related Parties have controlling interests or

are otherwise affiliated. In addition, in some circumstances, Adviser on behalf of its Advisory Clients potentially will invest in portfolio companies, or otherwise participate in transactions, in which Adviser Related Parties have invested or will invest, have other financial interests, or have financial or other relationships (including but not limited to directorships or equivalent roles) with affiliates or parties related to the portfolio companies in such transactions and such an investment will provide a direct or indirect benefit to Adviser Related Parties. In these circumstances, such Advisory Client investments would be expected to indirectly benefit Adviser Related Parties and would not be for the exclusive benefit of Advisory Clients. In addition, Adviser reserves the right to choose to offer more favorable terms to, or refrain from taking actions that potentially would be adverse to, companies in which Adviser Related Parties have an interest, subject to Adviser's obligations to its Advisory Client under applicable law and Client Documentation.

#### Related Financing Parties.

Adviser Related Parties from time to time may potentially provide loans to Adviser, Advisory Clients or portfolio companies in which Advisory Clients participate, which could create an additional incentive for Adviser to favor such Adviser Related Parties. Interests of non-affiliated Advisory Clients therefore have the potential to conflict with the interests of Adviser Related Parties.

#### Selection of Service Providers.

Although Adviser selects service providers that it believes are aligned with its operational strategies and will enhance Advisory Client returns, Adviser has a potential incentive to recommend a related or other person (including an Advisory Client or Fund Investor or portfolio company of Eldridge or an Adviser Related Party) because of its financial or other business interest. There is also a possibility that Adviser, for various reasons (including a belief that the use of such persons could establish, recognize, strengthen, and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Advisory Client or to Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although Adviser generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed, and other factors in retaining or recommending service providers. Additionally, from time to time, Adviser expects certain service providers, their affiliates, and personnel may invest in, or co-invest alongside, one or more Advisory Clients, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other Fund Investors or co-investors. In certain circumstances where Adviser commits or has committed to seek, or has the right to take certain actions only on, "market" or "arms-length" rates or terms, Adviser reserves the right to determine in its sole discretion if given rates or terms are reflective of the range of rates in the applicable or related markets. Adviser reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, Adviser undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking relates specifically to the assets, services, geographies, or comparable markets to which such rates or terms relate. Whether or not Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

To the extent a portfolio company is to reimburse any expenses, such portfolio company determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements is typically not disclosed to Fund Investors (unless required by law or applicable Client Documentation), their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Adviser or such service providers generally is subject to: agreements with sellers, buyers, and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

Adviser and its affiliates may use some of the same service providers as Advisory Clients. In some cases, rates or discounts are or will be offered to Adviser and its affiliates by these service providers which differ from those offered to Advisory Clients by such service providers. Where Adviser is in a position to control the cost of services, it seeks to obtain favorable rates or discounts extended to it to costs borne by Advisory Clients, to the extent such services are of a similar scope, type or nature. There is no assurance that Adviser will be successful in securing favorable rates or discounts for Advisory Clients, and such fees are not required to be offset against any other fees paid by Advisory Clients.

#### Related Party Investors.

Advisory Clients and Fund Investors can be expected to include, directly or indirectly, Adviser Related Parties, principals or other employees of Eldridge and its affiliates, members of their respective families, affiliates of Eldridge, or other service providers retained by Eldridge or its affiliates. The participation of such parties could result in an incentive for Adviser to favor or disfavor certain Advisory Clients relative to other Advisory Clients. Certain of these related party investors will have Letter Agreements providing information rights and co-investment rights. Other related parties will enter non-discretionary Managed Accounts that will provide similar preferential terms.

#### Related Party Economic Terms.

Adviser may, from time to time, enter into arrangements with, or establish private investment vehicles for, some Advisory Clients, including with Adviser Related Parties. Pursuant to these arrangements, Adviser is compensated through a sharing of fees and remuneration earned by such Advisory Clients in connection with specific investment recommendations of Adviser, subject to the terms of the applicable Client Documentation. These arrangements could result in an incentive for Adviser to favor or disfavor Advisory Clients participating in these arrangements relative to other Advisory Clients. Subject to Client Documentation, Adviser or Adviser Related Parties may retain some or all fees, consideration, or compensation, including fees relating to arranging, syndication, agency, origination, sourcing, structuring, commitment, or other services in connection with investments made on behalf of Advisory Clients.

#### Identification and Resolution of Conflicts of Interest.

Adviser will attempt to resolve these conflicts of interest in light of its obligations to Advisory Clients. To the extent that an investment or relationship raises particular conflict of interest, Adviser

will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Adviser reserves the right to consult with and receive consent to conflicts from the applicable Advisory Client, or in the case of a Fund, its Fund Investors, advisory committee or other independent review party, if applicable, in each case as further detailed in the applicable Client Documentation.

#### Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.

There continues to be a regulatory emphasis on and the potential for increased regulation of the private equity/debt industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on an Advisory Client's activities, including the ability of an Advisory Client to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives, or on the performance of its Advisory Clients' investments.

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

#### **Code of Ethics**

Adviser has adopted a code of ethics that sets forth the standards of conduct expected of all Adviser personnel and requires compliance with applicable securities laws ("Code of Ethics").

Among other things, the Code of Ethics requires that Adviser and its personnel act in its Advisory Clients' best interests, abide by all applicable laws and regulations, adhere to an insider trading policy to prevent the misuse of material non-public information, and pre-clear and report certain personal securities transactions. Actual and prospective Advisory Clients and Fund Investors may contact Adviser at the telephone number or email listed on the cover of this Brochure to request a copy of its Code of Ethics. Adviser has appointed an individual to serve as its Chief Compliance Officer, who will be responsible for monitoring and enforcing the Code of Ethics.

Personal securities transactions are required to be conducted in a manner that prioritizes Advisory Client interests in Advisory Client eligible investments. The Code of Ethics requires Adviser's personnel to report their personal securities transactions and to obtain approval from Adviser's Chief Compliance Officer or their designee prior to, directly or indirectly, acquiring beneficial ownership of any security in an initial public offering or a limited offering or engaging in any securities transactions involving securities on Adviser's restricted list.

Adviser and its affiliates may come into possession, from time to time, of material non-public or other confidential information about public companies which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, Adviser and its affiliates would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is an Advisory Client of Adviser.

