

**FORM ADV PART 2A: Firm Brochure**

**ICAPITAL ADVISORS, LLC**

**FORM ADV PART 2A**

Business Address

60 East 42<sup>nd</sup> Street, 26<sup>th</sup> Floor  
New York, NY 10165  
USA

Phone: (212) 994-7402

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

**January 4, 2023**

This brochure provides information about the qualifications and business practices of iCapital Advisors, LLC (“**iCapital**”). If you have any questions about the contents of this brochure (“**Brochure**”), please contact us at (212) 994-7402.

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

iCapital is registered as an investment advisor with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment advisor’s skill or expertise. Further, registration does not imply or guarantee that a registered advisor has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

**Item 2: Material Changes**

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This brochure amendment is made in connection with iCapital's annual updating requirement for 2023 and serves as an update to iCapital's brochure dated May 17, 2023. This brochure contains routine annual updates and clarifying changes to Item 4: Advisory Business, Item 10: Other Financial Industry Activities and Affiliations, Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, and Item 14: Client Referrals and Other Compensation.

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On November 30, 2023, Institutional Capital Network, Inc. (the "Company") completed a merger of its three broker-dealers, combining iCapital Securities, LLC and SIMON Markets LLC ("SIMON") into Axio Financial LLC, which was subsequently renamed to iCapital Markets LLC.

SIMON Annuities and Insurance Services LLC was renamed to iCapital Annuities and Insurance Services LLC and is now a 100% subsidiary of Institutional Capital Network, Inc.

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**Item 4: Advisory Business**

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iCapital Advisors, LLC (“**iCapital**”, “**we**”, “**us**” or “**the Firm**”), is a Delaware limited liability company that has been in business since May 2014. We are wholly owned by the Company and have our principal place of business in New York, NY. iCapital Markets LLC (“**iCapital Markets**”), an SEC-registered broker-dealer and member of the Financial Industry Regulatory Authority (“**FINRA**”) and the Securities Investor Protection Corporation (“**SIPC**”), acts as a broker-dealer with respect of (i) iCapital’s structured products, (ii) maintaining a web-based platform that provides education, analytics, and integrated tools for risk-managed solutions to financial professionals, and (iii) engaging in the private placement of securities. iCapital Markets serves as the Firm’s private placement agent with respect of certain Funds (as defined below) advised by iCapital and is also a wholly owned subsidiary of the Company. For additional information on iCapital Markets, see Item 14 below.

iCapital provides investment advisory services to the Funds (as defined below) and may provide investment advisory services to other investment vehicles in the future. Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in a Fund. Each of the Funds is exempt from registration under the Investment Company Act of 1940, as amended. The Funds’ securities are not registered under the Securities Act of 1933, as amended. iCapital’s advisory services primarily include identifying underlying private equity or hedge fund managers with whom to invest the assets of its access funds and/or the ongoing operations and management of existing investments in such underlying funds (“**Private Access Funds**”) or identifying sub-advisors to assist iCapital in managing direct investments (“**Direct Investment Funds**”, each Private Access Fund or Direct Investment Fund, a “**Fund**” and collectively referred to herein as the “**Funds**”). Each Fund is managed in accordance with the applicable Fund’s confidential private placement memorandum (the “**PPM**”). A list of the Funds may be found in the Form ADV Part 1A.

The Private Access Funds managed by iCapital were formed to pool investments of investors for the purpose of investing each such Fund’s assets with private equity or hedge funds (“**Underlying Funds**”) managed by third-party managers (“**Underlying Managers**”) that are selected by iCapital. Each Underlying Fund has its own PPM (“**Underlying Fund PPM**”), which includes important disclosures with respect to investment related risks, macroeconomic considerations, fees and other potential conflict issues, and such other disclosures as are determined appropriate by the Underlying Managers. Certain Private Access Funds identify the Underlying Funds prior to the commencement of marketing the Fund, while others are wholly or partially “blind pools” for which the Underlying Funds are selected after marketing commences, and possibly after the Fund has held its final closing. The Direct Investment Funds primarily make investments directly in certain equity securities recommended by a sub-advisor (a “**Sub-Advisor**”) selected by iCapital in accordance with each such Fund’s respective investment objective and any investment guidelines, as set forth in that Fund’s PPM.

These Funds permit investors to access private equity and hedge funds at investment minimums as set forth in the applicable PPM, some of which are as low as \$10,000.

Each Fund is managed only in accordance with its own investment objectives and restrictions and is not tailored to any particular private fund investor (each an “**Investor**” or “**Limited Partner**”). Since iCapital does not provide individualized advice to Investors, Investors should consider whether a particular Fund meets their investment objectives and risk tolerance prior to investing. We do not permit Investors in the Funds to impose limitations on the investment activity described in the Funds’ offering documents. Information about each Fund can be found in its offering documents, including its PPM and limited partnership agreement (the “**LPA**”).

From time to time, iCapital is engaged by managers or general partners of third-party funds (or investors therein) to perform various due diligence services on behalf of the relevant fund which may include, among other things, preparation of investment evaluations, risk assessments and due diligence reports. In performing such services, iCapital generally engages in similar due diligence practices as it performs on behalf of the funds that are distributed by iCapital. In exchange for such due diligence service, iCapital is typically paid a fixed fee.

As of December 31, 2022, total discretionary assets under management for iCapital Advisors, LLC were \$82,055,831,111. Please note that for certain Funds, December 31, 2022 values were not available from the Underlying Funds and as a result, assets under management for these Funds are as of September 30, 2022.

iCapital has included in its regulatory assets under management the assets of any clients for which it (or one of its affiliates) serves as general partner.

Christopher W. Thome is iCapital's Chief Compliance Officer ("**CCO**").

## **Item 5: Fees and Compensation**

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### ***Management Fee for the Funds:***

iCapital will charge each Fund a management fee (also known as an administrative or service fee), generally charged quarterly in advance, equal to the aggregate management fee assessed with respect to each Investor. Notwithstanding, iCapital may charge certain Funds a management fee, charged in arrears, equal to the aggregate management fee assessed with respect to each Investor, subject to the Funds offering materials. The management fee charged will typically range between 0.15% to 1.25% per annum, a portion of which, in respect of the Direct Investment Funds only, is paid by iCapital or its affiliates to the applicable Sub-Advisor for services provided by the Sub-Advisor. To the extent an Investor withdraws or is withdrawn other than at the end of a calendar quarter, and the Investor prepaid the management fee up through the end of that calendar quarter, such Investor will generally receive a pro rata share of any management fee it prepaid for any quarter, based on the Investor's date of withdrawal, unless the applicable Fund documents provide otherwise. Notwithstanding the foregoing, iCapital in its sole and absolute discretion may elect to waive or otherwise reduce the management fee attributable to any Investor.

### ***Investor Servicing Fee:***

In addition to the management fee described above, iCapital may be entitled to receive an investor servicing fee (which may be referred to from time to time as an "administrative fee" collectively referred to herein as the "**Investor Servicing Fee**"), from the Underlying Manager typically charged as a percentage of the Fund's aggregate capital contributions. Typically, the General Partner of the Underlying Fund is responsible for payment of the Investor Servicing Fee to iCapital. Investors should refer to the Fund's PPM for full disclosure relating to all the fees an investor might be subject to or received by iCapital.

### ***Payments to Underlying Managers:***

In addition to the management fee described above, the Private Access Funds are generally subject to their pro rata portion of any fees charged by the Underlying Funds. These fees typically include a management fee, which generally ranges from 1% - 2% on an annual basis, and in most cases, an incentive compensation arrangement, which generally ranges from 10% - 20% of the capital appreciation in the Underlying Fund. In respect of the Underlying Funds that are private equity funds, such Private Access Funds are often subject to a preferred return and general partner catch-up. In addition, each Fund will indirectly bear its pro-rata share of organizational expenses and other operational expenses and costs and expenses payable by the Fund to the Underlying Fund. Furthermore, certain Underlying Funds will offset the amount of any management fees payable by a Private Access Fund (and its other limited partners or shareholders) by the amount of any transaction fees, break-up fees, commitment fees, underwriting fees, amendment fees, waiver fees, modification fees, monitoring fees, consulting fees, directors' fees, advisory fees, closing fees and other similar fees received and retained by the Underlying Fund Manager (or any of its affiliates) in respect of such Underlying Fund. Investors should refer to the Underlying

Fund PPMs for full disclosure relating to all the fees a Private Access Fund would be subject to in connection with its investment in an Underlying Fund.

**Service Providers:**

In connection with its management activities, iCapital, from time to time, engages service providers, including registered investment advisor aggregators and financial intermediary aggregators. These registered investment advisor aggregators to a fund are compensated as a fund expense (as described below), although from time to time such registered investment advisor aggregators are compensated out of iCapital's fee. Registered investment advisor aggregators typically provide certain administrative, marketing and technical support services to iCapital and typically receive fees typically ranging from 0.05% - 0.25% in relation to investors who are clients of each service provider's network of financial advisory firms. Each registered investment advisor aggregator is an independent company, not affiliated with iCapital. There is no form of legal partnership, agency, affiliated or similar relationship between iCapital and the relevant service provider. iCapital from time to time also engages certain registered investment advisors to provide investor services (including assistance with questions regarding investments in Funds, assistance with subscriptions) to their clients currently invested in a Fund. Such registered investment advisors typically receive fees ranging from 0.5% to .35% in relation to investors for whom they provide these services.

**Organizational Expenses:**

The Private Access Fund will bear all organizational and offering expenses (including travel, printing, legal, capital-raising, accounting, diligence reports on the Underlying Fund, regulatory compliance, and any administrative or other filings) incurred in connection with the organization, funding and start-up of the Private Access Fund, including the preparation of, and negotiations with respect to, the governing documents of the Private Access Fund.

**Fund Expenses:**

The Access Fund will bear all fees, costs, expenses, liabilities and obligations, without limitation, of the Access Fund relating to or attributable to: the Management Fee; organizational expenses; the termination, liquidation, winding up or dissolution of the Access Fund; any sales or other taxes, fees or other governmental charges levied against the Access Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Access Fund; expenses and fees related to audits of the Access Fund's books and records and preparation of the Access Fund's tax returns and other third-party provider expenses, including expenses related to tax reporting including under the Foreign Account Tax Compliance Act ("FATCA"); costs of preparing, distributing and filing financial statements and other reports to and other communications with the Partners, as well as costs of all other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including, without limitation, Form PF and reports required to be filed with the NFA, if applicable) of the Access Fund, the General Partner or the Investment Advisor, including fees and costs of any third-party service providers and professionals related to the foregoing; any costs or expenses in connection with the Access Fund's admission to the Underlying Funds (including, the legal costs of completing subscription booklets, negotiating any side letter agreements with the Underlying Funds and any subsequent closing interest charged to the Access Fund in connection with its admission to the Underlying Funds); extraordinary one-time expenses of the Access Fund; all expenses relating to distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Access Fund's investments, including extraordinary expenses; actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Partner or other person and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement);

financing, commitment, origination and similar fees and expenses; broker, dealer, finder, underwriting (including both commissions and discounts), loan administration and private placement fees, sales commissions, investment banking fees and fees for similar services; brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; the costs and expenses (including travel-related expenses) of hosting meetings of the Partners, or otherwise holding meetings or conferences with Limited Partners, whether individually or in a group; expenses attributable to normal and extraordinary investment banking, commercial banking, accounting, research, auditing, appraisal, advisory, valuation, legal and recording fees and expenses, administrative (including any fees and expenses of the administrator or custodian related to the Access Fund, the General Partner or the Investment Advisor), custodial and registration services provided to the Access Fund and any expenses attributable to consulting services, including in each case services with respect to the proposed purchase or sale of securities by the Access Fund that are not reimbursed by the issuer of such securities or others (whether or not any such purchase or sale is consummated); filing, title, transfer, registration and other similar fees and expenses; printing, communications, marketing and publicity; developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Access Fund or the Limited Partners; any activities with respect to protecting the confidential or non-public nature of any information or data; fees and expenses incurred in connection with or otherwise relating to the preparation of form documentation in respect of transfers; amendments to, and waivers, consents, or approvals pursuant to, the constituent documents of the Access Fund, the General Partner, the Investment Advisor or their affiliates and any Alternative Investment Vehicles (A limited partnership, limited liability company, or similar legal structure through which an investor can invest in an alternative investment.); fees and expenses incurred in respect of any arrangement to provide additional liquidity to Limited Partners and facilitate the process for Limited Partners to sell all or any portion of their Interests; complying with any law or regulation related to the activities of the Access Fund (including regulatory expenses of the General Partner incurred in connection with the operation of the Access Fund and legal fees and expenses related thereto); any governmental inquiry, investigation or proceeding involving the Access Fund, including the amount of any judgments, settlements, or fines paid in connection therewith; and directors and officers liability, errors and omissions liability and general partnership liability premiums and other insurance and regulatory expenses to protect the Access Fund, the General Partner, the Investment Advisor and any of their respective partners, members, stockholders, officers, directors, employees, agents or affiliates in connection with the activities of the Access Fund. Access Fund expenses also include any costs and expenses associated with the ongoing operations of any Alternative Investment Vehicles (including administrative fees and expenses; legal and recording fees and expenses; any fees and expenses of consultants, economists, outside counsel, accountants and other third-party service providers; any taxes (including withholding taxes), fees or other governmental charges levied against such Alternative Investment Vehicles, including tax preparation expenses; expenses relating to any audit, investigation, governmental inquiry or public relations undertaking and litigation, insurance, indemnification and extraordinary expenses). In addition to the foregoing, Access Fund expenses include, and therefore Limited Partners will be responsible for, all of the operating expenses of the General Partner and the Investment Advisor with regard to the Access Fund and any Alternative Investment Vehicles. The Access Fund shall reimburse the General Partner, the Investment Advisor or their respective affiliates for any Access Fund expenses paid by them on behalf of the Access Fund. The Limited Partners shall reimburse the Access Fund for all Access Fund expenses on a pro rata basis based on the ratio of each Limited Partner's Subscription to the aggregate Subscriptions of all Limited Partners.

