



**FORM ADV
PART 2A BROCHURE**

ARIEL ALTERNATIVES, LLC

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January 5, 2024

This Brochure (“Brochure”) provides information about the qualifications and business practices of Ariel Alternatives, LLC. If you have any questions about the contents of this Brochure, please contact our Institutional Client & Investor Relations team by calling 800-725-0140 or emailing ClientServiceIR@arielinvestments.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Ariel Alternatives, LLC is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”). Such registration does not imply a certain level of skill or training.

Additional information regarding Ariel Alternatives, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

This Brochure dated January 5, 2024 serves as an update to our most recent filing on May 11, 2023.

This amendment updates certain disclosures regarding the following:

- The firm's governance was restructured as described under "Advisory Business – About the Firm";
- Fees and compensation associated with members of the Board of Managers and members the Operations Group as described under "Fees and Compensation – Operations Group";
- Conflicts relating to co-investment arrangements and process as described under "Advisory Business – Ariel Alternatives' Advisory Services" and "Fees and Compensation – Other Information"; and
- The Proxy Voting policy as described under "Voting Client Securities".

This Brochure is also updated for various non-material changes to provide clarification, additional information, and to bring this Brochure into alignment with current offering documents and client materials.

Material changes to this Brochure made prior to this amendment are not described above.

ADVISORY BUSINESS

About the Firm

Ariel Alternatives, LLC, a Delaware limited liability company and registered investment adviser (“Ariel Alternatives”), and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Ariel Alternatives commenced operations in February 2021 and is the private asset management arm of Ariel Investments, LLC, a global value-based asset management firm and registered investment adviser founded in 1983.

Major business leaders from a variety of disciplines have come together to serve on Ariel Alternatives’ board of managers (the “Board of Managers”). The Board of Managers is responsible for overseeing the business and management of Ariel Alternatives and Ariel Alternatives provides compensation to the members of the Board of Managers in exchange for their service. Effective November 1, 2023, the Board of Managers was expanded to include additional members, who had previously served as members of Ariel Alternatives’ board of advisers (the “Advisory Board”). The members of the Advisory Board, who together with the members of the Board of Managers, were sometimes and previously referred to as “accelerants,” and certain members of the Advisory Board historically provided advice and consultation to the Board of Managers and Ariel Alternatives. Effective as of October 31, 2023, the Advisory Board was dissolved in an effort to streamline the governance of Ariel Alternatives.

Ariel Alternatives’ Advisory Services

Ariel Alternatives’ clients include the following (each, a “Fund,” and collectively with any future private investment fund to which Ariel Alternatives and/or its affiliates provide investment advisory services, the “Funds”):

- Project Black, LP, a Delaware limited partnership (“Project Black Fund”);
- Project Black Coordinated Participation Fund, LP, a Delaware limited partnership (“Project Black CP Fund”); and
- Project Black Sparta II Inclusion Co-Investment, LLC, a Delaware limited liability company (“Project Black Sparta Fund”; and together with Project Black CP Fund, the “Co-Invest Vehicles”; and collectively with Project Black Fund and Project Black CP Fund, “Project Black”).

The following general partner or manager entities are affiliated with Ariel Alternatives (each, a “General Partner,” and collectively with any future general partners or managers that may be formed from time to time, the “General Partners”):

- Project Black GP, LP, a Delaware limited partnership;
- Project Black Coordinated Participation Fund GP, LP, a Delaware limited partnership; and

- Project Black Sparta II Inclusion Co-Investment Manager, LP, a Delaware limited partnership.

The following relying adviser is affiliated with Ariel Alternatives (the “Relying Adviser,” and collectively with any future relying advisers that may be formed from time to time, the “Relying Advisers,” and collectively with Ariel Alternatives and the General Partners, “Ariel Alternatives” or the “Firm”):

- Project Black Management Company, LLC (“Project Black Management”).

Each General Partner is subject to the Advisers Act pursuant to Ariel Alternatives’ registration in accordance with SEC guidance, and each Relying Adviser is registered under the Advisers Act pursuant to Ariel Alternatives’ registration. This Brochure also describes the business practices of the General Partners and the Relying Advisers, which collectively operate as a single advisory business together with Ariel Alternatives.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” Ariel Alternatives’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. From time to time, where such investments consist of portfolio companies, the senior principals or other personnel of Ariel Alternatives generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Ariel Alternatives’ advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a “Memorandum”), investment management agreements, limited partnership or other operating agreements (each, a “Partnership Agreement” and, together with any relevant Memorandum, the “Governing Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Ariel Alternatives and any investor. The Funds or the General Partners are authorized to enter into side letters or other similar agreements (“Side Letters”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

Synchrony Financial and Truist Financial Corporation are the sole investors of Project Black CP Fund and Project Black Sparta Fund, respectively, and have each committed to co-invest up to \$100 million through the Co-Invest Vehicles. Paget L. Alves serves on the board of directors of Synchrony Financial, in addition to serving on the Board of Managers of Ariel Alternatives and the board of directors of Sorenson Communications, LLC, a Project Black portfolio company. The investors of the Co-Invest Vehicles are otherwise unaffiliated with Ariel Investments and Ariel Alternatives.

Mellody Hobson is (a) a co-founder of Ariel Alternatives, (b) Co-CEO and President of Ariel Investments, the majority-owner of Ariel Alternatives, (c) an investor in Project Black Fund and (d) a member of the board of directors of JPMorgan Chase & Co (“JPM”). Project Black’s investment strategy arose in part due to discussions between Ms. Hobson and JPM to consider and facilitate the goals embodied by Project Black’s investment strategy. To boost Project Black’s impact, and as an expression of JPM’s alignment with Project Black’s purpose and values, JPM has agreed to co-invest alongside Project Black on a no-fee, no-carry basis in investment opportunities with excess capacity and will potentially provide up to \$200 million to be invested in such opportunities in JPM’s discretion through investment vehicles managed and controlled by JPM.