Accordingly, should Adviser or any of its personnel come into possession of material nonpublic or other confidential information with respect to any public company, including as a result of communications with an Adviser Related Party, Adviser generally would be prohibited from

communicating such information to its Advisory Clients, and Adviser will have no responsibility or liability for failing to disclose such information to Advisory Clients as a result of following its policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Adviser's personnel serving as directors of public companies and may restrict trading on behalf of Advisory Clients.

## **Allocation of Investment Opportunities**

When allocating investment opportunities across Advisory Clients, there could be differences in the financial structure of Advisory Clients capable of participating in the opportunity that could introduce an incentive for Adviser to favor one Advisory Client over another.

### Adviser's Allocation Procedures

Adviser has established allocation policies and procedures addressing Adviser's duties to allocate investment opportunities among Advisory Clients in a fair and reasonable manner. Most investment opportunities that satisfy the investment parameters of a particular Advisory Client will be allocated to that particular Advisory Client. In certain cases, however, an investment opportunity may be appropriate for more than one Advisory Client. Typically, any such allocation decisions are initially raised with Adviser's investment committee (the "Investment Committee"). The Investment Committee will typically review the opportunity to determine if an allocation to any other Advisory Client may be appropriate in the first instance, taking into account, among other things, whether the investment satisfies each of the relevant Advisory Client's investment objectives and the relevant Advisory Client's expected allocation based on its available capital commitments. Such allocation determinations are also subject to the review and approval of the senior professionals of Adviser. If an investment opportunity will be allocated (which may include an allocation of 100% of such opportunity to a single Advisory Client), Adviser will, to the extent practicable, determine in good faith that the allocation is fair and reasonable taking into account the relevant facts and circumstances Adviser deems relevant, as well as parameters of Client Documentation of the applicable Advisory Client, the sourcing of the transaction, the nature of the investment objective, mandate or policies (including any related contractual restrictions), results of underwriting analyses, including projected returns, focus and target hold period for each investment, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for each such Advisory Client and other considerations deemed relevant by Adviser in good faith (including, for example, various characteristics of a prospective investment, such as the country or countries in which it operates or intends to operate and concentration considerations). In certain situations, multiple Advisory Clients will invest side-by-side and investment opportunities will be allocated between such Advisory Clients using a formula-based approach, typically based on amount of available capital for such investment. In other situations, participation of multiple Advisory Clients in a single transaction may require consent of an advisory committee or Fund Investors of the participating Fund (or duly appointed representative in the case of a Managed Account). Allocation decisions are periodically reviewed to determine the appropriateness of the allocation decisions. Final allocation decisions will generally align with the allocation of costs and expenses related to the diligence and structuring of and ongoing supervision of an investment opportunity; however, in certain situations, there may be costs such as diligence costs that are allocated to Advisory Clients that considered an investment opportunity but ultimately decided to not pursue such investment opportunity.

Parallel and successor investment vehicles advised by Adviser are subject to specialized allocation procedures set forth in the relevant Client Documentation of the applicable Advisory Clients. For such parallel investment vehicles, allocation decisions will be made on the basis of the investment vehicles' relative capital commitments, subject to the vehicle's governing documents. Adviser generally does not introduce or begin investing successor investment vehicles until the capital commitments of a predecessor investment vehicle have been substantially invested, committed or reserved. Subject to legal, regulatory, and tax considerations (in addition to any other exceptions set forth in an Advisory Client's Client Documentation), a successor investment vehicle advised by Adviser may only co-invest alongside a predecessor investment vehicle on materially the same terms and conditions, and, if so, investments must be allocated between the two investment vehicles on a basis that Adviser believes, in good faith, to be fair and reasonable. Such allocation determinations are also subject to the review and approval of the Investment Committee. In making allocations between such a successor and a predecessor investment vehicle, Adviser is expected to take into consideration, among other things, the relative available capital of the investment vehicles and the investment limitations of the predecessor vehicle. In certain cases, an advisory committee will be required to approve any co-investment by a successor investment vehicle in accordance with the terms of the vehicle's governing agreements. In certain cases, where the equity portion of a private equity investment may exceed that which is believed appropriate for one or more of such investment vehicles, a successor vehicle may be allocated 100% of an investment opportunity. Adviser may permit one or more strategic investors to invest in transactions in which an Advisory Client invests if Adviser determines in good faith that their investment would be beneficial in consummating such Advisory Client's investment (including where an investor can invest or commit to invest a significant amount of capital in a short period of time), successfully operating the portfolio company or its assets, disposing of the investment or otherwise adding value to the investment because of certain skills or attributes of the strategic investor.

Adviser may (but is generally not required to) give investors in an Advisory Client or third parties who are not investors in an Advisory Client (including, without limitation, Adviser Related Parties and clients of Adviser Related Parties) the opportunity to co-invest in a particular investment, including where Adviser determines a portion of the equity required would unreasonably limit diversification of such Advisory Client. Co-investment offers of participation are made in Adviser's sole discretion and Adviser may use any criteria it deems fit when determining which persons to offer such opportunities to, including to investors that are expected to make, or currently hold, significant capital commitments to Advisory Clients. Investors in Advisory Clients are not entitled to be offered any co-investment opportunity by virtue of their investment in a particular Advisory Client. For additional disclosure regarding co-investments, please see the "*Co-Investments*" disclosure found below.

As described above, an Advisory Client may bridge such investments until capital is called from co-investors. Any capital returned from such a bridge will generally be treated as not having been contributed for purposes of an Advisory Client's Client Documentation. The performance of co-investments is not aggregated with that of any Advisory Client, including for purposes of determining the calculation of carried interest or management fees. Adviser may or may not charge management fees, administration fees, one-time funding/upfront fees and/or carried interest in respect of co-investments, as it determines in its sole discretion. As discussed in "*Item 4 – Advisory Business*", the General Partner (or similar managing fiduciary) of an Advisory Client may enter into

Letter Agreements with investors in connection with their admission to such Advisory Client which may include special rights with respect to co-investment.

To the extent an investment opportunity is rejected by the Investment Committee or a General Partner of an Advisory Client, Adviser and Adviser Related Parties may not be restricted from pursuing such opportunity outside of an Advisory Client's investment program. In such a circumstance, Adviser may allocate such an opportunity to any other Advisory Client, including another Fund and/or Managed Account or one or more entities established for the benefit of, or otherwise controlled by, one or more senior executives of Adviser, one or more Adviser Related Parties, Eldridge, and/or their respective family members.