In addition to the foregoing costs and expenses, Limited Partners will indirectly bear the cost of the Access Fund's pro rata share of any management fees, carried interest, placement fees, organizational expenses, taxes, indemnification and other costs and expenses, as applicable, payable by the Access Fund as a limited partner of each Underlying Fund.

The Private Access Fund's share of management fees and organizational expenses of the Underlying Fund may be in addition to, and in such cases shall not reduce, the unpaid portion of the Private Access Fund's commitment to

the Underlying Fund (i.e., the Private Access Fund will be required to contribute amounts in addition to its commitment to fund such management fee and organizational expenses (as described further in the Underlying Fund PPM)).

The Direct Investment Funds will bear all the ordinary and extraordinary expenses in connection with the offering of its interests and operations, including without limitation: the cost of producing and distributing offering memoranda and other marketing and subscription materials; printing and mailing costs; filing and regulatory fees and expenses (including any costs and expenses in connection with regulatory filings and reports required to be made by a Direct Investment Fund, the applicable general partner or the Firm relating to such Direct Investment Fund), pricing and valuation fees and expenses (including the costs and expenses of valuation agents); accounting, custodial, administrative, legal, audit, bookkeeping and tax preparation fees and expenses (including fees and expenses of any administrator or custodian); computer software, licensing, programming and operating expenses; investment research and research-related products and services; data processing costs; consultant fees; tax, litigation and extraordinary expenses, if any, including, without limitation, indemnification, dispute resolution, litigations and related legal fees and expenses; investment expenses whether relating to investments that are consummated or unconsummated (e.g., expenses which, in the determination of the applicable general partner, iCapital or any sub-advisor, if appropriate, are related to the investment of such Direct Investment Fund's assets, such as brokerage commissions, spreads, mark-ups on securities, interest expenses, custodial and sub-custodial transaction charges and any costs associated with collateral management); insurance expenses, bank charges, currency hedging costs; and other investment and operating expenses. Expenses borne by any such Direct Investment Fund for audit expenses, preparation of the Funds' tax returns and liquidation expenses of such Direct Investment Fund may be subject to a cap as set forth in the applicable Direct Investment Fund's PPM. Please refer to the applicable Fund PPM for further details.

iCapital will pay all overhead expenses, including its employees' salaries, rent, utilities, etc.

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

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iCapital may charge the Funds a performance-based fee or carried interest to its Investors. Performance-based compensation may create an incentive for iCapital to make decisions regarding the timing and manner of realization of investments differently than if such compensation were not received. In addition, a Private Access Fund will bear its pro rata share of management fees, performance fees, carried interest or other expenses charged by an Underlying Fund. Please refer to the iCapital and applicable Underlying Funds' PPM for further details and methods of calculating the fees charged to the applicable Private Access Fund.

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**Item 7: Types of Clients**

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The Clients of iCapital are the Funds. The Funds rely on an exemption from the definition of "investment company" under Section 3(c)(7) or Section 3(c)(1) of the Investment Company Act, which requires that its securities are to be held exclusively by "Qualified Purchasers" as defined in the Investment Company Act or limited to fewer than 100 accredited investors, respectively. iCapital offers interests in the Funds pursuant to Regulation D and Regulation S under the 1933 Act.

Investors in the Funds may include high net worth individuals and estate planning vehicles as well as a variety of institutional investors (e.g., employee benefit plans, endowments, foundations, corporations and other types of entities and other corporations or businesses) meeting the terms of the exceptions and exemptions under which the Funds operate and wishing to invest in accordance with a particular Fund's investment objective.



iCapital does not have a minimum size for a Fund, but the minimum investment commitment in a Fund generally ranges from \$25,000 to \$250,000 depending on the Fund, although iCapital has the authority to accept subscriptions for a lesser amount.

iCapital may from time to time enter into letter agreements or other similar agreements (collectively, “Side Letters”) with one or more investors or shareholders of a pooled investment vehicle which provide such investor or shareholder(s) with additional and/or different rights (including, without limitation, with respect to management fees, the performance allocations, withdrawals, access to information and additional capacity offered by the third-party managers, minimum, investment amounts and liquidity terms) than such shareholder(s) or investors have pursuant to general terms of such pooled investment vehicle. iCapital will not be required to notify any or all of the other investors or shareholders of any such written agreements or any of the rights and/or terms or provisions thereof, nor will iCapital be required to offer such additional and/or different rights and/or terms to any or all of the other investors or shareholders.

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

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### ***Underlying Fund Manager/Sub-Advisor Selection:***

The Private Access Funds’ primary investment objective will be to allow investors to gain exposure to select fund managers at significantly lower investment minimums than would be required for a direct investment in any Underlying Fund. iCapital will accomplish this by leveraging our sourcing advantages and employing an ongoing multi-phase diligence approach. The Direct Investment Funds’ investment objective is to provide its investors access to portfolio management by a variety of Sub-Advisors selected by iCapital.

### ***Diligence (Private Equity Funds):***

iCapital’s private equity due diligence process involves multiple phases, and a summary of each phase is below:

Phase I: We begin by compiling a forward calendar of funds coming to market, which consists of over 600 funds that are already in market raising or are expected to begin fundraising over the next 12-18 months. We construct this pipeline by leveraging a variety of data sources and relationships within the private equity community. The senior professionals on our in-house origination and diligence team each have between 10 and 20 years of experience and bring deep networks of alternative fund manager relationships. These relationships have proven to be crucial to us in gaining access to what we believe to be quality funds in the market. Given the wide interquartile spread in historical performance among managers, being able to access high performing private equity managers is critical in building a top-tier program, and our combined experience and relationships provide us with a solid foundation to source attractive opportunities.

Additionally, iCapital has established a proprietary group of leading placement agents in the private equity industry. The consortium consists of over a dozen agents, eight of which are investors in iCapital either through their firms or via direct investment by senior professionals. These firms include several of the top placement agents (including the Private Fund Group at Credit Suisse, the Park Hill Group, and Eaton Partners) as well as high quality mid-size and boutique agents such as Monument Group and Capstone Partners. Collectively, these firms employ dozens of professionals who are meeting with, and evaluating, private fund managers on a daily basis. iCapital speaks with key members of these firms on a fairly regular basis, comparing notes on our respective forward calendars and refining our “short list” of funds that we want to focus on. This process enables iCapital to efficiently identify what we believe to be the most promising funds that are expected to come to market over the next 12-18 months. In addition, iCapital is able to leverage the relationships that senior professionals in our strategic consortium have cultivated. In instances where iCapital is seeking a meeting with a private fund manager, but does not have a direct

relationship, we will reach out to members of our consortium and, in most cases, we will receive an introduction. We believe our placement agent consortium is an invaluable resource in helping us filter the market for private funds and also gain access to top tier managers.

To supplement the information that we gather through this proprietary network, we also review data from Pitchbook, which is a leading source of intelligence for the alternative investment industry. It provides comprehensive data on private equity, real estate, infrastructure, and private debt, including a list of funds that are in the market and prior performance of those managers. Once we have constructed a robust pipeline of funds that are coming to market, we seek to create market maps to focus on the highest quality managers in most strategies. We seek to hold initial meetings with these managers to evaluate their investment strategy and team dynamics, as well as to understand their market opportunity. In a given year, our team will have a meaningful interaction (meeting or conference call) with 150 to 200 private equity managers across different strategies. Our “focus group” of funds typically comprises 5-10% of the funds in our forward calendar or pipeline. While the list fluctuates, it usually has between 40 and 60 funds out of the 600+ in our pipeline.

Phase II: Once we have isolated promising funds coming to market in the upcoming 18 months, we proceed to the second phase of our due diligence process. During this phase, we do a comprehensive evaluation of the manager’s track record, a detailed benchmarking analysis, and a thorough review of the competitive landscape to ensure that we are selecting high quality managers. Our market mapping exercise is critical in understanding the competitive landscape and how a particular manager stacks up against its peers. We will hold an initial meeting with the investment team and seek to analyze the fund’s investment strategy, review the quality and competency of the investment team, and gain a better understanding of how the firm has created value in its prior funds, and understand the market outlook and whether the business model that delivered successful results in the past is still sustainable. This initial meeting is normally scheduled for 1.5 to 2 hours. Also, during this phase of diligence, we review the fund’s Private Placement Memorandum (“PPM”), Limited Partnership Agreement (“LPA”), and ancillary marketing materials. We also start making reference calls to understand market positioning, team stability and depth, effectiveness of the firm’s sourcing strategy, etc. Once we decide to advance a fund to Phase III in our process, we will notify our investment committee and solicit their feedback.

Phase III: Our third phase of due diligence focuses on a much deeper analysis of a fund manager based on both qualitative and quantitative metrics. Our qualitative analysis typically begins with a half day or full-day onsite meeting with each manager, where we meet with senior members of the firm’s investment team. Before meeting with a manager, our team spends a significant amount of time evaluating data room materials provided by the manager. We prepare an agenda with a thorough list of questions. These questions allow us to “throw-off” a manager from its traditional marketing pitch while giving us control of the meeting, dictating areas of discussions. We aim to cover many different topics during these meetings, including team depth and stability, investment strategy and marketing positioning, competitive landscape, loss ratio, discussion of poor investments and lessons learned, review of existing pipeline, case studies, etc. We assess the manager’s compensation structure and succession plan, if applicable, to ensure consistency of team and alignment of interest. We continue to conduct numerous reference calls with individuals that have been independently identified by iCapital, in addition to references provided by the manager. This may include management teams of past and/or present portfolio companies, institutional investors, former employees, peer firms, and service providers such as bankers and lawyers. Our qualitative review is supplemented by a quantitative analysis, which includes a comprehensive track record assessment where we evaluate several performance metrics as well as identify performance attributes, such as public market equivalent returns (PME), dispersion of returns, benchmark performance, loss ratios, partner attribution, and other inputs. During this process, we examine performance and capital deployed across a number of variables, including by sector, deal type, geography, multiple paid, etc. Normally, this process includes numerous meetings/calls with the fund manager’s team, and our Phase III process can last 3 to 5 weeks.

We also conduct operational due diligence during this phase and spend time with a manager’s operations, finance,

and legal teams. We will interview these teams to understand their competency to effectively manage a fund. We focus on control over a fund's cash flows, fund accounting and administration, valuation methodologies, business continuity and disaster recovery plan, material legal matters, and IT systems used by the manager. We will also conduct background checks on key individuals. Overall, our due diligence process takes 4 to 6 weeks to complete.

Finally, we do a comprehensive review of the fund terms and ensure that the terms are in line with similar strategies and follow market standards. Upon completion of our review, we prepare a detailed due diligence report outlining our findings with a summary of strengths and weaknesses. This report will include our analysis of both qualitative and quantitative metrics highlighted above. This due diligence report is presented to our investment committee for approval. Our investment committee is comprised of ten members, including two independent members with no management responsibilities at iCapital and who currently act as advisors to the Committee; these members each have 25 to 35 years of experience in the alternative investment industry. A super majority vote of 6 out of 8 of the investment committee members is required for any investment opportunity to be approved and made available to our network.

### ***Diligence (Hedge Funds):***

The Hedge Fund due diligence process encompasses numerous phases, and a summary of each phase is described below:

**Phase I - Market Assessment:** Determine the market opportunity and the platform needs. We continually strive to identify those investment strategies that are particularly well-positioned within the current market environment. Specifically, we look to focus our diligence efforts on those funds that we believe are in a position to take advantage of a unique market opportunity that is not easily addressable in a traditional, long-only construct, where highly skilled managers have a competitive advantage from a long/short strategy perspective. From a platform-needs perspective, we seek to maintain a diverse offering of funds within each of the key strategy verticals (e.g., equity hedge, credit, event-driven, macro, and multi-strategy). As part of this process, we are constantly examining the overall HF universe to assess the comparative opportunity set within each market segment. Several members of the iCapital diligence team have 10-to-20+ years of experience evaluating large, small, emerging and established funds in all strategies, which we leverage when assessing which strategies offer the most compelling risk vs. reward opportunities across various global markets.

**Phase II- Screening:** Identify those managers that are elevated to our focus list. We build a peer universe, leveraging iCapital's full sourcing and research capabilities to identify those managers with what we believe to be a comparatively strong operating history and the ability to provide alpha-driven performance (e.g., compelling net returns over a market cycle factoring in volatility, downside risk, market/factor beta, etc.). iCapital typically considers only those funds that have at least a 5-year track record and a minimum of \$500 million in assets, while newer or smaller funds may be made available on an opportunistic basis or within a composite portfolio.

**Phase III - Initial Diligence:** Commence investment due diligence on those focus list managers, which includes an initial meeting or conference call, followed by several follow-up points of contact to develop a deeper understanding of the quality of the investment and operational team, the overall strength of the organization, the key drivers of return, risk factor exposures, portfolio construction, risk management discipline and the potential stability and durability of performance over the long-term. Only those funds that possess the requisite combination of experience, discipline and identifiable value-add vs. peers are considered for a more rigorous diligence assessment.

**Phase IV - Advanced Diligence:** Further diligence where our research team seeks to leverage our collective experience over the past two decades to assess which funds are performing well across the investment strategy spectrum. We analyze portfolios, review underlying positions, perform a statistical "ABCD" analysis (Alpha, Beta,

Correlation, Drawdown), conduct reference checks that are provided to us and independently sourced, and ultimately begin drafting a detailed due diligence report. Additionally, iCapital has partnered with Castle Hall to perform independent, third-party operational reviews of all hedge fund that are potentially made available to our network of investors (all reports can be accessed by registered iCapital network members).