### **Cross Trades and Principal Transactions**

From time to time, Adviser anticipates that it will, to the extent permitted under applicable law and the applicable Client Documentation, effect cross-transactions between and among Advisory Clients (i.e., causing an Advisory Client to purchase securities from, or sell securities to, other Advisory Clients managed by Adviser or its affiliates, or co-investors or co-investment vehicles). In addition, if Adviser determines such a transaction is in the best interests of an Advisory Client, Adviser may enter into a "principal transaction" within the meaning of Section 206(3) of the Advisers Act (where Adviser acts as principal for its own account (or that of an account in which it has, directly or indirectly, a significant interest) with respect to the sale of a security to, or purchases of a security from, its client) provided Adviser has met: (1) the Advisers Act requirements with respect to such a transaction, including the relevant prior written disclosure requirements and the requirement to obtain the informed consent of such Advisory Client (which may be obtained in accordance with a process set forth in Client Documentation (e.g., approval of an independent investor committee)); and (2) any requirements imposed by Client Documentation.

Certain of such transactions raise potential conflicts of interest, including where the investment of one Advisory Client supports the value of portfolio companies owned by another Advisory Client. Adviser intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Advisory Client under the circumstances, including a consideration of the potential present and future benefits with respect to each applicable Advisory Client.

### **Co-Investments**

From time to time and as permitted by the relevant Client Documentation, Adviser expects to provide (or agree to provide) certain persons, including Advisory Clients, Fund Investors, Adviser Related Parties, and/or third parties (including, without limitation, strategic investors, potential business partners, other sponsors, market participants, finders, consultants and other service providers, and potential Advisory Clients or Fund Investors), an opportunity to co-invest in a particular portfolio investment and/or portfolio investments alongside a Fund or other Advisory Client. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as an Advisory Client making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Advisory Clients after such Advisory Clients have consummated their investment in the portfolio company.

There will be circumstances (including, without limitation, where the investment required in a portfolio investment is beyond the reasonable capacity of the specific Advisory Client or where Adviser determines it could unreasonably limit diversification) where an amount that would have otherwise been invested by an Advisory Client is instead allocated to co-investors, and such co-investment opportunities will not necessarily be offered to every Advisory Client or Fund Investor.

Adviser's policies and procedures permit it to take into consideration a variety of factors in making co-investment allocation determinations, including consideration of: (i) existing commitment or investment in Advisory Clients, knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investment; (ii) perceived ability to quickly execute on transactions; (iii) tax, regulatory, securities laws, and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); (iv) the potential co-investor is a "strategic investor" that can assist with governance and operations of the investment; and (v) other appropriate factors.

For certain investment opportunities, a counterparty will require or prefer investors that commit (subject to diligence and negotiation of acceptable documentation), on a short time frame, to an investment amount in excess of the aggregate amount Adviser believes would be suitable for its Advisory Clients. In such cases, in order to respond as quickly as possible to the counterparty's request and thereby increase the chance that Adviser will be offered such investment opportunity, Adviser expects that from time to time it will first contact a potential co-investor that it believes would have the ability and desire to commit to make a co-investment for the entire excess amount on the time frame requested and, if such potential co-investor agrees to do so, provide the entire amount of the co-investment opportunity to such co-investor. In addition, if such co-investor agrees to be responsible for the entire amount of the co-investment opportunity if necessary but requests that Adviser seek additional co-investors to take the portion of the co-investment specified by such co-investor, Adviser anticipates that it likely will do so from time to time (though it reserves the right to decline). In light of Adviser's ongoing relationship with Eldridge (as described above) and given Eldridge's experience in investments similar to those that Adviser seeks for its Advisory Clients, its historical ability to commit to fund transactions on an expedited basis, and its significant capacity to make investments, Adviser believes Eldridge and certain of its affiliates are the potential co-investors that are most likely to make such a commitment. Accordingly, Adviser will usually approach Eldridge and/or its affiliates with such co-investment opportunities before approaching any other potential co-investment investor, unless the applicable Client Documentation requires otherwise. This is expected to result in Eldridge and its affiliates participating in a significant portion of the co-investment opportunities that Eldridge approves.

The allocation of co-investment opportunities is discretionary, and no Fund Investor or Advisory Client has a right to participate in a co-investment opportunity. Being a Fund Investor or Advisory Client does not necessarily give a Fund Investor or an Advisory Client any rights, entitlements, or priority to co-investment opportunities, and decisions regarding whether and to whom to offer co-investment opportunities, the terms on which a co-investment opportunity is made, and the amount of such opportunities, are made in the sole discretion of Adviser or, where applicable, other participants in the applicable transaction, such as co-sponsors. Co-investment opportunities may, and typically will, be offered to some and not other persons, and certain investors may receive multiple opportunities to co-invest while others expressing interest in co-investment opportunities receive none. Adviser may agree with certain Advisory Clients or Fund Investors (including as a

part of an overall strategic relationship between Adviser and such Advisory Client or Fund Investor) to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to other Advisory Clients or Fund Investors.

The allocation of co-investment opportunities will in many or all cases involve a benefit to Adviser, including, without limitation, Management Fees and Incentive Compensation from the co-investment opportunity and/or commitments to Funds and/or other Advisory Clients.

Adviser and/or its affiliates may be incentivized to offer certain potential co-investors the opportunities to co-invest since the amount of Management Fees and/or Incentive Compensation to which Adviser and/or its affiliates are entitled under the arrangements with such co-investors may depend on, among other things, the extent to which such co-investors participate in co-investments. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to a Fund Investor or an Advisory Client will be made available to such Fund Investor or Advisory Client. Co-investments may be offered by Adviser on such terms and conditions (including with respect to administration fees, one-time funding/upfront fees, Management Fees, Incentive Compensation, and related arrangements) as will be negotiated by Adviser and the potential co-investors on a case-by-case basis in their respective sole and absolute discretion. In connection with any such co-investment by a Fund Investor or other third-party co-investors, Adviser may establish one or more investment vehicles managed or advised by Adviser to facilitate such co-investors' investment alongside Advisory Clients. In the event a co-investment is not consummated, an Advisory Client (and, indirectly, Fund Investors) could bear all of the related broken-deal expenses, including expenses related to the portion of the proposed investment Adviser had expected to be allocated to third parties.

As discussed in “*Item 10 – Other Financial Industry Activities and Affiliations*” above, Adviser may recommend or cause Advisory Clients to participate in investments or transactions in which Adviser Related Parties have controlling interests or other financial relationships or interests. Unless otherwise required by the terms of the relevant Client Documentation or applicable law, Adviser Related Parties are generally entitled and expected to pursue their own interest where diverging from the interests of Advisory Clients.

### **Incentive Compensation**

As discussed above in “*Item 6 – Performance-Based Fees and Side-by-Side Management*”, Adviser or an affiliate of Adviser, such as a General Partner, may be entitled to Incentive Compensation as detailed in the relevant Client Documentation.

### **Special Rights of or Relationships with Certain Advisory Clients or Fund Investors**

Subject to applicable law, Adviser intends to grant certain Advisory Clients or Fund Investors specific or differing rights that may include the grant of different economic terms, co-investment rights or possibilities, fee share, fees, redemption terms, additional reporting, or portfolio information. This can result in such Advisory Clients or Fund Investors having preferential rights over others (including over other Fund Investors in the same Fund). Fund Investors should expect

some other Fund Investors (or other Advisory Clients investing alongside such Fund) to have more favorable rights and terms with respect to the same Fund. Subject to the terms of the relevant Client Documentation and Letter Agreements, Adviser has no obligation to offer such additional rights or terms to any other Fund Investor.

In all the above cases, Adviser may have an incentive to act, or refrain from acting, on behalf of its Advisory Clients to advance the pecuniary or other interests of Adviser Related Parties. Adviser seeks to act consistently with its fiduciary duties to Advisory Clients, including affiliated Advisory Clients, and to treat Advisory Clients equitably and consistent with applicable law.

### **Adviser Personnel Investment and Outside Activities**

Principals and employees of Adviser and its affiliates generally are expected to directly or indirectly own an interest in Advisory Clients, including Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as an Advisory Client, including a Fund.

Adviser and its affiliates, principals, and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends, or others who are not Advisory Clients, as well as give advice and recommend securities to such persons or vehicles which may differ from advice given to, or securities recommended or bought for, an Advisory Client, even though their investment objectives may be the same or similar.

Certain Adviser personnel have business interests in which Advisory Clients will have no interest. Such personnel have a conflict with respect to allocating time and services between Advisory Clients and outside activities. For example, certain Adviser personnel are expected to provide services to Eldridge and other Adviser Related Parties unrelated to an Advisory Client.

Adviser or Adviser Related Parties have an existing relationship with, or financial interest in, certain industry participants (including service providers) that benefit from investments or investment decisions recommended by Adviser to Advisory Clients. Further, where consistent with its fiduciary duties, Adviser can invest on behalf of Advisory Clients in loans or interests of companies which are, or their senior executives are, also Advisory Clients or Fund Investors or other persons who have personal and/or business relationships with Adviser Related Parties. While Adviser makes investments which it determines in its reasonable discretion to be for the benefit of participating Advisory Clients, in this case, such investments will not be for the exclusive benefit of participating Advisory Clients but will also benefit other Advisory Clients, Adviser Related Parties, or Adviser.

### **Certain In-Kind Distributions**

A Fund's General Partner is often permitted under the Fund's governing documents to receive a distribution in-kind from the Fund, including in connection with investment dispositions or the payment in-kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund Investors. For example, a General Partner and its beneficial owners may intend to hold

an investment for a different time period than Adviser deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that the value of such securities may decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its Fund Investors will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated, or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its Fund Investors.

## **Adviser Information**

In connection with its services to Advisory Clients and their investments, Adviser, its affiliates, and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Adviser's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Adviser, its affiliates, and personnel expect to receive and benefit from information, "know-how," experience, analysis, and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors, and other metrics (collectively, "Adviser Information"). In many cases, Adviser Information will include tools, procedures, and resources developed by Adviser to organize or systematize Adviser Information for ongoing or future use. Although Adviser expects its Advisory Clients and their respective portfolio companies generally to benefit from Adviser's possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Advisory Clients or portfolio companies (or by Adviser and its personnel) and not by such Advisory Client or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of Adviser and solely for the use of Adviser. Adviser reserves the right to use, share, license, sell, or monetize Adviser Information, without offset to Management Fees, and the relevant Advisory Client or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale, or monetization.

## **Valuation**

Where consistent with Client Documentation, Adviser expects to be responsible for valuing certain Advisory Client assets. Adviser expects to use independent pricing sources when available and dependable. Adviser will seek, in good faith, to value investments when a market price is not readily available or if any third-party valuations are deemed by Adviser, in good faith, to be unavailable or unreliable. In such instances, Adviser valuations will not be based on third-party, independent determinations, and the values assigned by Adviser to any such asset or investment involve subjective judgement by Adviser and might not correspond to an amount at which an investment could be or is purchased or sold. There can be no assurance that a third-party (including a valuation expert, a Fund Investor, or an Advisory Client) would agree with the factors used and/or conclusions reached in making any such determination. In certain instances, it can be expected that Advisory Clients and Fund Investors will value certain assets differently from Adviser, including, for example, where such parties are subject to statutory valuation requirements not binding on Adviser. The difference between the value assigned to an investment at any particular time and the ultimate

price for which such investment could be sold could be material. The fair value assigned to such investments, as determined in good faith by Adviser in accordance with its valuation policies and procedures, will likely not correspond to the next available and reliable market price or empirical value. In retrospect, it could be that the price at which Adviser valued the investment was not the price at which the investment could have been purchased or sold. Additionally, an investment by an Advisory Client in an Underlying Fund will generally be valued at the valuations contained in the latest financial reports supplied by the managers of such Underlying Funds, unless Adviser, in good faith in accordance with its valuation policies, determines that the valuation of such investment does not reflect the fair market value of such investment, in which case such investment will be valued in good faith by Adviser.

Adviser's role in determining the fair value to be assigned to any investment poses a conflict of interest with its Advisory Clients because Adviser has an incentive to value investments in a manner that would increase Advisory Client performance and generate increased Management Fees or Incentive Compensation. Investments that are valued by Adviser generally will not have reliable market values.