**Phase V - Investment Approval:** Once iCapital is comfortable with our internal investment and the independent operational due diligence findings, we prepare a detailed due diligence report outlining our findings with a summary of strengths and weaknesses, and our analysis of both qualitative and quantitative metrics. This due diligence report is presented to our investment committee for approval. Our investment committee is comprised of nine members, including three independent members with no management responsibilities at iCapital; these members each have 20-to-30+ years of experience in the alternative investment industry. A unanimous vote of the investment committee is required for any investment opportunity to be approved and made available to our network.

**Phase VI - Ongoing Monitoring:** Post-investment, iCapital diligence professionals meet and/or speak with each approved Fund on a quarterly basis, and more often as needed (e.g., if there is significant organizational turnover, a market dislocation impacting the strategy, performance-related issue, etc.). Formal quarterly reports are generated and made available to keep investors apprised of their investments consistently over time. iCapital diligence professionals are also available to address investor questions regarding their investments, views on investment strategies and broad industry trends that may impact select funds over time.

With respect to all of its diligence activities, while iCapital intends to conduct both investment and operational due diligence with respect to the Underlying Funds as part of the investment selection process and it believes its due diligence and investment selection process is thorough, there can be no assurance that the Underlying Funds selected will ultimately be successful. Further, operational due diligence will be limited and will not consist of a full forensic accounting or a detailed review of internal conflicts. Accordingly, there is the risk that iCapital may not detect conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses within the Underlying Funds that may give rise to substantial losses.

***Private Access Funds: Custom Engagements:***

In certain cases, iCapital may be engaged by an Underlying Fund Manager or distribution agent to facilitate access to a specific underlying investment vehicle. In such capacity, iCapital will create and manage a Private Access Fund solely in an operational capacity to facilitate such investments and will not conduct investment or operational due diligence with respect to the underlying fund vehicle and/or its target investments. Accordingly, there is the risk that iCapital may not detect conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses within the Fund that may give rise to substantial losses.

References to “Fund” in the discussion of risks below shall mean any of the Private Access Funds, Direct Investment Funds and/or Underlying Funds, as applicable.

***Risk of Loss:***

Investing in securities involves risk of loss that Investors should be prepared to bear. Investors should consider the risks before investing in any Fund.

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment through iCapital or any of the Funds it manages. Prospective investors are urged to consult their professional advisors and review the offering memorandum and other legal documents of the particular Fund before deciding to invest.

***Certain Risk Factors and Conflicts of Interest:***

Potential investors should carefully consider the risks of an investment in the Private Access Fund, which include, but are not limited to, the risks outlined below as well as the detailed discussion with regard to risks and conflicts of interest generally applicable to the Underlying Funds set forth in the Underlying Fund PPMs.

#### Risks Associated with Investing in the Private Access Fund

The risks and conflicts of interest described in the Underlying Fund PPMs with respect to the Underlying Funds and an investment therein apply generally to the Private Access Fund and the Interests. Moreover, without limiting the application or generality of the foregoing, the Private Access Fund will be a newly formed entity (i) that will not be registered under the Investment Company Act, (ii) that will issue illiquid securities that are not registered under the Securities Act or any other laws, (iii) that will not register under the Exchange Act, (iv) the Interests of which will be subject to restrictions on transfer and will have no public market, (v) which will not be permitted to make full or partial withdrawals from the Underlying Funds pursuant to the terms of the Underlying Funds' governing agreements (except in very limited circumstances) and (vi) with respect to which, investors may lose the entire amount of their investment. The returns of the Private Access Fund will depend almost entirely on the performance of its investment in the Underlying Funds and there can be no assurance that the Underlying Funds will be able to implement its investment objective and strategy or avoid substantial losses. As a general matter, Investors are dependent on iCapital's ability to diligence and select Underlying Funds and Underlying Managers. There can be no assurance that iCapital will be successful in this regard, which could cause an investment in a Fund to lose value. In addition, to the extent a Fund is a "blind pool" for which some or all of the Underlying Funds or Underlying Managers will not have been identified by the time an Investor commits to the Fund, the Investor's dependence on iCapital will increase.

Certain ongoing operating expenses of the Private Access Fund, which will be in addition to those expenses borne by the Private Access Fund as an investor in each Underlying Fund (e.g., carried interest, management fees, Underlying Fund expenses, organizational expenses and other expenses and liabilities borne by investors in the Underlying Funds), generally will be borne by the Private Access Fund and the Investors with a corresponding impact on the returns to the Limited Partners. Such additional expenses of the Private Access Fund will reduce the Private Access Fund's performance relative to each Underlying Fund. Pending investment in an Underlying Fund, the Private Access Fund may invest a portion of its assets in short-term interest-bearing accounts which would not meet such Underlying Fund's overall return objectives. Although the Private Access Fund expects to invest substantially all of its capital in the Underlying Funds, its performance will not be identical to the returns achieved by the Underlying Funds. The costs and expenses applicable to an investment in the Private Access Fund itself (including the Management Fee) will necessarily result in the Private Access Fund underperforming the Underlying Funds. In addition, a variety of other factors may contribute to deviations between the performance of the Private Access Fund and the Underlying Funds, including, but not limited to, the size of the Private Access Fund's cash reserve that is not invested in the Underlying Funds.

Although the Private Access Fund will be an investor in the Underlying Funds, Investors in the Private Access Fund will not themselves be equity holders of the Underlying Funds and will not be entitled to enforce any rights directly against the Underlying Funds or Underlying Fund Managers or assert claims directly against the Underlying Funds or the Underlying Fund Managers or any of their respective affiliates. An Investor in the Private Access Fund will have only those rights provided for in the Partnership Agreement and will not be permitted to attend the annual meeting of investors of the Underlying Funds. The General Partner is not the general partner or manager of any Underlying Fund. None of the Private Access Fund, the General Partner, the Investment Advisor or any of their affiliates will take part in the management of any Underlying Fund or have control over its management strategies and policies. The Private Access Fund is subject to the risk of bad judgment, negligence, or misconduct of the general partner or manager of the Underlying Funds and its affiliates. There have been a number of instances in recent years in which pooled investment vehicles investing in third-party funds have incurred substantial losses due to sponsor misconduct. Investors, by acquiring the Interests, will have no direct voting rights in the Underlying

Funds. The Partnership Agreement will provide for indemnification of the General Partner, the Investment Advisor and their respective affiliates and certain other indemnified parties and any such indemnification (and the expense thereof) will be in addition to any indemnification granted under the constituent documents of each Underlying Fund. Investors in the Private Access Fund may be required to return amounts distributed to them by the Private Access Fund to fund the Private Access Fund's and the Underlying Funds' indemnity obligations and other liabilities, subject to certain exceptions and restrictions set forth in the Partnership Agreement. Investors in the Private Access Fund may receive in-kind distributions to the extent an Underlying Fund distributes securities in-kind to its investors and the securities or other assets so received in an in-kind distribution may not be marketable or otherwise freely tradable. With respect to any such securities or other assets distributed in-kind, the risk of loss and delay in liquidating these securities or assets will be borne by the Limited Partners of the Private Access Fund, with the result that such Limited Partners may receive less cash than reflected in the fair value of such securities as determined by the General Partner pursuant to the Partnership Agreement.

By making the Private Access Fund available, neither the General Partner nor any of its affiliates is providing investment advice or making any recommendation as to the advisability of an investment in the Private Access Fund or the Underlying Funds. The General Partner, the Investment Advisor and their affiliates and personnel are not required to devote all or any specified portion of their time to managing the Private Access Fund's affairs, or from engaging in any other business activities, whether or not competitive with the Private Access Fund. Each prospective investor in the Private Access Fund should consult with its own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the Private Access Fund.

The General Partner cannot currently predict the timing and amounts of the capital contributions that will be required to be made by Limited Partners to the Private Access Fund. Such capital contributions may be called on an irregular basis. The General Partner may require each Limited Partner to make a capital contribution to the Private Access Fund on the date it is admitted to the Private Access Fund, in which case it will provide written notice of the exact size and timing of any such initial capital contribution in advance of such admission.

#### Limited or No Diligence of Underlying Fund.

The Private Access Funds are formed specifically to invest in the Underlying Funds, and neither the General Partner nor the Investment Advisor conducts due diligence to evaluate alternative potential investments for the Private Access Funds. In certain cases, neither the General Partner nor the Investment Advisor intends to conduct investment or operational due diligence with respect to the Underlying Funds and/or its target investments and, neither the General Partner nor the Investment Advisor will perform any due diligence on or otherwise gauge the effectiveness of the Underlying Fund's investment program or process. For certain Private Access Funds, limited diligence of the Underlying Fund will be conducted. In either case, there is a risk that the General Partner or Investment Advisor, as applicable, may not detect potential conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses with respect to the Underlying Funds, any of which may give rise to substantial losses.

#### Capital Contributions Are Not Expected to Be Capped at Limited Partner's Subscription Amount.

Each Limited Partner may be required to make contributions in excess of its Subscription. The Private Access Fund may invest all or substantially all Subscriptions in the Underlying Funds. As a result, the extent to which a Limited Partner will be required to make contributions in excess of its Subscription will depend on the percentage of aggregate capital commitments called by the Underlying Funds. The extent to which a Limited Partner will be required to make contributions in excess of its Subscription will also depend in part on the amount of Private Access Fund-level fees and expenses charged, whether those fees and expenses are structured to be included in an investor's commitment and the percentage of Subscriptions the Private Access Fund invests in the Underlying Funds.



**Co-Investment Opportunities.**

The Underlying Fund Managers may offer co-investment opportunities with respect to certain investments to be made by the Underlying Funds and may generally allocate any such opportunities among interested parties in their sole discretion. The Private Access Funds will generally not participate in co-investment opportunities, which may result in lower total returns realized by the Private Access Funds relative to other investors in the Underlying Funds who participate in co-investment opportunities.

**Custody and Banking Risks.**

The Funds will maintain funds with one or more banks or other depository institutions (“banking institutions”), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, the Underlying Funds, their investments, the General Partner and/or the Adviser transact may inhibit the ability of the Funds, the Underlying Funds and/or their investments to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds or Underlying Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds or the Underlying Funds, as applicable. In the event of such a failure of a banking institution where the Fund, an Underlying Fund or one or more of its investments holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds, the Underlying Funds and their affected investments may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds, the Underlying Funds or their investments. One or more investors or a Fund’s General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund’s General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

***Different Access Funds May Yield Higher Levels of Compensation.***

Certain Limited Partners who invest in the Private Access Fund or a Parallel Private Access Fund may have an arrangement with a placement agent to directly or indirectly compensate such placement agent for its advisory services. Depending upon each such Limited Partner’s assets under management, among other factors, certain of these Limited Partners may compensate such placement agent at higher levels than other such Limited Partners. Accordingly, a placement agent and/or its affiliates may receive higher levels of compensation in connection with investments by some Limited Partners than they receive in connection with investments by other Limited Partners. Moreover, if the investor is purchasing Interests in the Private Access Fund, the investor may be subject to higher fees overall with respect to its Private Access Fund investment than an investor purchasing interests in a Parallel Private Access Fund due to the additional compensation paid by such investor to a placement agent and/or its affiliates. Accordingly, a placement agent and its affiliates may have a greater incentive to direct clients to the Access Fund who will invest in a class, tranche, series or sub-series of Interests that will yield a relatively higher level of compensation.

**Investor Custodial Relationships.**

The Investment Advisor may enter into collaboration and services agreements Investor Custodians pursuant to which the Investment Advisor or the applicable iCapital Fund compensates the applicable Investor Custodian for providing certain administrative services in respect of investors who custody their investment in one or more iCapital Funds with

such Investor Custodian. The investors subject to such arrangements will not bear any custodial fees to their Investor Custodian in respect of these assets. The fee, paid by an affiliate of the Investment Advisor, is typically a percentage of the net asset value an investor has in applicable iCapital Funds. Further, the Investment Advisor's affiliate, Institutional Capital Network, Inc., has committed to an annual marketing spend with certain Investor Custodians through which it will promote the iCapital network to the Investor Custodian's platform of registered investment advisors and brokers. The existence of such compensation arrangements could create a potential conflict of interest. Any such compensation arrangement could create an incentive for an Investor Custodian or any third-party registered investment advisor or broker to recommend the interests in the iCapital Funds (including the Access Fund) to investors where they might not otherwise make such recommendation.

***Educational Programs.***

The General Partner, the Investment Advisor or an affiliate thereof may, from time to time, offer (and, under certain circumstances, subsidize) certain educational and professional certification programs for financial advisers that recommend products included on the iCapital network platform. The provision of such programs may create a conflict of interest because the offering of such programs may incentivize the advisers that participate in such programming to recommend iCapital and interests in iCapital Funds over a manager or administrative agent who has not provided such educational opportunities. A prospective investor should carefully consider such conflict when determining whether to subscribe for Interests.

***Potential Ownership of Interests in iCapital.***

The sponsor, general partner, investment manager (or equivalent) of the Underlying Fund and/or its affiliates (the "Sponsor") and/or an investor's broker-dealer or registered investment advisor or their affiliates (such investor's "RIA"), together with their subsidiaries may own a passive minority share of the outstanding equity securities of iCapital which wholly owns the General Partner and the Investment Advisor. The existence of any such relationship could potentially create conflicts of interest. For instance, due to the Sponsor's or RIA's ownership interest, iCapital may be more willing to establish access funds for funds controlled by the Sponsor, or for clients of the RIA, than funds controlled by other fund managers or for clients of other RIAs. Due to the Sponsor's or RIA's ownership interest, iCapital may be more willing to vote the Access Fund's interest in the Underlying Fund in a way that is favourable to the Sponsor or RIA, as applicable. Also, both the Sponsor or RIA on the one hand and iCapital on the other hand may be more likely to agree to or approve of such access fund arrangements given the existence of any such relationship and investment.