## **ITEM 12 – BROKERAGE PRACTICES**

### **Broker Selection**

Adviser has discretion to select brokers and dealers to execute securities transactions for its Advisory Clients.

Adviser will make (for its Advisory Clients) privately structured investments that are not offered publicly and are often sold through only a single broker-dealer at any given time.

In selecting a broker for any transaction, Adviser may consider a number of factors, including, for example, the broker's reputation, net price or spread, financial strength and stability, market access, efficiency of execution, error resolution, the size of the transaction and responsiveness to requests for trade data and other financial information. Adviser is not obligated to obtain the lowest commission or best net price for an Advisory Client on any particular transaction.

Consistent with Adviser seeking to obtain best execution, brokerage commissions on Advisory Client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Adviser generally does not make or intend to make use of such services at the current time. To the extent Adviser engages in any such soft dollar transactions in the future, it will seek to comply with the safe harbor set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended, and adopt any necessary policies and procedures.

### **Trade Aggregation**

From time to time, Adviser expects, but is not obligated, to purchase or sell securities for several Advisory Clients at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Advisory Client is favored over any other Advisory Client. To the extent such orders are not batched, they may have

the effect of increasing brokerage commission or other costs.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Oversight and Monitoring**

Adviser's investment personnel monitor Advisory Client investments and regularly review Advisory Client portfolios to monitor performance and compliance with applicable investment guidelines. Adviser may also periodically review on an expedited basis the assets of an Advisory Client following a unique occurrence in the financial industry or market generally.

The Investment Committee is responsible for approval and administration of all investment activities related to Advisory Clients, including ensuring consistency with Adviser's applicable policies, including Adviser's allocation policies and procedures, in addition to the terms and conditions contained in the applicable Client Documentation of each Advisory Client to which an investment amount is allocated.

Adviser has an Investment Committee. All extensions of credit and new investments require the consent of a majority of all the participating members of the Investment Committee.

The Funds will be subject to an annual independent audit performed by an independent public accountant, which is registered with and subject to inspection by the Public Company Accounting Oversight Board.

### **Reports to Advisory Clients**

Fund Investors receive regular reports relating to the management of the Funds, including periodic portfolio updates, financial statements, and capital account statements on a quarterly basis. Fund Investors also will receive audited financial statements of the Fund in which they invest.

Managed Account Advisory Clients will receive reporting in accordance with applicable Client Documentation.

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

As described in more detail in "*Item 5 – Fees and Compensation*", in addition to Management Fees payable and Incentive Compensation allocable to Adviser and its affiliates, Adviser and its affiliates are expected to receive Additional Fees in connection with investments by Advisory Clients.

Adviser reserves the right from time to time to enter into placement agreements or solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an Advisory Client or Fund Investor.

## **ITEM 15 – CUSTODY**

Rule 206(4)-2 of the Advisers Act (the "Custody Rule") defines custody as holding, directly or indirectly, client securities or funds or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client's accounts or ownership of or access to

client funds or securities (such as through fee deductions).

With respect to each Managed Account in relation to which Adviser has custody under the Custody Rule, assets will be maintained with a qualified custodian in accordance with the Custody Rule, and the applicable qualified custodian provides quarterly (or more frequent) account statements to the Managed Account client. Adviser must arrange for an “independent public accountant” to conduct an annual surprise verification by actual examination of an Advisory Client’s funds and securities. Managed Account Advisory Clients are encouraged to carefully review the custodian statements and, to the extent such clients also receive account statements from Adviser, should compare Adviser’s statements with those received from the qualified custodian.

With respect to Funds, an affiliate of Adviser will generally act as General Partner and, as such, Adviser will be deemed to have custody of Funds’ securities or funds under the Custody Rule. With respect to Funds and other arrangements whereby Adviser will have custody, Adviser generally complies with the Custody Rule by, among other things, maintaining certain Advisory Client assets with qualified custodians and providing all investors in a Fund within 180 days after the end of the Fund’s fiscal year with audited financial statements that have been audited by an independent public account that is subject to regular inspection by the Public Company Accounting Oversight Board.

Adviser will seek to ensure that Adviser complies with any additional requirements of the Custody Rule applicable to its Advisory Clients.

#### **ITEM 16 – INVESTMENT DISCRETION**

In connection with its provision of investment advisory services to Advisory Clients, Adviser generally, although not exclusively, expects to act as a discretionary investment adviser and generally exercise sole authority to determine the securities bought and sold for each Advisory Client (subject to the overall supervision of the applicable General Partner with respect to the Funds), as well as the amounts thereof, without obtaining specific Advisory Client consent and without limitation on such authority. Any specific investment guidelines and restrictions will be provided in the applicable Client Documentation.

Investment advice is provided directly to each Fund and not to Fund Investors. As a general policy, Adviser will not allow Fund Investors to place limitations on Adviser’s discretionary authority. Such discretionary authority will be subject to the investment guidelines and other terms and conditions contained in the applicable Client Documentation.

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

Adviser has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) that it believes are reasonably designed to comply with the requirements of the Advisers Act. The Proxy Voting Policies and Procedures reflect Adviser’s commitment to vote such instruments in a manner consistent with the best interests of Advisory Clients.

Under the Proxy Voting Policies and Procedures, unless faced with a conflict of interest between or among Advisory Clients, Adviser will vote proxies in a manner that it believes serves the best interest of its Advisory Clients, as determined by Adviser in its discretion, taking into account relevant factors, including, with respect to an Advisory Client, (i) the impact on the value of the

securities owned by such Advisory Client and the returns on those securities; (ii) alignment of portfolio company management's interest with such Advisory Client's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between such Advisory Client and the portfolio companies in which it invests, including the continued or increased availability of portfolio information; (iv) industry business and practices; and (v) the requirements imposed on Adviser and its affiliates in the relevant Client Documentation.

Adviser reviews each proposal submitted for a vote on a case-by-case basis to determine whether it is in the best interest of the applicable Advisory Client. As a result, depending on each Advisory Client's particular circumstances, Adviser may vote one Advisory Client's securities differently than it votes those of another Advisory Client, or may vote differently on various proposals, even though the securities or proposals are similar (or identical). In some instances, Adviser may determine that it is in an Advisory Client's best interest for Adviser to "abstain" from voting or not to vote at all, and will do so accordingly.

At times, conflicts may arise between the interest of an Advisory Client, on the one hand, and the interest of either another Advisory Client or Adviser or its affiliates on the other hand in consideration of a proxy vote. For example, a vote could arise in relation to a single company that (i) has issued stock to an Advisory Client with an equity investment mandate, and (ii) has issued bonds or other debt instruments that are owned, in part, by an Advisory Client that is permitted to invest in debt instruments. To address such potential conflicts, Adviser follows the procedures outlined in the Proxy Voting Policies and Procedures. Where Adviser deems appropriate in its sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist Adviser in fulfilling all or part of its voting obligations. In this regard, Adviser can retain independent fiduciaries, consultants, or professionals to assist with voting decisions and/or to which voting and/or consent powers are delegated in accordance with the Proxy Voting Policies and Procedures.

Proxy voting reports, identifying how proxies were voted where Adviser has been delegated proxy voting authority, and Adviser's Proxy Voting Policies and Procedures are available, free of charge, to Advisory Clients and Fund Investors upon written request to the contact details listed on the first page of this Brochure.

## **ITEM 18 – FINANCIAL INFORMATION**

Adviser is not aware of any financial condition that is reasonably likely to impair Adviser's ability to meet contractual obligations to Advisory Clients. Adviser has not been the subject of bankruptcy proceedings since its inception.

## **EXHIBIT A – RISKS**

The following is a non-exhaustive list of common risks involved with Adviser's investment strategy and/or an investment in a Fund. Please refer to the applicable Client Documentation for additional information about specific risks that may apply to your particular investment.

### **Certain General Investment Risks**

- Future and Past Performance; No Assurance of Return. The performance of Adviser's principals' prior investments and an Advisory Client's performance to date is not necessarily indicative of its future results. Advisory Clients and Fund Investors should be prepared to lose the entire value of their investment.
- Business Risks. An Advisory Client's investment portfolio consists primarily of securities issued by privately held companies or loans to such companies and/or investments in Underlying Funds which themselves hold such investments, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses
- Continuation of Trends and Conditions. The investment strategies of Advisory Clients and the availability of opportunities satisfying Advisory Clients' risk-adjusted return parameters may rely in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions.
- Non-controlling Investments. Advisory Clients and Underlying Funds in which such Advisory Clients invest can be expected to hold non-controlling interests in portfolio companies and, therefore, will have a limited ability to protect each Advisory Client's direct or indirect position in such portfolio companies.
- Concentration of Investments. Advisory Clients may participate in a limited number of investments and may seek to make several investments in one industry or one industry segment, or within a short period of time, subject to any limitations in the applicable Client Documentation. As a result, an Advisory Client's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return.
- Lack of Sufficient Investment Opportunities. It is possible that an Advisory Client will never be fully invested if enough sufficiently attractive investments are not identified.
- Illiquidity; Lack of Current Distributions. In general, Advisory Client investments (other than investments made in liquid credit strategies, if any) should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized.
- Availability of Financing. A combination of lack of liquidity and regulatory constraints on the amount of debt banks may extend for transactions in the capital markets, as well as prevailing market conditions and higher interest rates, may make it significantly more difficult for sponsors, such as Adviser, to obtain favorable financing for investments and the

financing that is available may be on significantly less favorable terms than had been prevailing in the past.

- Leveraged Nature of Investments. The portfolio companies, Underlying Funds, and other issuers (“Issuers”) in which an Advisory Client is permitted to invest have the potential to be highly leveraged, thereby increasing the degree of credit risk inherent in each investment. Leverage often imposes restrictive financial and operating covenants on an Issuer, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs or to pay principal and interest on an Advisory Client’s investments when due.
- Leveraged Investments. If permitted by the applicable Client Documentation, Advisory Clients are permitted to make use of leverage by incurring debt to finance an investment in a given Issuer or intermediate entity pending Advisory Clients’ receipt of capital contributions pursuant to a capital call notice.
- Restricted Nature of Investment Positions. Generally, there is no readily available market for a substantial number of Advisory Clients’ investments, and hence, most of Advisory Clients’ investments are difficult to value.
- Investments in Equity Securities. Equity securities generally represent the most junior position in an Issuer’s capital structure and, as such, generally entitle holders to an interest in the assets of the Issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the directors of the Issuer, out of the Issuer’s income or other assets available, if any, after making interest, dividend, and any other required payments on more senior securities of the Issuer. In addition, different Advisory Clients, or clients of Adviser may invest in different types or classes of securities of the same issue, such as equity securities or debt securities. This could pose conflicts of interest between the Adviser and different Advisory Clients (or clients of Adviser Related Parties) because, for example, market developments or actions by the Adviser or Adviser Related Parties may have different impact on price and returns of these securities, and differences in order of preference for claims against an Issuer based on the type or class of security.
- Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and COVID-19, have resulted in market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to Advisory Clients.
- Interest Rate Risks. Changes in interest rates may adversely affect an Advisory Client’s underlying investments.
- Geopolitical Risk and Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes, the fear of a prolonged global conflict and viral and disease outbreaks and epidemics have exacerbated volatility in the financial

markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a “self-reinforcing” economic downturn.

- General Economic and Market Conditions. The success of an Advisory Client’s activities will be affected by continued economic volatility as well as general economic and market conditions.
- Projections. Projected operating results of an Issuer in which an Advisory Client invests will normally be based primarily on financial projections prepared by such Issuer’s management, with adjustments to such projections made by Adviser in its discretion.
- Risks of Physical Assets. While not anticipated to be a typical outcome, Advisory Client may become involved in transactions which result in the ownership of physical assets (e.g., collateral for secured loans and bonds). In such cases, such Advisory Client will be subject to all the risks inherent in owning physical assets.
- Reliance on Adviser and Adviser Management. Control over the operation of each Fund is vested entirely with its General Partner. Further, each Advisory Client’s profitability depends largely upon the business and investment acumen of the principals of Adviser (the “Principals”).
- Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity/debt industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on an Advisory Client’s activities, including the ability of an Advisory Client to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives, or on the performance of such Advisory Clients’ investments.
- Non-US Investments. An Advisory Client may invest a portion of its aggregate commitments in Issuers that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk.
- Incentive Compensation. As discussed in more detail above, the fact that Adviser’s Incentive Compensation, if any, is based on Advisory Client performance creates a potential incentive for Adviser to cause an Advisory Client that pays Incentive Compensation to make riskier or more-speculative investments or to hold an investment longer than would otherwise be the case. Please see “*Item 5 – Fees and Compensation*” above.
- Director Liability. In certain circumstances, an Advisory Client may receive the right to appoint a representative to the advisory committee, board of directors or similar governing or advisory body of the Issuers in which it invests. Serving on any such board or committee of an Issuer exposes such Advisory Client’s representatives, and ultimately such Advisory Client, to potential liability.
- Misconduct of Personnel; Third-Party Service Providers. Misconduct by employees or by