***Potential Ownership of Interests in iCapital by Service Providers.***

A number of financial institutions (the "Minority Owners") own passive minority shares of the outstanding equity securities of iCapital, Inc. -. One or more of these Minority Owners provide services to the Private Access Funds and/or their affiliates, and such Minority Owners or new minority owners of iCapital may provide such services or additional services in the future. These services may include administration, custody, distribution, and other services. The Minority Owners' investments in iCapital could create conflicts of interest. For instance, the investments may make iCapital more inclined to engage a Minority Owner to provide services to the Private Access Fund relative to other firms who provide the same or similar services at lower prices, or provide the same or similar services at a higher quality and similar price.

***Termination of the Access Fund due to Insufficient Subscriptions.***

In the event that the General Partner determines for any reason, in its sole discretion, not to invest in the Underlying Fund, including, without limitation, due to an insufficient amount of Subscriptions, the General Partner may cause the Access Fund to be wound up as soon as is reasonably practicable.

**Reliance Upon Outside Data Vendors.**



The General Partner and the Investment Advisor will receive data and other information regarding the performance of the Underlying Funds' investments from outside vendors, including the Underlying Fund Managers and the Underlying Funds' administrators. Such data may include price quotations, earnings reports, balance sheets, and other indicators of financial performance. The General Partner and the Investment Advisor have no independent means to ensure that such data is error-free or to discover that such data is in other ways incomplete or inaccurate.

#### Cyber Security Breaches, Identity Theft and Fraud.

iCapital's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in iCapital's, the Access Fund's, the Investment Advisor's and/or the General Partner's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm iCapital's, the Private Access Fund's, the Investment Advisor's and/or the General Partner's reputation, subject it and its respective affiliates to legal claims and otherwise affect their business and financial performance. In addition, the iCapital and its affiliates are also subject to the risk of fraud. While systems and procedures may be in place which iCapital believes are designed to detect and deter fraud, such systems and procedures may not be effective in all circumstances to prevent the risk of fraud.

#### Impact of Disease Epidemics.

The outbreak and the continuing impact of an infectious disease in the United States or elsewhere, such as novel Coronavirus ("COVID-19"), together with any resulting travel restrictions or quarantines, could result in disruptions to employment and supply chains and otherwise have a negative impact on the economy and business activity in the United States and worldwide and thereby adversely affect the business, financial condition, results of operations and prospects of certain companies in which the Underlying Fund and the Private Access Fund may be directly or indirectly invested, and may adversely impact the performance of such investments. The risk of further spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets.

The extent to which any Private Access Fund investments and, indirectly, any Underlying Fund investments, are adversely impacted by the COVID-19 outbreak will largely depend on future developments, which are highly uncertain and cannot be accurately predicted, including the severity and duration of the outbreak and the actions taken to contain the outbreak. An outbreak of an infectious disease could also have a material adverse effect on the Private Access Fund's and the Underlying Fund's business prospects, financial condition and operations, including the ability of the Private Access Fund, its administrator and the Underlying Fund's managers and their respective employees and/or third party service providers and other counterparties to render adequate services to or otherwise fully support the administration and operation of the Private Access Fund and the Underlying Fund. Additionally, the perception of an outbreak of COVID-19 or another contagious disease may also have an adverse effect on the economic conditions of a particular region and may result in significant market volatility, which could have an adverse effect on the performance of the investments of the Underlying Fund and, indirectly, of the Private Access Fund.

Investors should note that the values of unrealized investments described in the Underlying Fund PPM are estimated as of the dates specified in the Underlying Fund PPM and are inherently uncertain and subject to change. Investors should not assume such values are current as of any other date (including the date of this Memorandum). Although the long-term economic fallout of COVID-19 is difficult to predict, it has contributed to, and is likely to continue to contribute to, market volatility and is likely to adversely impact subsequent valuations of the Underlying Fund's unrealized

investments, including the performance and return information to be reported at subsequent dates, and if the economic fallout is serious and/or extended, the adverse impacts may be significant.

***Impact of War and Geopolitical Risks.***

The value of the Underlying Funds' investments could be negatively affected by factors impacting the economy and securities markets generally, such as real or perceived adverse economic conditions, supply and demand for particular instruments, changes in the general outlook for certain markets or corporate earnings, interest rates, announcements of political information or adverse investor sentiment generally. In addition, the values of the Underlying Funds' investments may decline for a number of reasons, including increases in defaults resulting from changes in overall economic conditions. Unfavorable market conditions may also increase funding costs, limit access to the capital markets or result in credit terms changing or credit becoming unavailable. These events could have a material adverse effect on the Underlying Fund's investments and the Underlying Fund's and the Access Fund's overall performance.

Events such as war, terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and world economies and markets generally. These risks could also adversely affect individual issuers and securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Underlying Fund's investments.

Continuing market uncertainty may have a significant impact on the business of the Underlying Fund and the Access Fund.

**Other Funds or Managed Account Agreements with Similar Strategies.**

The General Partner, the Investment Advisor and/or the Underlying Fund Managers may, in each of their sole discretion, manage other funds, and/or enter into management or advisory agreements with respect to managed accounts or other similar arrangements (collectively, "Managed Accounts") that provide an investment strategy and program similar to that of one of the Private Access Fund and/or one or more of the Underlying Funds. As a result of such other funds and Managed Accounts, certain investors with access to investment programs similar to that of the Private Access Fund or the Underlying Funds may receive additional benefits (including, but not limited to, reduced fee obligations, the ability to withdraw from a Managed Account or other fund on shorter notice and/or expanded informational rights) that Limited Partners in the Private Access Fund will not receive. Neither the Private Access Fund nor the respective Underlying Fund Managers will be required to notify any or all of the Limited Partners in the Private Access Fund of any such Managed Account or other funds or any of the rights and/or terms or provisions thereof, nor will the Private Access Fund or such Underlying Fund Managers be required to offer such different rights and/or terms to any or all of the Limited Partners in the Private Access Fund. The General Partner, the Investment Advisor and/or the Underlying Fund Managers may enter into such Managed Accounts with any party as it may determine in its sole discretion at any time. The Partners will have no recourse against the Private Access Fund, the General Partner, the Investment Advisor, and Underlying Fund Managers and/or any of their affiliates in the event that an Underlying Fund Manager provides additional and/or different rights and/or terms as a result of such Managed Accounts. The General Partner, the Investment Advisor and their personnel are not required to devote all or any specified portion of their time to administering the Access Fund's affairs, nor is the General Partner, the Investment Advisor or their personnel prohibited from engaging in any other business activities, whether or not competitive with the Access Fund.

**Default.**

If a Limited Partner fails to make a required capital contribution to the Private Access Fund on its due date (including, without limitation, recalls of distributed capital), regardless of the reason (including legal or other prohibitions), the General Partner may impose substantial penalties on such Limited Partner and use any available remedies to enforce the contribution obligation. If the Private Access Fund fails to make a capital contribution

with respect to its investment in an Underlying Fund when due, whether as a result of a default of a Limited Partner or otherwise, such Underlying Fund may exercise various remedies against the Private Access Fund that, if caused by the default of a Limited Partner to the Private Access Fund, may or may not be allocated solely to such defaulting Limited Partner, including forfeiture of all, or a part of, such defaulting Limited Partner's indirect investment in such Underlying Fund. Notwithstanding the foregoing, a default by any Limited Partner could still have a material negative impact on the return of the Private Access Fund as a whole (including Limited Partners that have not defaulted on their commitment to the Private Access Fund).

Lack of Transferability or Redemption of Interests.

In light of the fact that there are restrictions on withdrawals, transfers and redemptions, and the Interests are not registered under the U.S. federal or state securities laws or similar laws of any non-U.S. jurisdiction, an investment in the Private Access Fund will be an illiquid investment. There will not be any market for the Interests. Investments in the Private Access Fund should therefore be considered only by persons financially able to maintain their investment for an extended period of time, who can afford a loss of all or a substantial part of their investment and have the financial ability to satisfy capital calls. Even if the Private Access Fund's investment in the Underlying Funds proves successful, it is unlikely to produce a realized return to Limited Partners for a period of years.

No Recourse Against the Underlying Funds.

Limited Partners of the Private Access Fund will not be equity holders of the Underlying Funds, will have no direct interest in the Underlying Funds and will have no standing or recourse against the Underlying Funds, the Underlying Fund Managers, their respective affiliates or any of their respective advisors, officers, directors, employees, partners or members.

No Rights to Vote or Participate.

In the event that there is an issue to be voted upon by the investors of an Underlying Fund, generally the General Partner in its discretion, and not the Limited Partners, will determine how the Private Access Fund's interest in such Underlying Fund will be voted. In addition, none of the Private Access Fund, the General Partner, the Investment Advisor or the Limited Partners will have an opportunity to participate directly in the control, management or day-to-day operations of the Underlying Funds.

Certain Information Regarding the Underlying Funds May Not be Disclosed to Limited Partners.

The Underlying Fund Managers, the Underlying Funds or their respective affiliates may have certain confidential information relating to the Underlying Funds and their portfolio companies and investments that have not and will not be disclosed to the Limited Partners of the Private Access Fund. In addition, the General Partner and its affiliates may have certain confidential information relating to the Access Fund, the Underlying Fund and its portfolio companies that has not and will not be disclosed to the Limited Partners of the Access Fund.

Terms of the Underlying Funds.

The terms of the Underlying Funds are subject to change. There can be no assurances that the respective investors of an Underlying Fund will not further amend the governing agreement of such Underlying Fund. Neither the Private Access Fund nor the General Partner will have the ability to unilaterally block any amendment of the governing agreement of an Underlying Fund. None of the Underlying Fund Managers, the Underlying Funds or the General Partner or any of their respective affiliates will have any liability or responsibility to any Limited Partner for any changes to the terms of the Underlying Funds. The General Partner is under no obligation to revise or supplement this Memorandum, notwithstanding any amendments to the governing agreement of an Underlying Fund and neither the Underlying Funds nor the Underlying Fund Managers are under an obligation to revise or

supplement this Memorandum or the Underlying Fund PPMs.

Side Letters.

The Private Access Fund and/or the General Partner acting in its capacity as general partner of the Private Access Fund may enter into side letters with one or more Limited Partners of the Private Access Fund (and an Underlying Fund or an Underlying Fund Manager may do the same with respect to limited partners of such Underlying Fund). These Side Letters may entitle a Limited Partner to make an investment in the Private Access Fund on terms other than those described herein, in the Partnership Agreement, and in the subscription agreements relating to the purchase of the Interests. Any such terms, including with respect to (i) reporting obligations of the Private Access Fund, (ii) transfers to affiliates, (iii) withdrawal rights due to adverse tax or regulatory events, (iv) consent rights to certain Partnership Agreement amendments, (v) payment of the Management Fee, or (vi) any other matters, may be more favorable than those offered to any other Limited Partners. If the Private Access Fund and/or the General Partner acting in its capacity as general partner of the Private Access Fund enter into a Side Letter entitling a Limited Partner to withdraw from the Private Access Fund, any election to withdraw by such Limited Partner may increase any other Limited Partners' pro rata Interest.

No Guarantee Qualified Matching Service Will be Available.

While the General Partner currently intends to set up a Qualified Matching Service (or make available a Qualified Matching Service from a third-party) to assist with transfers of Interests, there is no guarantee that a Qualified Matching Service will ever be established or be available when a Limited Partner desires to sell their Interests in the future. In addition, the Partnership Agreement prohibits transfers of Interests without the consent of the General Partner, which may be granted or withheld in the sole discretion of the General Partner (regardless of whether a Qualified Matching Service is available). Lastly, there is no guarantee that the constituent documents of the Underlying Funds will allow for transfers of Interests without the consent of the applicable general partner or other managing person of the Underlying Funds.

Repayment of Distributions.

The Private Access Fund may be required to repay to an Underlying Fund or to pay creditors of an Underlying Fund, as applicable, distributions previously received by it. In addition, the Private Access Fund may be required to pay to an Underlying Fund amounts that are required to be withheld by such Underlying Fund for tax purposes or taxes arising from the participation of the Access Fund in the Underlying Fund. The Private Access Fund may require Limited Partners to return to the Private Access Fund all or part of any distribution by the Private Access Fund to the Limited Partners in order to satisfy all or any portion of the Private Access Fund's indemnification and other obligations, whether to an Underlying Fund or otherwise. Similarly, Limited Partners may be required to repay or pay such amounts to the Private Access Fund if the Private Access Fund is unable otherwise to meet its obligations.

Leverage.

The Private Access Fund may borrow money for the purpose of satisfying permitted withdrawals, making distributions to Partners, paying organizational or operating expenses and/or making required capital contributions or other payments to the Underlying Funds and for temporary liquidity purposes. Such borrowings will be an obligation of the Private Access Fund. The Private Access Fund may provide collateral to the banks or other entities (including affiliates of the General Partner on no worse than arms-length terms) from which it borrows by pledging some or all of the assets of the Private Access Fund (the "Private Access Fund Assets") and/or the Subscriptions to the Private Access Fund. In such event, the Private Access Fund may also be required to delegate the rights to issue drawdown notices and to receive capital contributions to a third party. This procedure exposes

the Private Access Fund to the risk that for whatever reason, including, the default, insolvency, negligence, misconduct or fraud of such banks or other entities, the Private Access Fund will not reacquire the ownership of such Private Access Fund Assets upon the repayment by the Private Access Fund of such loans. Also, the Private Access Fund will be unable to reacquire such Private Access Fund Assets if the Private Access Fund defaults on such loans. The Private Access Fund's failure or inability to reacquire such Private Access Fund Assets from the banks in whose name the Private Access Fund Assets are pledged in support of a loan could involve the Private Access Fund in protracted litigation and, potentially, result in the complete loss of such Private Access Fund Assets. While the General Partner will cause the Private Access Fund to borrow money only from banks entities (including affiliates of the General Partner on no worse than arms-length terms) they believe to be creditworthy, there can be no absolute certainty that such banks will return such Private Access Fund Assets to the Private Access Fund upon the repayment of such loans. In addition, Limited Partners may be required to provide such information and execute and deliver such documents as the General Partner may reasonably request in connection with such borrowings. If a Limited Partner fails to pay required capital contributions or other payments to the Private Access Fund to repay such borrowings, the other Limited Partners will bear a disproportionate percentage of such borrowing, including the costs of such borrowing.