third-party service providers to Adviser or an Advisory Client could cause significant losses to an Advisory Client. Furthermore, because of Adviser's diverse business and the regulatory regime under which it operates, misdeeds by the Adviser (or its personnel) may result in foreclosing an Advisory Client's ability to conduct its activities in the manner otherwise intended in one or more jurisdictions. In addition, certain of Adviser's or an Advisory Client's operations interface with, or depend on, third parties. Adviser may not always be in a position to verify the risks or reliability of such third parties.

- Environmental, Social and Governance ("ESG") Matters. Adviser will, when sufficiently reliable ESG-related information is available, consider certain ESG factors in its investment process subject to its fiduciary duties and any applicable legal, regulatory, or contractual requirements.
- Public Company Holdings. Unless otherwise specified in the applicable Client Documentation, each Advisory Client's investment portfolio (as well as the investment portfolio of Issuers in which an Advisory Client invests) may contain equity and debt securities issued by publicly held companies. Such investments may subject each Advisory Client to risks that differ in type or degree from those involved with investments in privately held companies.
- Limited Access to Information. Certain Advisory Clients' and Fund Investors' rights to information regarding a Fund, the relevant manager or Adviser generally will be specified, and in many cases strictly limited, by the relevant Client Documentation. In particular, it is anticipated that Adviser will obtain certain types of material information from or relating to an Advisory Client's investments that will not be disclosed to such Advisory Client, or where applicable, the Fund Investors in a Fund, because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Adviser's control.
- Financial Institution Risk; Distress Events. An investment in an Advisory Client is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders, or other custodians (each, a "Financial Institution") of some or all of an Advisory Client's (or any Issuer's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, (each, a "Distress Event").
- Valuation of Investments. Generally, Adviser will determine the value of an Advisory Client's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for the large majority of an Advisory Client's investments because, among other things, the securities and other instruments of Issuers held by such Advisory Client generally will be illiquid and not quoted on any exchange. Additionally, an investment by an Advisory Client in an Underlying Fund will generally be valued at the valuations contained in the latest financial reports supplied by the managers of such Underlying Funds, unless Adviser, in good faith in accordance with its valuation policies, determines that the valuation of such investment does not reflect the fair market value of such investment, in which case such investment will be valued in good faith by Adviser. Valuation determinations involve subjective judgment(s) by Adviser, and present certain conflicts of interest, including that Adviser's fees will generally be larger if

the valuation of investments are higher.

- Cybersecurity Risks. To the extent that an Issuer, Fund, General Partner, Adviser, or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur.

### **Certain Risks Related to Investments in Funds Generally**

- Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). Fund-level borrowing subjects its limited partners to certain risks and costs.
- Limited Transferability of Fund Interests. There is no public market for a Fund's interests, and none is expected to develop. Although certain Funds are expected to permit Fund Investors to request a partial or total redemption of their respective interests in such Fund, such redemption requests are subject to availability as further described in such Fund's applicable Client Documentation and there can be no assurance that any such requests will be satisfied in full, or at all, within a given period of time.
- Pace of Deployment. Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Adviser may not otherwise have done so.
- Conflicting Investor Interests. Fund Investors may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Although certain Funds are expected to permit Fund Investors to request a partial or total redemption of their respective interests in such Fund, such redemption requests are subject to availability as further described in such Fund's applicable Client Documentation and there can be no assurance that any such requests will be satisfied in full, or at all, within a given period of time.
- Significant Adverse Consequences for Default. Client Documentation generally provides for significant adverse consequences in the event a Fund Investor defaults on its commitment or any other payment obligations.
- Dilution. Fund Investors admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of such Fund, thereby diluting the interest of existing Fund Investors in such investments.
- Secondaries and other GP-led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments, and other transactions for the disposition of investments, and Adviser reserves the right to dispose of (or seek additional capital for) Fund investments through such means.

- US Taxation of Carried Interest. US federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years.
- Letter Agreements. Adviser and/or its affiliates reserve the right to enter into Letter Agreements with certain investors in a Fund providing such investors with different or preferential rights or terms.
- Certain Committee on Foreign Investment in the United States (“CFIUS”) Considerations. Review by CFIUS of foreign persons’ control of or investments in certain types of US businesses that can raise national security concerns could adversely affect the timing of an Advisory Client entering into such transactions, or its ability to do so, or could otherwise restrict an Advisory Client’s ability to access information, exercise voting rights or take other actions relating to any such investment that are advantageous to such Advisory Client.

### **Certain Risks related to Investment Strategies Pursued by Adviser**

- Secondary Investment Risk. Advisory Clients can acquire interests in vehicles sponsored by third-party asset managers (“Underlying Funds”) and direct investments through secondary market transactions. The due diligence costs involved in such investments could be higher than those involved in direct subscriptions by Advisory Clients. Secondary market transactions could also require an Advisory Client to assume related contingent liabilities associated with events occurring prior to such Advisory Client’s investment and, in particular, could require such Advisory Client to “return” payments of distributions made by an Underlying Fund or in respect of a direct investment to the seller of the interest in such Underlying Fund or direct investment. In certain circumstances, an Advisory Client could be able to recover such payments from the seller. Such ability cannot, however, be guaranteed. The overall performance of an Underlying Fund or a direct investment acquired through a secondary transaction will depend in large part on the purchase price paid by an Advisory Client. Such price will be negotiated by Adviser on the basis of information regarding the relevant Underlying Fund or direct investment provided by the seller and such Underlying Fund or direct investment, which could be inaccurate or incomplete. In addition, an Advisory Client will generally not have any ability to negotiate terms with respect to interests in Underlying Funds or direct investments invested in through secondary market transactions.
- Continuation Funds. Advisory Clients are expected to subscribe for interests in Underlying Funds, and in particular, Underlying Funds classified as continuation funds. Certain risks that are generally associated with an investment in a private equity fund may be heightened and magnified in respect of an investment in an Underlying Fund that is classified as a continuation fund, in which one or more “trophy” portfolio investments from an existing fund managed by the asset manager is transferred into a new continuation fund or other vehicle that will be managed by the same asset manager. For instance, portfolio companies that are held for a longer period of time may be more likely to experience employee and/or management turnover during the holding period with respect thereto as compared to many other private equity funds. In addition, continuation funds in which an Advisory Client