The Underlying Funds may utilize leverage at the Underlying Fund level when making portfolio investments or leveraged capital structures on investments. The use of leverage by the Underlying Funds may increase the volatility of the Underlying Fund's, and in turn the Private Access Fund's, returns and risk of loss. The use of leverage exposes investments to a higher level of investment risk, including the risk that cash flows will be insufficient to meet required payments of principal and interest. The Private Access Fund will be subject to these risks to the extent it incurs indebtedness directly or indirectly.

#### Risk of Lack of Diversification.

The Private Access Fund only intends to invest in the Underlying Funds. Accordingly, the assets of the Private Access Fund are subject to greater risk of loss than if they were more widely diversified. Poor performance on the part of the Underlying Fund will cause poor performance of the Access Fund. Poor performance on the part of the Underlying Funds will cause poor performance of the Private Access Fund. If the Private Access Fund is not able to raise enough capital, it will also invest less in the Underlying Funds than originally contemplated.

#### Competition for Investments.

The Private Access Fund will compete with other entities for the acquisition of investments in private investment funds. Such competition may come from other fund of funds, groups such as institutional investors, investment managers, industrial groups, and others. There may be intense competition for investment opportunities, and such competition may result in less favorable investment terms than would otherwise be the case. The Private Access Fund may be unable to find a sufficient number of attractive opportunities to meet its investment objectives. There can, therefore, be no assurance that investments of the Private Access Fund will meet all the investment objectives of the Private Access Fund, or that the Private Access Fund will be able to invest all of its available capital.

#### Possibility of Increased Government or Market Regulation.

The enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") in the United States has substantially changed and will continue to substantially change the financial regulatory landscape and the scope of the U.S. federal securities laws, rules and regulations and other federal laws, rules and regulations governing the financial industry. Moreover, the Dodd-Frank Act has granted increased regulatory and enforcement powers to certain federal agencies and other regulatory and administrative bodies. The Dodd-Frank Act calls for such agencies and other regulatory and administrative bodies to promulgate rules and regulations concerning a vast array of issues pertinent to the financial industry. The Dodd-Frank Act and the various rules and regulations promulgated thereunder has had, and will continue to have, a significant impact on the "hedge

fund” industry as whole. The Dodd-Frank Act provides for enhanced regulation of derivatives. It is difficult to predict the effect of such regulation on the iCapital Fund and its investments. Furthermore, because some of the rules and regulations required to be promulgated under the Dodd-Frank Act have yet to be adopted (or proposed in certain instances), it not possible to predict what impact such future rules and regulations will have on the financial industry as a whole. When adopted, such rules and regulations could have a material adverse impact on the profit potential of the iCapital Fund.

#### Disqualification of Certain “Bad Actors” from Rule 506 Offerings.

The Interests are being offered to eligible investors without registration under the Securities Act by reason of the exemption from the registration requirements of the Securities Act set forth in Section 4(a)(2) thereof and Rule 506 of Regulation D promulgated thereunder (“Rule 506”). The Private Access Fund would be disqualified from relying on Rule 506 for any offer or sale of Interests if certain “bad actors” are involved in such offering, unless the disqualification could not have been identified by the Private Access Fund in the exercise of reasonable care or has been waived by the SEC staff. The Private Access Fund has implemented certain procedures to prevent any “Covered Person” (as defined in Rule 506(d)) subject to a “disqualifying event” (as defined in Rule 506(d)(1) of Regulation D)) from participating in the offering of Interests or investing in the Private Access Fund. Covered Persons include, but are not limited to, the General Partner, the Investment Advisor, any placement agent to the Private Access Fund and beneficial owners of 20% or more of the Private Access Fund’s voting equity securities. The General Partner may, in its sole discretion, involuntarily redeem all or a portion of a Limited Partner’s Interest to satisfy the conditions set forth in Rule 506. Nevertheless, there is a risk that the Private Access Fund will be required to terminate the offering of Interests in the event that an affiliate, Limited Partner holding 20% or more of the Private Access Fund’s voting equity securities, or anyone else who otherwise qualifies as a Covered Person becomes subject to a disqualifying event.

#### Lack of Registration Under the Commodity Exchange Act.

The General Partner and the Investment Advisor intend to qualify for an exemption from registration as a commodity pool operator with respect to the Private Access Fund pursuant to CFTC Rule 4.13(a)(3) under the Commodity Exchange Act and plans to claim such exemption with the National Futures Association (“NFA”). Accordingly, the General Partner and the Investment Advisor will not be subject to certain regulatory requirements with respect to the Private Access Fund (which are intended to provide certain regulatory safeguards to investors) that may otherwise be applicable absent such an exemption. The General Partner and the Investment Advisor intend to also qualify for an exemption from registration as a commodity trading advisor under CFTC Rule 4.14(a)(8) and plans to claim such exemption with the NFA. If any future regulatory change causes the General Partner or the Investment Advisor to lose either exemption, there could be a material adverse effect on the Private Access Fund.

In addition, the General Partner may operate a Fund pursuant to CFTC Rule 4.7, which provides certain disclosure, reporting and recording relief. Accordingly, neither the General Partner nor the Investment Advisor will deliver to Limited Partners a CFTC-prescribed disclosure document or certified annual reports to investors. However, the Limited Partners will receive audited financial statements of the iCapital Fund on an annual basis and the periodic statements described herein.

#### U.S. Federal Income Tax Reform.

Tax reform legislation enacted in December 2017 (the “Tax Reform Act”) has resulted in fundamental changes to the Code. Among the numerous changes included in the Tax Reform Act are (i) a reduction to the corporate income tax rate, (ii) a partial limitation on the deductibility of business interest expense, (iii) an income deduction for individuals receiving certain business income from “pass-through” entities, (iv) changes in the treatment of carried interest which requires a recipient of carried interest to hold an investment for three years in order for



the carried interest related to such portfolio investment to be treated as capital gains for tax purposes, (v) a partial shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with a transitional rule which taxes certain historic accumulated earnings and rules which prevent tax planning strategies which shift profits to low-tax jurisdictions) and (vi) a suspension of certain miscellaneous itemized deductions, including deductions for investment fees and expenses, until 2026.

The Inflation Reduction Act of 2022 will add a 15% alternative minimum tax on large corporations and a 1% excise tax on repurchases of stock by publicly traded corporations and certain affiliates. Such legislation, as well as possible future U.S. tax legislation and administrative guidance, could materially affect the tax consequences of a Limited Partner's investment in the Private Access Fund, the Private Access Fund's investment in the Underlying Fund, and the Underlying Fund's investments or holding structures.

The impact of these reforms on an investment in the Private Access Fund is uncertain. Prospective investors should consult their own tax advisors regarding changes in tax laws.

#### Real Estate Tax Risks.

Real property owned by the Underlying Funds will likely be subject to real property taxes and, in some instances, personal property taxes. Such taxes may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. An increase in property taxes on real property owned by the Underlying Funds could adversely affect the Underlying Funds' results from operations and could decrease the value of that real property.

#### *Structure of the Underlying Fund.*

The U.S. federal income tax treatment of the Underlying Fund and U.S. or non-U.S. entities in which the Underlying Fund invests may not be as intended by such entity. Because the Private Access Fund does not control the Underlying Fund or its investments, there can be no assurances regarding the U.S. federal income tax treatment of such entities. If any such entity is treated as other than intended for such purposes, the Underlying Fund, the Private Access Fund and/or Limited Partners could be subject to substantial adverse U.S. federal income tax consequences.

#### Annual Income Tax Information.

Limited Partners will likely be required to obtain extensions for filing U.S. federal, state and local income tax returns. Each Limited Partner will be furnished information on an IRS Form 1065 Schedule K-1 for preparation of such Limited Partner's individual U.S. federal income tax return. The furnishing of such information is subject to, among other things, the timely receipt by the Private Access Fund of information from the Underlying Funds, and there can be no assurance that such information, the format of such information or the timing of its distribution will be sufficient for the Limited Partners to determine their tax liability, if any, under the requirements of their respective jurisdictions, to make such determinations on a timely basis, or to comply with all applicable tax filing requirements.

#### *Tax Accounting Concerning Distressed Debt Investments.*

The tax accounting rules with respect to the timing and character of income and losses on investments in distressed debt instruments may result in adverse tax consequences. For instance, Limited Partners may be required to include in income accrued interest, "original issue discount," and, potentially, "market discount" (each of which will be ordinary income), with respect to debt instruments held by the Underlying Fund even though there is uncertainty as to whether such amounts and/or the ultimate principal amount will ever be received by the Underlying Fund. If an item of income is accrued and subsequently becomes uncollectible, the effect is a deduction, rather than the elimination of the accrual, even if the item becomes uncollectible in the same tax year that it is accrued. Accordingly, Limited Partners may be

subject to character mismatches where the Underlying Fund is required to accrue an amount of interest, original issue discount or market discount with respect to a capital asset which is subsequently sold at a loss. In addition, if a debt instrument held by the Underlying Fund is modified, Limited Partners may be required to recognize gain as a result of the modification.

Taxes in Excess of Distributions: “Phantom” or “Dry” Income.

A Limited Partner will be taxed on its share of taxable income from the Private Access Fund, regardless of whether the Private Access Fund makes any distributions. Such taxable income is commonly referred to as “phantom” or “dry” income. Moreover, Limited Partners may be allocated taxable income from the Private Access Fund for a tax year, even though they only receive distributions in such tax year intended to be treated as a return of capital.

*Qualified Small Business Stock.*

In general, if an Underlying Fund holds qualified “small business stock” (“QSBS”) for more than five years, non-corporate U.S. Limited Partners may be permitted to exclude from taxable income some or all of their allocable share of any gain subsequently recognized upon a sale or exchange by the Underlying Fund of such stock (subject to certain dollar amount and basis limitations). There can be no assurance that any stock acquired by the Underlying Fund will qualify as QSBS, and iCapital can provide no assurance that the Underlying Fund will comply with the rules so that such a Limited Partner can exclude gain attributable to QSBS.

Tax-Exempt Investors and UBTI.

Tax-exempt investors should expect to recognize UBTI from the Private Access Fund, which will create a requirement to make tax filings and pay taxes. With the exception of tax-exempt investors that are Governmental Plans that are not Restricted Governmental Plans, the Private Access Fund is not available to tax-exempt investors (unless expressly permitted by the General Partner). In addition, the Private Access Fund will not be open to IRAs, and such IRAs may, as an alternative, consider an investment in the International Private Access Fund.

Non-U.S. Investors and ECI, U.S. Federal Income Tax Withholding and Branch Profits Taxes.

Non-U.S. investors should expect to recognize ECI through the Private Access Fund. Non-U.S. investors also should expect to be subject to U.S. federal income tax withholding and may be subject to the U.S. branch profits tax, on their shares of income from the Private Access Fund, and should expect to be subject to U.S. tax return filing requirements. Unless expressly permitted by the General Partner, the Private Access Fund is not available to non-United States persons.

Controlled Foreign Corporations.

A special tax regime applies to certain U.S. persons who own stock of a “controlled foreign corporation” (a “CFC”). In general, a non-U.S. corporation will be a CFC if more than 50% of its stock is owned by U.S. shareholders who own 10% of the entity. The Tax Reform Act expands this definition to include any U.S. person that owns, directly or under applicable constructive ownership rules, at least 10% of the voting power or value of the non-U.S. corporation’s stock. As a result, the situations in which a foreign corporation is treated as a CFC will be increased.

Passive Foreign Investment Company Considerations.

If any portfolio investment company of an Underlying Fund is a “passive foreign investment company” for U.S. federal income tax purposes (a “PFIC”), then a taxable U.S. Limited Partner could be subject to substantial adverse



U.S. federal income tax consequences with respect to such PFIC. If a “qualified electing fund” election (as defined in Section 1297 of the Code) (a “QEF Election”) has not been made with respect to a PFIC, distributions received by a taxable U.S. Limited Partner from a PFIC (through the Private Access Fund), to the extent they exceed 125% of the average distributions received in the preceding three years, and gain recognized when the PFIC interests are sold, will be subject to a special taxing regime. Such excess distributions and gains will be allocated ratably over the holding period for such interests; the amount allocated to the current year will be taxed as ordinary income; and the amount allocated to any previous year will be taxable at the highest rate of tax in effect for the taxable U.S. Limited Partner for that year. An interest charge also will be imposed. Any adverse tax consequences of a PFIC investment may be limited if a QEF Election is made by the Underlying Funds. Under such election, a taxable U.S. Limited Partner would generally be required to include currently its pro rata share of the PFIC’s ordinary earnings and net capital gain. If that income is later distributed, such distribution would be tax-free. The Underlying Funds may make investments in portfolio investment companies which are treated as PFICs, and we can provide no assurance that the Underlying Funds will make a QEF Election with respect to any PFIC, or, if such election is made, that it would be complied with.