invests will generally be controlled by third-party sponsors, which may have economic or business interests, investment or operational goals, tax strategies, conflicts of interest, or other considerations that differ from or are inconsistent with those of such Advisory Client. Such sponsors may be in a position to take action contrary to the business, tax or other interests of Advisory Clients, and Advisory Clients may not be in a position to limit such contrary actions, mitigate such conflicts on behalf of the third parties, or otherwise protect the value of its investment. There can be no assurance that meaningful minority rights will be available to Advisory Clients or that any rights received will provide full protection of an Advisory Client's interests.

- GP-Led Investments. Advisory Clients can be expected to participate in various types of GP-led secondaries transactions, which can be expected to involve fund restructurings (e.g., through the formation of a “continuation fund”), strip sales, annex / top-up funds, tender offers and/or preferred equity. In addition, certain transactions may include a “staple” component (i.e., where new investors purchase the interests of existing investors while also agreeing to make a commitment to a new fund). Conflicts of interest are expected to arise given the related-party nature of GP-led transactions, including for example with respect to the fairness of valuation determinations, the applicable transaction and consent process, and the terms of any continuation fund. Additionally, an Advisory Client's participation in any such transaction could result in the crystallization and/or realization of carried interest/performance-based incentive compensation for the benefit of an Adviser Related Party, from any existing limited partners in the Underlying Funds selling their interests as part of such transaction.
- Underlying Funds Typically hold Limited Assets. The Underlying Funds in which Advisory Clients are expected to invest are generally expected to own a limited number of assets, or in certain cases, only a single asset. As a consequence, the returns of such Underlying Funds (and therefore the returns of Advisory Clients invested in such Underlying Funds) would depend upon the performance of the applicable Underlying Issuers of such Underlying Funds and will be susceptible to adverse market, economic, legal, regulatory, and political conditions with respect to the primary industries and geographic regions in which such Underlying Issuers operate. Accordingly, unfavorable performance of any one asset could significantly impact the performance of any such Underlying Fund and could have a substantial adverse effect on the aggregate returns realized by Advisory Clients (and indirectly, Fund Investors).
- Underlying Manager Relationships. Adviser and Adviser Related Parties are expected to compete with certain prospective alternative asset manager general partners and/or fund sponsors and their affiliates (“Underlying Managers”), which could negatively impact relations with certain Underlying Managers. The terms of an Advisory Client's investment in Underlying Funds are expected to address Adviser's sharing of competitive information with competitors of an Underlying Manager. Adviser has implemented an information control policy with restrictions regarding the sharing of confidential information of Underlying Managers with Adviser Related Parties, including Eldridge and other investment advisers owned by Eldridge. Existing relationships between Adviser and/or Adviser Related Parties and the Underlying Managers, or their desire to establish relationships with or access to investments with Underlying Managers, present potential conflicts of interest by

providing an incentive for Adviser to have an Advisory Client invest in a vehicle managed by an Underlying Manager in order to build or maintain that relationship even if the investment may not be the best investment for an Advisory Client.

- Multiple Levels of Expense. Investments in Underlying Funds are likely to significantly increase the fees, costs, and expenses payable by an Advisory Client. An Underlying Fund is expected to impose management fees and/or performance fees or allocations. In addition, there will be organizational and operating expenses associated with an Advisory Client and any Underlying Funds. These anticipated fees, costs and expenses will be charged whether or not the performance of an Advisory Client generates positive returns. As a result, an Advisory Client, and, indirectly, Fund Investors, will bear multiple levels of fees and expenses, which in the aggregate will exceed the expenses which would typically be incurred by an investment in a single Underlying Fund, and which will offset any Advisory Client profits.
- Potential Exposure to Claims. Although Adviser does not intend to acquire controlling positions in the Underlying Managers and Underlying Funds on behalf of Advisory Clients, ownership positions through equity interests or revenue interests as well as other rights could potentially expose the assets of an Advisory Client to claims by such Underlying Manager's or Underlying Fund's other equity holders, clients, creditors, and other third parties. In addition, an Advisory Client may not be in a good position to limit or otherwise protect the value of its investment in Underlying Funds, as an Underlying Manager or Underlying Fund may have economic or business interests or goals that are inconsistent with those of such Advisory Client.
- Underlying Manager Misconduct or Bad Judgment. It will be difficult, and likely impossible, for Adviser to protect Advisory Clients from the risk of Underlying Manager fraud, misrepresentation, or material strategy alteration. Underlying Managers may be motivated to pay out greater portions of their revenue as salaries, bonuses, and other similar expenses, in order to shift income that would otherwise be shared with Advisory Clients to expenses that are payable to other principals of the Underlying Manager that are also employees. If an Underlying Manager acts inconsistently with applicable laws and regulations or takes actions that cause disrepute, such actions may adversely affect an Advisory Client, as an investor in Underlying Fund managed by the Underlying Manager, and may damage such Advisory Client's reputation, which may adversely impact such Advisory Client's ability to complete investments in other Underlying Funds managed by Underlying Managers and such Advisory Client's ability to realize its investment objective. If an Underlying Manager underreports to an Advisory Client the amount of income it has generated or attempts to use other accounting methods in order to avoid its obligations to share income with such Advisory Client, such Advisory Client may be adversely affected.
- General Business Risks of Underlying Managers. Certain Underlying Managers may make investments in companies that will be subject to the risks specific to the business sector in which such companies participate, including market conditions, changes in regulatory requirements, interest and currency rate fluctuations, general economic downturns, changing supply and demand forces, technology changes, and other factors. The success of an Advisory Client's investments in Underlying Funds managed by Underlying Managers will

generally depend on the successful implementation of each Underlying Manager's respective investment strategies and the alternative assets industry generally. Those strategies are subject to numerous and significant risks and uncertainties.