### ***Anti-Deferral Rules.***

Pursuant to various “anti-deferral” provisions of the Code (e.g., the provisions applicable to “controlled foreign corporations” and “passive foreign investment companies”), investments by an Underlying Fund in certain foreign corporations may cause Limited Partners to (i) recognize taxable income prior to the Private Access Fund’s receipt of distributable proceeds, (ii) pay an interest charge on receipts that are deemed as having been deferred, (iii) recognize ordinary income that, but for the “anti-deferral” provisions, would have been treated as long-term or short-term capital gain, and (iv) become subject to certain reporting requirements with respect to such investments.

### **Structuring of Investments.**

The Underlying Funds may structure and hold investments in such a manner in which they deem appropriate in the relevant circumstances in consideration of multiple factors. As a result, no assurance can be provided that the Underlying Funds’ investments will be structured or held in a manner addressing the interests of the Underlying Funds limited partners, including the Private Access Fund, nor in a tax-efficient manner with respect to the Underlying Funds’ limited partners, including the Private Access Fund.

### **Filing Obligations in Non-U.S. Jurisdictions and in State and Local Jurisdictions; Non-U.S. Taxes.**

Limited Partners may be required to file tax returns in non-U.S. jurisdictions and in state and local jurisdictions as a result of activities of an Underlying Fund. In such case, it is possible that neither the Private Access Fund nor the Limited Partners will be aware of such tax payment and/or tax filing requirements in all cases, or have sufficient information to comply with such tax payment and tax filing requirements. Moreover, Limited Partners may be subject to significant levels of non-U.S. taxation in connection with such activities, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of their investment. Substantial withholding taxes may also apply to non-U.S. entities in which the Underlying Funds may invest.

### **Holding Period Requirement.**

The Tax Reform Act has made substantial changes to U.S. federal income tax laws, including by treating performance allocations as short-term capital gain for U.S. federal income tax purposes if certain new holding period requirements are not met. These new holding period requirements could affect investment decisions, including the timing of dispositions by the Underlying Funds and could adversely affect returns for Limited Partners. In addition, these new holding period requirements could subject employees or other individuals performing services for the Underlying Funds who directly or indirectly benefit from carried interest in respect of the Underlying Funds to higher rates of U.S. federal income tax on such carried interest than was the case under prior

law. As a result, the changed treatment of carried interest under these rules could adversely affect such employees or other individuals who benefit from carried interest, which could make it more difficult for the underlying managers to incentivize, attract, and retain individuals to perform services for the Underlying Funds.

#### Treatment of Withholding Taxes.

Notwithstanding anything to the contrary in the Partnership Agreement, the amount of any taxes paid by or withheld from receipts of the Private Access Fund will be deemed distributable to a Limited Partner only if such taxes are determined with reference to the status of such Limited Partner and if such taxes are not imposed substantially on all of the partners.

#### ***Filing Obligations in Non-U.S. Jurisdictions and in State and Local Jurisdictions; Non-U.S. Taxes.***

Limited Partners may be required to file tax returns in non-U.S. jurisdictions and in state and local jurisdictions in which certain entities in which the Underlying Fund invests are residents or operate as a result of an investment in the Access Fund. Moreover, Limited Partners may be subject to significant levels of non-U.S. taxation in connection with such activities, including potentially confiscatory levels of taxation, thereby reducing the earnings potential of their investment. Substantial non-U.S. withholding taxes may also apply to proceeds from non-U.S. entities in which the Underlying Fund may invest. It is possible that neither the Access Fund nor the Limited Partners will be aware of such tax obligations and/or tax filing requirements in all cases, or have sufficient information to comply with such tax obligations and tax filing requirements.

#### ***Treatment of Taxes.***

The Access Fund may directly or indirectly bear taxes, including withholding taxes, and any associated penalties and interest. The Access Fund is under no obligation to ensure that such amounts will be borne equitably by the Limited Partners.

#### FATCA.

FATCA requires all entities in a broadly defined class of foreign financial institutions (“FFIs”) to comply with a complicated and expansive reporting regime or be subject to 30% U.S. federal income tax withholding on certain U.S. payments and requires non-U.S. entities that are not FFIs to either certify they have no substantial U.S. beneficial ownership or to report certain information with respect to their substantial U.S. beneficial ownership or be subject to 30% U.S. federal income tax withholding on certain U.S. payments. FATCA also contains complex provisions requiring participating FFIs to withhold on certain “foreign passthru payments” made to nonparticipating FFIs and to holders that fail to provide the required information. The definition of a “foreign passthru payment” is still reserved under the current regulations; however, the term generally refers to payments that are from non-U.S. sources but that are “attributable to” certain U.S. payments and gross proceeds as described above. FATCA is currently in effect, however, pursuant to recently issued proposed regulations (which can be relied upon until final regulations are issued), withholding on payments of gross proceeds from the sale or other disposition of property that can produce U.S. source interest or dividends would be eliminated and withholding on payments of certain foreign passthru payments would not be effective until two years after final regulations are promulgated that define the term “foreign passthru payment.”

The Private Access Fund may invest in FFIs through an Underlying Fund. The reporting obligations imposed under FATCA require FFIs to enter into agreements with the IRS to obtain and disclose information about certain investors to the IRS or, if subject to an Intergovernmental Agreement (an “IGA”), register with the IRS. IGAs are generally intended to result in the automatic exchange of tax information through reporting by an FFI to the government or tax authorities of the country in which such FFI is domiciled, followed by the automatic exchange of the reported information with the IRS. These reporting requirements may apply to underlying entities in which

the Private Access Fund is deemed to invest and the Private Access Fund will not have control over whether such entities comply with the reporting regime. Any amounts withheld pursuant to FATCA that are allocable to a Limited Partner may, in accordance with the Partnership Agreement, be deemed to have been distributed to such Limited Partner to the extent the taxes reduce the amount otherwise distributable to such Limited Partner. Prospective investors should consult their own tax advisors regarding all aspects of FATCA as it affects their particular circumstances.

#### Partnership Audit Legislation.

Pursuant to the tax rules that govern the process for U.S. federal income tax audits of partnerships (the “BBA Rules”), tax audits of partnerships are conducted at the partnership level, and unless a partnership qualifies for and affirmatively elects an alternative procedure, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership. Under the elective alternative procedure, a partnership would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and the partnership would not be liable for the adjustments. If the Private Access Fund, the Underlying Fund or a portfolio company of the Underlying Fund that is treated as a partnership for U.S. federal income tax purposes does not or cannot make such an election, Limited Partners could bear taxes, penalties and interest in excess of the amounts that would have been due had the corresponding entity elected the alternative procedure.

In the event of an audit, these new rules (and similar rules enacted in other jurisdictions, such as any applicable states, municipalities and foreign countries), and any elections thereunder, may significantly affect the amount and timing of tax (and associated interest and penalties) that is required to be borne by an Underlying Fund, the Private Access Fund and the Limited Partners as well as the manner in which such amounts are allocated among the Limited Partners (including former Limited Partners) of the Private Access Fund. The Access Fund is under no obligation to ensure that such amounts will be borne equitably by the Limited Partners. Under the Partnership Agreement, current and former Partners may be required to indemnify the Private Access Fund for any tax costs that are allocable to them. We cannot provide assurance that the Private Access Fund will be eligible to make an election under the alternative procedure or that it will, in fact, make such an election for any given adjustment. Furthermore, each Underlying Fund (and, if applicable, investments of the Underlying Funds) must comply with the BBA Rules as well, and therefore the Limited Partners may indirectly suffer adverse consequences as a result. Many issues and the overall effect of the BBA Rules on the Private Access Fund and the Underlying Funds (and, if applicable, investments of the Underlying Funds) are uncertain, and prospective investors should consult their own tax advisors regarding all aspects of this legislation as it affects their particular circumstances.

#### ***Base Erosion and Profit Shifting.***

Base erosion and profit shifting (“BEPS”) refers to the concern by certain governments that companies are engaging in tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax jurisdictions. Under an inclusive framework led by the Organisation for Economic Co-operation and Development (the “OECD”), over 100 countries are collaborating to implement BEPS measures and tackle BEPS (the “BEPS Actions”). The nature, extent and timing of tax changes which may result from the BEPS Actions is not certain and depends on how, if at all, jurisdictions choose to implement the proposals in their domestic tax laws and their income tax treaties. Returns from the Access Fund may be adversely affected by the way in which relevant jurisdictions, implement the proposals. We cannot assure you that such tax laws and treaties will not change. Prospective investors should consult their own tax advisors with respect to the impact to them of the BEPS Actions. In addition, on July 12, 2016, the European Council formally adopted a directive containing a package of measures to combat tax avoidance (the “Anti-Tax Avoidance Directive,” or “ATAD”). The scope of ATAD was amended and widened by a further directive formally adopted by the European Council on May 29, 2017, which came into force in European Member states on January 1, 2020 (subject to relevant derogations).

Further to the BEPS Actions, and in particular BEPS Action I (“Addressing the Tax Challenges of the Digital Economy”), the OECD published a Report on May 31, 2019 entitled “Programme of Work to Develop a Consensus Solution to the Tax Challenges Arising from the Digitalisation of the Economy” (as updated on January 31, 2020 by the “Statement by the OECD/G20 Inclusive Framework on BEPS on the Two-Pillar Approach to Address the Tax Challenges Arising from the Digitalisation of the Economy”), which proposes fundamental changes to the international tax system. The proposals (commonly now also referred to as “BEPS 2.0”) are based on two “pillars”, involving the reallocation of taxing rights (Pillar One), and additional global anti-base erosion rules (Pillar Two). BEPS 2.0 is still in its early stages, and there currently remains uncertainty as to how and when its principles will be implemented by participating countries. Depending on the outcome of BEPS 2.0, effective tax rates could increase within the fund structure or on its investments, including by way of higher levels of tax being imposed than is currently the case, possible denial of deductions or increased withholding taxes and/or profits being allocated differently. This could adversely affect investor returns.

In addition, as part of the BEPS Actions, Luxembourg has signed (together with more than 100 jurisdictions) the so-called multilateral instrument (“MLI”) that will transpose anti-BEPS measures into the treaties Luxembourg has concluded. The MLI notably introduces a “principal purpose test” denying tax treaty benefits to companies when obtaining such benefits is “one of the principle purposes of any arrangement or transaction that resulted directly or indirectly in” these benefits, unless granting these benefits under the given circumstances would be “in accordance with the object and purpose of the relevant provisions” of the tax treaty. Whether a Luxembourg entity relying on tax treaty benefits can be construed as being part of such type of arrangement will predominantly depend on source state views.

The implementation of ATAD may affect the structuring and tax efficiency of the Private Access Fund. New rules under BEPS Actions and ATAD have already started being introduced and deal amongst others with the operation of double tax treaties, the definition of permanent establishments, interest deductibility and preventing potential tax benefits from using hybrid instruments and hybrid entities. The implementation of the BEPS Actions and ATAD may also require an Underlying Fund and/or its representatives to enter into discussions with tax authorities which may involve disclosure of the structure of the Underlying Fund and the identity and certain other information pertaining to its investors. Each prospective investor should be aware that such discussions and disclosure may take place and that investors may be required to provide further information in order to facilitate such discussions. Any such restructuring or discussions may give rise to adverse tax or other consequences and there is no guarantee that the outcome of any restructuring or discussions with tax authorities will achieve their intended results. Investors should consider the potential impact the BEPS Actions and ATAD may have on their respective tax positions.

### ***Financial Transaction Tax***

In February 2013, the European Commission published a proposal for a Council Directive implementing enhanced co-operation for a financial transaction tax (“FTT”) requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (each, other than Estonia, a “Participating Member State”). However, on March 16, 2016, Estonia completed the formalities required to cease participation in the enhanced co-operation on FTT.

In its current form, the proposed FTT would apply to certain dealings where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, “established” in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument in which the parties are dealing is issued in a Participating Member State. It is not possible to predict what effect the proposed FTT might have and any such tax liabilities may reduce amounts available to distribute to investors. It should also be noted that the FTT could be payable in relation to relevant transactions by investors if the conditions for a charge to arise are satisfied.

The FTT proposal remains subject to negotiation between Participating Member States. It may therefore be altered prior to implementation, the timing of which remains unclear. Additional member states may also decide to participate

in the FTT. Prospective investors must seek their own professional advice in relation to the FTT and its potential impact on their investment.

The European Commission is also pursuing other initiatives, such as a common corporate tax base, the impact of which, if implemented, is uncertain.

#### **DAC6.**

The European Union has implemented mandatory disclosure requirements commonly referred to as “DAC6.” Under DAC6, certain European Union “intermediaries,” including attorneys and accountants, asset managers, trust companies and corporate service providers, must specially disclose to their corresponding local European Union tax authorities any “reportable cross-border arrangement” (an “RCBA”). “Relevant taxpayers,” which includes a taxpayer that implements an RCBA, has a secondary disclosure obligation. Each European Union member state must enact its own DAC6 legislation. The scope of DAC6 and any specific country’s authorizing legislation is or may not be clear. In light of the broad scope of DAC6, transactions carried out by the Underlying Fund may fall within the scope of DAC6 and thus be reportable (subject however to the way DAC6 will be implemented into national laws).

#### ***Common Reporting Standard.***

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard (“CRS”) to address the issue of offshore tax evasion on a global basis. CRS provides a common standard for due diligence, reporting and exchange of financial account information, pursuant to which many countries have now signed bilateral agreements for the exchange of information. The European Union has also signed separate automatic exchange of information agreements with certain non-European Union countries, whereby the European Union and the relevant jurisdiction will automatically exchange information on the financial accounts of each other’s residents. Other countries may sign and implement these or similar arrangements in the future. Under CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. Limited Partners may be required to provide additional information to the Access Fund to enable the Access Fund to satisfy its obligations under CRS. Failure to provide requested information may subject a Limited Partner to liability for any resulting penalties or other charges and/or mandatory withdrawal of their Interests. Prospective Limited Partners should consult their own tax advisors with respect to their own certification requirements associated with an investment in the Access Fund.

#### ***Withholding on Dispositions of Interests in the Access Fund and Subscription of the Access Fund to the Underlying Fund.***

Pursuant to the Tax Cuts and Jobs Act, any gain realized by an individual or corporation, in each case that is not a “United States person” as defined in Section 7701(a)(30) of the Code, from the direct or indirect transfer of all or part of an interest in a partnership is treated as income effectively connected with the conduct of a trade or business in the United States (“ECI”) to the extent a sale by the partnership of all of its assets at fair market value as of the date of the transfer of the partnership interest would have resulted in ECI allocable to that partner. In order to ensure enforcement of these rules, a transferee of a partnership interest is required to withhold ten percent (10%) of the amount realized from the transfer unless it is established that an exception to withholding applies. For these purposes, a distribution by a partnership is treated as a transfer of a partnership interest to the extent the distribution exceeds the partner’s basis in the partnership interest. If the transferee fails to satisfy its withholding obligations under these rules, the partnership is required to withhold, from subsequent partnership distributions to the transferee, the full amount that should have been withheld and potentially amounts in excess thereof (plus interest and penalties).

The application of these rules to the Access Fund’s admission to the Underlying Fund is uncertain, but if amounts contributed by the Access Fund to the Underlying Fund are distributed to other limited partners in the Underlying Fund, the IRS could take the view that the Access Fund is a transferee of a partnership interest from such other limited

partners in the Underlying Fund. Under such a view, the Access Fund would be required to withhold, and pay to the IRS, up to ten percent (10%) of its subscription amount in such subsequent closing (increased by the amount of any liabilities deemed assumed by the Access Fund for tax purposes), to the extent an exception to withholding either does not apply or has not been properly documented.

Furthermore, although the Access Fund generally does not expect to admit non-United States persons, the IRS might also take the view, similar to the view discussed in the prior paragraph, that a payment made to a Limited Partner in the Access Fund could give rise to a withholding tax liability.

If a partner of the Underlying Fund transfers its interest and the transferee is required to withhold 10% of the amount realized from such transfer but fails to do so, the Underlying Fund would be so required. If the Underlying Fund also fails to do so, the Underlying Fund would be subject to withholding tax, penalties and interest, which its partners (such as the Access Fund) would bear. No assurance can be provided that a Limited Partner will not indirectly bear taxes as a result of these rules.

The scope and application of these rules remains uncertain. Prospective investors should consult their own tax advisors regarding the implications of these rules to their investment in the Access Fund.

#### Underlying Fund Investment Risk.

In addition to the risks described above, the Private Access Fund, as an investor in the Underlying Funds, is subject to all the risks relating to the Underlying Funds' investments as described in the Underlying Fund PPMs and therefore, the Limited Partner's Interests will be subject, indirectly, to all such risks. Prior to subscribing for Interests, a prospective Limited Partner should carefully read the Underlying Fund PPMs.

#### Other Tax Risks.

An investment in the Private Access Fund involves complex U.S. federal, state and local and foreign income tax considerations that will differ for each Limited Partner. Prospective Limited Partners are advised to seek the advice of a qualified expert on matters of U.S. federal, state and local and foreign taxation of the Private Access Fund and ownership of the Interests. In judging whether to invest in the Access Fund, a prospective Limited Partner should consider the tax consequences thereof which include, but are not limited to:

- the possibility of adverse changes or interpretations in applicable tax laws;
- the possibility that a Limited Partner may be required to file tax returns and pay tax in state, local and/or non-U.S. jurisdictions in which the Private Access Fund's assets are deemed to be located and/or where the Private Access Fund is considered to be conducting business or otherwise has a taxable nexus (including through its investment in the Underlying Funds);
- the possibility that the Interests could decline in value with a Limited Partner realizing a capital loss if the Private Access Fund is liquidated or the Limited Partner disposes of its Interests, with limitations on the deductibility of any such capital loss;
- the possibility of substantial taxation of the Underlying Funds, the Private Access Fund or Limited Partners, including imposition of state, local and non-U.S. taxes (including withholding taxes), alternative minimum taxes and the net investment income tax; and
- the possibility that the allocations of the Underlying Funds' or the Private Access Fund's income, gain, loss, deduction and credit to the Limited Partners will not be respected.

It is possible that an audit of the Private Access Fund's (or an Underlying Fund's) income tax returns by the IRS or other tax authority, if conducted, may result in a material increase in taxable income (or a decreased loss) to a Limited Partner than what was initially reported to the Limited Partner by the Private Access Fund. Such an audit may also result in an audit of a Limited Partner's personal income tax returns. Limited Partners will not be



indemnified for any taxes, penalties and interest that arise in connection with any audit. A Limited Partner must report each Private Access Fund item of income, gain, loss, deduction or credit for U.S. federal income tax purposes consistent with such item's treatment on the Private Access Fund's U.S. federal income tax returns. In the event of an audit, the tax treatment of all Private Access Fund items may be determined at the Private Access Fund level in a single proceeding rather than in separate proceedings with each Limited Partner. The General Partner will take primary responsibility for contesting U.S. federal income tax adjustments proposed by the IRS, to extend the statute of limitations as to all investors and, in certain circumstances, the General Partner may be able to bind investors to a settlement with the IRS. Each Limited Partner's participation in administrative or judicial proceedings relating to the Private Access Fund items would be restricted.

#### Lending to Private Access Funds.

In certain circumstances, Institutional Capital Network, Inc., the parent company of iCapital, makes loans to Funds managed by iCapital in order to facilitate redemptions by investors in those Funds. Such loans are typically made on a short-term, unsecured, and interest-free basis.

### **Item 9: Disciplinary Information**

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iCapital does not believe that there have been any legal or disciplinary events that are material to our advisory business or the integrity of our management.

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

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#### ***iCapital Markets LLC***

*Affiliated Broker-Dealer.* Institutional Capital Network, Inc., the parent company of iCapital, is the sole member of iCapital Markets, an SEC-registered broker-dealer and a member of FINRA and SIPC that was formed in 2023 through the merger iCapital Securities, LLC, SIMON Markets LLC, and Axio Financial LLC. iCapital Markets is also registered as a limited purpose broker-dealer with those state securities authorities where it services clients and is not otherwise exempt from such registration. iCapital Markets acts as a broker-dealer in respect of certain of iCapital's private placements and structured products, and operates a web-based platform that provides education, analytics, a product marketplace, and integrated tools for risk-managed solutions to financial professionals. (See Item 14 below for additional information). See "Conflicts of Interest" in Item 11 below for a description of how the Advisor addresses any conflicts of interest created by iCapital's relationship with iCapital Markets.

#### ***iCapital Registered Fund Adviser, LLC ("iCapital RFA")***

*Affiliated Advisor.* iCapital RFA is an indirect subsidiary of Institutional Capital Network, Inc., the parent company of iCapital. iCapital RFA is a Delaware limited liability company formed in 2020 that provides advisory services to the iCapital KKR Private Markets Fund, which is its only client. IKPMF Alternative Holdings LLC, a wholly owned subsidiary of Kohlberg Kravis Roberts & Co. (together with its affiliates, "KKR"), a leading global investment firm, capitalized and owns economically less than 25% of iCapital RFA, and iCapital RFA Holding LLC ("iCapital RFA Holding"), a wholly owned subsidiary of iCapital Network, capitalized and owns more than 75% of iCapital RFA. iCapital RFA Holding is solely responsible for the management and day-to-day operations of iCapital RFA and holds one hundred percent of its voting interests. iCapital RFA is an investment advisor registered with the SEC.

#### ***Alaia Capital, LLC ("Alaia")***

*Registered investment advisor.* Alaia Capital, LLC is an independent asset manager that focuses on developing alternative and structured investment solutions. The firm was founded in 2015 and is an SEC registered investment advisor. The firm delivers its investment solutions via m+ funds Trust, a platform for issuing 40 Act registered

trusts and private trusts; acting as portfolio consultant, evaluator and supervisor.

**Axio Financial Ltd.**

Canadian company established to provide sales support, technology resources, and administrative services to iCapital Markets LLC, a broker-dealer registered with FINRA.

**Axio Advisors LLC**

*Holding company for joint venture entity.* Axio Advisors LLC is 50% owner in Outcome Driven Strategies LLC, a registered investment adviser registered with the U.S. Securities and Exchange Commission. Outcome Driven Strategies LLC provides professionally managed Structured Note portfolios currently in the form of Separately Managed Accounts sourcing notes across multiple investment banks while managing early calls, maturities, coupon payments, and investment choices of such notes.

**Axio Insurance Services LLC**

*Insurance service provider.* Axio Insurance Services LLC served as an Independent Marketing Organization with a focus on delivering fixed indexed annuity offerings to licensed insurance agents and financial advisors. Axio Insurance Services worked with multiple insurance carriers and assisted insurance agents and financial advisors offering annuity products and processing annuity applications for submission to insurance carriers.

**iCapital Alternative Investments, LLC (“iCapital AI LLC”)**

*Relying Advisor.* Institutional Capital Network, Inc., the parent company of iCapital, is the sole member of iCapital AI LLC. iCapital AI LLC is a relying advisor to iCapital Advisors and acts as investment advisors to certain Funds on the iCapital platform.

**AlphaKeys Fund Advisor, L.L.C.**

*Relying Advisor.* Institutional Capital Network, Inc., the sole member of iCapital and AlphaKey Fund Advisor, L.L.C. AlphaKeys Fund Advisor, L.L.C. is a relying advisor to iCapital Advisors and acts as investment advisors to certain Funds on the iCapital platform.

**Gen II Fund Services, LLC and Gen II Hedge Fund Services (“Gen II”)**

*Fund Administrator.* Certain Principals of Gen II are minority owners of iCapital, Inc., the parent company of Institutional Capital Network, Inc. Gen II provides fund administration services to the Private Access Funds. In this capacity, Gen II provides iCapital accounting and investor reporting, capital call and distribution processing and investor support services. This relationship may create an incentive to select Gen II to provide services in respect of the Funds. The Gen II relationship is managed by several iCapital executives.

**First Republic Bank/First Republic Securities Company, LLC (collectively “First Republic”)**

*Custodian.* First Republic provides custodial services to certain Private Access Funds. In this capacity, First Republic provides iCapital with account administration, transaction settlements, and tax support. Separately, First Republic acts as a placement agent to certain Private Access Funds. This relationship may create an incentive to select First Republic Bank to provide services in respect of the Funds. The First Republic relationship is managed by several iCapital executives as to mitigate any potential conflict of interest.

**BNY Capital Corporation (“BNY”)**

BNY holds a minority ownership interest in iCapital, Inc., the parent company of Institutional Capital Network, Inc. Certain of the Funds hold cash in accounts at BNY and utilize BNY administrative services. This relationship may create an incentive to select BNY to provide services in respect of the Funds.

**iCapital Annuities and Insurance Services LLC**

*Affiliated Insurance Producer.* iCapital Annuities and Insurance Services LLC (formerly SIMON Annuities and Insurance Services LLC), a 100% subsidiary of Institutional Capital Network, Inc., makes annuity offerings available to financial



professionals on a web-based platform.

### ***iCapital Canada Network Limited***

Registered as an Exempt Market Dealer, Investment Fund Manager and/or Portfolio Manager in several Canadian provinces.

### ***iCapital Investors***

A number of asset managers have invested in - iCapital, Inc. the parent company of Institutional Capital Network, Inc., including affiliates of BlackRock, Inc. ("**BlackRock**"), J.P. Morgan Chase & Company ("**J.P. Morgan**"), The Carlyle Group ("**Carlyle**"), Goldman Sachs Group, Inc. ("**Goldman Sachs**"), The Blackstone Group L.P. ("**Blackstone**"), Credit Suisse Group AG ("**Credit Suisse**"), KKR & Company Inc ("**KKR**"), WestCap Group, Affiliated Managers Group, Hamilton Lane and Apollo Global Management, Inc. ("**Apollo**"). iCapital may offer products managed or sponsored by such investors as BlackRock, J.P. Morgan, Goldman Sachs, Carlyle, Blackstone, and Credit Suisse or its affiliates and these relationships may create an incentive to select BlackRock, J.P. Morgan, Carlyle, Goldman Sachs, Blackstone, or Credit Suisse products as the underlying fund in an iCapital Private Access Fund.

In addition, select financial services companies, including affiliates of Morgan Stanley Smith Barney ("**Morgan Stanley**"), UBS Financial Services ("**UBS**"), Wells Fargo & Company ("**Wells Fargo**"), Temasek, Owl Rock, MSD Partners, L.P., Noah Holdings, Golub Capital, Citi Ventures, Ping An Voyager Partners and Pivot Investment Partners have made equity investments in -iCapital, Inc. iCapital may offer Private Access Funds to clients of Morgan Stanley and UBS and such investment in iCapital's parent may create an additional incentive for Morgan Stanley and UBS to direct its investments to an iCapital Private Access Fund.

Finally, iCapital has and may continue to engage with certain of its equity investors to provide services to the Funds, including administration or other services. iCapital will manage these conflicts by identifying them in the applicable Fund offering documents and if applicable, by maintaining its independent diligence process and procedures, regardless of the identity of the underlying manager, and by negotiating on an arms-length basis the terms of any service providers to the Funds, including any equity investors in iCapital.

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

### ***Code of Ethics Pursuant to Rule 204A-1 of the Advisers Act***

Pursuant to Rule 204A-1 of the Advisers Act, iCapital has adopted a Code of Ethics that establishes various procedures with respect to investment transactions in accounts in which employees of iCapital or related persons have a beneficial interest or accounts over which an employee has investment discretion.

iCapital's Code of Ethics was adopted to avoid possible conflicts of interest and ensure the propriety of our employees' and principals' trading activity. iCapital's Code of Ethics prohibits insider trading and provides instructions to employees when coming into possession of material nonpublic information.

The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must at all times place the interests of the client first;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position.

Employees (and any accounts in which an employee has beneficial ownership) must obtain written authorization from the CCO prior to making a personal investment in other private investment vehicles and initial public

offerings. The Code of Ethics also provides that the CCO (or his designee) will monitor employee investments in equity securities in self directed accounts or other instruments; however, because the Sub-Advisors of the Direct Investment Funds maintain investment and trading authority on behalf of the Direct Investment Funds which should minimize any conflicts of interest that may arise out of the employees' personal trading activities. Furthermore, iCapital upon request provides to each Sub-Advisor a list of companies at which any of iCapital's related persons has a material financial interest (e.g., board membership) so that such Sub-Advisor may include such company on its own restricted list. iCapital's Code of Ethics is available upon request.

### ***Participation or Interest in Client Transactions***

iCapital serves as the investment advisor to the Funds. Employees, affiliates of the employees, and relatives of the employees may make investments in the Funds. iCapital may waive or reduce fees in respect of any Investor.

Each Underlying Manager or Sub-Advisor, as applicable, is responsible for making portfolio investments for any Fund it manages. Neither iCapital nor the Funds have any discretion or control over an Underlying Manager's or Sub-Advisor's decisions.

### ***Conflicts of Interest***

iCapital and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds. In the ordinary course of conducting its activities, the interests of a Fund may conflict with the interests of iCapital, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how iCapital addresses such conflicts of interest, can be found below.

*Compensation from Underlying Fund Managers.* iCapital Markets may receive a placement fee as a result of its placement of certain investors in certain Private Access Funds via the iCapital Network. Such placement fee is typically a percentage of the aggregate capital commitments of an iCapital Private Access Fund to its respective underlying fund. The existence of such placement fee could create a potential conflict of interest. The prospect of receiving such compensation creates an incentive for iCapital Markets to place investors in the iCapital Private Access Funds from which it receives a placement fee over other investment vehicles from which it does not receive a placement fee. In addition, iCapital may retain and compensate registered investment advisors or placement agents for the purpose of marketing and selling the interests in iCapital Funds. Any such arrangement may incentivize a registered investment advisor or placement agent to recommend the interests in iCapital Funds to investors where they might not otherwise make such recommendation or to recommend the interests to investors over another investment. Certain management persons of iCapital (or its affiliates) are also involved with soliciting investment advisors to participate in iCapital offered funds and in performing diligence on such investment advisors with which to launch access vehicles. Such a relationship may create potential conflicts of interest. iCapital addresses these conflicts by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each investor and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under the iCapital's policies and procedures. Furthermore, compensation for management persons is not based on any transaction-based compensation received by iCapital Markets (or its affiliates).

In addition, iCapital Markets, its affiliates or an iCapital Fund may make payments for record-keeping, processing and other investor services to financial intermediaries, including registered investment advisers, whose clients are invested in iCapital Funds. These payments, which may be significant to the financial intermediary, may create an incentive for a financial intermediary to recommend an iCapital Fund over other funds or investment products. These payments are in addition to any amounts an investor may directly or indirectly pay its financial intermediary.

*Fees Paid by Brokerage Limited Partners.* Limited partners in one or more of the Funds may elect to be treated as "brokerage limited partners" and in connection therewith, pay a larger management fee than limited partners that

are not “brokerage limited partners” for reporting, administrative and other services provided by such brokerage limited partner’s registered investment advisor or advisor representative. The amount of any such additional management fee will generally be allocated to third parties or affiliates that provide investor-related services, including such brokerage limited partner’s advisor representative. The existence of such fee may incentivize an investor’s registered investment advisor or advisor representative to recommend a Fund over other investments from which such registered investment advisor or advisor representative would not receive such fee.

*Estimates.* The governing documents of each Fund provide that values of the Fund’s assets shall generally be calculated by the Fund’s administrator based on estimates provided by the applicable Underlying Fund Manager or Sub-Advisor. The Underlying Fund Manager or Sub- Advisor will have a conflict of interest in determining such valuations if the applicable Fund charges its fees based on the value of the Fund’s investments, including any performance-based compensation charged by such Fund. The general partner (or its affiliates, as applicable) of each Fund may also benefit from any overvaluation of an Underlying Fund’s investments if the management fee for those Funds is based on the net asset value of a Fund’s investment in the Underlying Fund.

*Educational Programs.* iCapital may, from time to time, offer (and, under certain circumstances, subsidize) certain educational and professional certification programs for financial advisors that recommend products included on the iCapital platform. The provision of such programs may create a conflict of interest because the offering of such programs may incentivize the advisors that participate in such programming to recommend iCapital and interests in iCapital Private Access Funds over a manager or administrative agent who has not provided such educational opportunities. A prospective investor should carefully consider such conflict when determining whether to subscribe for Interests.

### **Privacy Policy**

iCapital is committed to maintaining the confidentiality, integrity and security of our Investors’ personal information. It is iCapital’s policy to collect only information necessary or relevant to our management business and use only legitimate means to collect such information. iCapital does not disclose any non-public, personal information about our Investors to anyone except in connection with servicing and processing transactions, as consented to by an investor and required by law. iCapital restricts access to non-public, personal information about our Investors to its personnel and suppliers with a legitimate business need for the information. iCapital maintains security practices, physical, electronic and procedural safeguards designed to guard each Investor’s non-public, personal information. Upon request, iCapital will provide a copy of our written privacy policies and procedures.

### **Gifts & Entertainment Policy**

The Firm expects that Employees will use good business judgment when offering gifts and/or entertainment opportunities to existing or prospective customers or vendors of the Firm, or other third parties with whom the Firm has a business relationship. As gifts and entertainment are subject to both regulatory and internal Firm limitations, this policy is reasonably designed to ensure compliance with all applicable gifts and entertainment rules, to protect the Firm’s reputation and to reinforce the Firm’s professional and ethical standards.

Employees may not offer a gift, entertainment opportunity or any other benefit to obtain business or gain an improper business advantage for the Firm. The mere offer of a gift or an entertainment opportunity can raise legal and regulatory issues for the Firm and its Employees, even if no benefits ultimately are provided. It is the responsibility of every Employee who offers a gift or entertainment opportunity to avoid even the appearance of impropriety. Factors to consider include, but are not limited to, the nature and associated cost of the gift or entertainment opportunity (including the appropriateness of any related venue), the intended recipient or attendees, and the underlying purpose for which the gift or entertainment opportunity is being offered.

Failure to abide by this policy and exercise good judgment in the provision of gifts and entertainment can have serious

consequences for the Firm including, but not limited to, the violation of applicable anti-bribery laws and regulations. Such consequences range from civil and criminal liability to disqualification of the Firm from conducting business in a particular jurisdiction. Employees who violate this Policy may also be subject to internal and regulatory discipline, up to and including dismissal and other severe regulatory sanctions.

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**Item 12: Brokerage Practices**

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With respect to the Private Access Funds, iCapital generally will not make investments in securities listed on national exchanges. However, there may be limited situations where we are allocated a listed security and need to place trade(s) through a broker. In such circumstances, we will seek “best execution” in light of the circumstances involved in the transaction. In selecting a broker for any transaction, we may consider a number of factors, including, for example, broker’s reputation, net price or spread, reputation, financial strength and stability, market access, efficiency of execution and error resolution, and the size of the transaction. In seeking to achieve best execution, iCapital will not be obligated to obtain the lowest commission or best net price for a Private Access Fund in respect of any particular transaction.

Further, in respect of each Direct Investment Fund, iCapital has selected a Sub-Advisor that has been delegated trading authority on behalf of the applicable Direct Access Fund. In selecting brokers to effect portfolio transactions for a Direct Investment Fund, the applicable Sub-Advisor will not be obligated to seek the lowest available transaction cost, but may take into account such factors as the Sub-Advisor considers appropriate and consistent with its obligation to seek best execution as outlined in the Sub-Advisor’s order execution policy, including, without limitation, the financial stability and reputation of the brokerage firm and its research, and brokerage services as a broker-dealer. A Sub-Advisor may use “soft dollar” credits generated by a Direct Investment Fund’s securities transactions with broker-dealers to pay for research and execution products or services that fall within the safe harbor created by Section 28(e) of the Securities Exchange Act of 1934. See the applicable PPM for additional details regarding a Sub-Advisor’s brokerage policies.

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**Item 13: Review of Accounts**

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The Funds’ performance and the performance of the Underlying Funds, as applicable, and the Underlying Funds’ conformity with the investment objectives and guidelines are reviewed on a periodic basis by iCapital’s Due Diligence and Origination team.

Investors in Funds structured as private equity funds will generally receive quarterly statements detailing their account information including the account’s beginning and ending equity, and the account’s performance for that period. Investors in Funds structured as hedge funds will generally receive monthly statements detailing the Fund’s NAV. We may provide certain Investors in the Fund access to more frequent and detailed information as determined by iCapital. Additionally, each investor will receive the particular Funds’ audited financial statements for which they are invested, within 180 days of such Funds’ fiscal year end.

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

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iCapital Markets, an affiliate of iCapital, acts as the broker-dealer for private placement of interests of the Funds. iCapital Advisors does not receive any placement fees. Any placement fees generated from an investment by a Private Access Fund in an Underlying Fund will be paid to iCapital Markets by an Underlying Fund Manager (or its affiliates). From time to time, third-party broker-dealers may assist iCapital in the private placement of interests of the Funds. Any such third party is required to provide prospective clients with a current copy of iCapital’s Part 2A of Form ADV. Typically, such third-party broker-dealer referring the investor will receive a percentage of the

placement fee generated with respect to such referred Investor's investment in a Fund, in which case such payment will be made by iCapital Markets.

In respect of any Investors that elect to be treated as "Brokerage Limited Partners," iCapital will allocate a portion of the Management Fee it receives in respect of such Investors to certain broker-dealers or registered investment advisors for services provided by such broker-dealer or registered investment advisor to such Investor's account. Please refer to the applicable Fund's PPM for further details.

iCapital has entered into collaboration and services agreements with each of (i) Fidelity Brokerage Services LLC and National Financial Services LLC, and (ii) Charles Schwab & Co, Inc. (each an "Investor Custodian" and together, the "Investor Custodians") pursuant to which, for certain Private Access Funds, iCapital, an affiliate or a Private Access Fund compensates the applicable Investor Custodian for providing certain administrative services in respect of investors who custody their investment in such Private Access Funds with such Investor Custodian. The investors subject to such arrangements will not bear any custodial fees to their Investor Custodian in respect of these assets. The fee, generally paid by an affiliate of iCapital, is typically a percentage of the net asset value an investor has in the applicable Private Access Fund. Further, iCapital has committed to an annual marketing spend with certain Investor Custodians through which it will promote the iCapital network to the Investor Custodian's platform of registered investment advisors and brokers. The existence of such compensation arrangements could create a potential conflict of interest. Any such compensation arrangement could create an incentive for an Investor Custodian or any third-party registered investment advisor or broker to recommend the interests in such Private Access Funds to investors where they might not otherwise make such recommendation.

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**Item 15: Custody**

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Advisors with custody of client funds and securities must maintain them with "Qualified Custodians" unless such advisors have custody of only certain privately offered securities as defined in Rule 206(4)-2(b)(2) of the Advisers Act. "Qualified Custodians" under the amended rule include banks and savings associations and registered broker-dealers.

However, advisors to fund-of-funds, which most of the Funds are categorized as, comply with the custody rule by: (i) having each Fund audited at least annually by an independent registered public accounting firm which is registered with the public company accounting oversight board; and (ii) distributing audited financial statements prepared in accordance with generally accepted accounting principles to all investors (or members or other beneficial owners) within 180 days of the end of the fiscal year of the Fund. For a Fund that is a fund-of-funds, iCapital will generally distribute the audited financial statements within 180 days of the end of the fiscal year to the Investors. For a Fund that is not a fund-of-funds, iCapital will distribute the audited financial statements within 120 days of the end of the fiscal year to the Investors.

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**Item 16: Investment Discretion**

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iCapital has discretionary authority to make investment decisions for the Funds. Generally, our authority is limited by our own internal policies and procedures, and each Fund's investment guidelines and other terms contained within the governing documents.

The investment guidelines governing the Firm's management of the Funds are specified under the limited partnership agreement, where investment limits are intended to minimize investment risk and maximize return.

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**Item 17: Voting Client Securities**

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In respect of the Private Access Funds, iCapital does not anticipate owning any equity securities granting us the right to vote proxies. Investors in any Private Access Fund will not be Limited Partners of the Underlying Fund and will have no voting rights in the Underlying Fund. For purposes of exercising any voting rights under the Underlying Funds' constituent documents, iCapital intends to vote in the best interest of each Fund and may request that the Investors in the applicable Fund vote on certain matters that the Fund is asked to vote on with respect to its investment in an Underlying Fund.

In respect of the Direct Investment Funds, iCapital has delegated the obligation to vote all proxies which are solicited in respect of such Funds' investments to the Sub-Advisor and any such proxies shall be voted in accordance with the Sub-Advisor's proxy voting procedures.

However, iCapital has established a Proxy Voting Policy in the event that it is required to vote a proxy for certain investments. iCapital will vote proxies as it deems necessary or appropriate, on a case by case basis. Prior to voting, the CCO will make a determination as to whether a material conflict of interest exists and will either resolve the conflict or refer the proxy vote to an outside service for its independent consideration. Upon request, we will provide an Investor with a copy of our proxy voting policies and procedures and information on how the proxies were voted.

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**Item 18: Financial Information**

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Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about the Firm's financial condition. iCapital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

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**Item 19: Requirements for State-Registered Advisors**

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Not applicable.