In connection with this arrangement, JPM has been granted certain co-investment rights, including: (1) the right (but not the obligation in respect of any investment) to invest in excess investment opportunities (i.e., only in investment opportunities in which Ariel Alternatives determines that excess capacity exists because Project Black Fund and the Co-Invest Vehicles will not take all of the available investment opportunity) alongside Project Black Fund and (to the extent applicable) the Co-Invest Vehicles, in each case, in an amount not to exceed 25% of the aggregate equity investment made in such portfolio company by Project Black Fund, JPM and any other Project Black Fund co-investors (including the Co-Invest Vehicles); (2) access to information about Project Black Fund’s investment program, including with respect to Project Black Fund’s investment pipeline; and (3) the opportunity to review applicable transaction documents and reasonably request terms and conditions with respect thereto, which Ariel Alternatives will seek to include, subject in each case to its regulatory and fiduciary obligations to Project Black Fund and the Co-Invest Vehicles. It is expected that JPM will make and dispose of investments alongside Project Black Fund substantially at the same time and substantially on the same terms as Project Black Fund, subject to legal, tax, regulatory, accounting, and other considerations.

Additionally, from time to time and as permitted by the Governing Documents, Ariel Alternatives expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants, including Operations Group members (as defined below), and other service providers, Ariel Alternatives’ personnel and/or certain other persons associated with Ariel Alternatives and/or its affiliates (e.g., a vehicle formed by Ariel Alternatives’ principals to co-invest alongside a particular Fund’s transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in Ariel Alternatives’ sole discretion, Ariel Alternatives reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund.

As of December 31, 2022, Ariel Alternatives managed \$1,350,500,000 in client assets on a discretionary basis. Ariel Alternatives is controlled by Ariel Investments, LLC, a Delaware limited liability company (“Ariel Investments”) Ariel Capital Management Holdings, Inc., an Illinois corporation (“Ariel Holdings”) controlled by John W. Rogers, Jr., Chairman, Co-CEO and Chief Investment Officer, in a principal owner of Ariel Investments. Mellody Hobson, Co-CEO and President of Ariel Investments, is the other principal owner.

FEES AND COMPENSATION

In general, Ariel Alternatives receives a management fee and carried interest in connection with the provision of advisory services to its clients. Ariel Alternatives or other Firm entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the management fees otherwise payable to Ariel Alternatives to the extent provided by the Governing Documents. In addition, in certain circumstances, Ariel Alternatives receives compensation for management and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain expenses.

Management Fees

Each Fund will pay Ariel Alternatives, quarterly in advance, a management fee (the “Management Fee”) equal to 1.5% per annum of aggregate capital commitments of investors in such Fund that are not designated as “affiliated partners” (“Commitments”) until the sixth anniversary of the final closing date. Investors participating in a closing after the Partnership Initial Closing Date, as defined in the Governing Documents, bear the Management Fee from the Partnership Initial Closing Date to the date such investor is admitted to the Fund. Upon the earliest to occur of (i) the sixth anniversary of the final closing date, (ii) the date the General Partner and/or its affiliates first receives or begins to accrue management fees with respect to a new equity investment fund with objectives, strategy and scope substantially similar to those of Project Black Fund, the commencement of operations of which was restricted pursuant to the Governing Documents, (iii) the date six months after a Cessation Event, as defined in the Governing Documents (unless within such six-month period Continuing Investment Approval, as defined in the Governing Documents, is obtained) and (iv) the date six months after a Cessation Notice, as defined in the Governing Documents, the Management Fee shall be reduced going forward to 1.5% per annum of an amount equal to (a) the aggregate amount of Investment Contributions (as defined in the Governing Documents), including amounts then issued or to be issued to repay indebtedness, payable with respect to investments that have not been disposed of, completely written-off or permanently written-down minus (b) the aggregate amount of any complete write-offs or permanent write-downs of investments that have not been disposed of (such amount described in clauses (a) and (b), “Invested Capital”). Upon the tenth anniversary of the final closing date, the Management Fee shall be reduced to 1.25% per annum of Invested Capital. Upon the fifteenth anniversary of the final closing date and thereafter, the Management Fee shall be reduced to 1.00% per annum of Invested Capital. Unless earlier terminated, the Management Fee will be payable until all portfolio investments in the applicable Fund are distributed or until Ariel Alternatives’ relationship with the applicable Fund is terminated for any other reason (as described in the Governing Documents). Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a *pro rata* basis according to the actual number of days in such period. Where the

Governing Documents calculate Management Fees based on the amount of Commitments or Invested Capital, the amount of Management Fees generally will not be reduced based on reductions in investment value, except where specified by the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

To the extent specified in a Fund's Governing Documents, Ariel Alternatives or another Firm entity will be permitted to receive certain supplemental fees and other amounts ("Supplemental Fees") consisting of: (i) monitoring fees, consulting fees, directors' fees and other similar fees paid by any portfolio company; (ii) closing fees, investment banking fees, placement fees, commitment fees, breakup fees, and litigation proceeds from transactions not consummated; and (iii) other designated net fee payments received by Ariel Alternatives or its partners or employees from portfolio companies or prospective portfolio companies. A Fund's Governing Documents generally will provide that Supplemental Fees received by the Firm and attributable to the Fund's investment in a portfolio company will be credited against management fees otherwise owed to the Firm in a specified percentage (*e.g.*, 80%). The remaining amount of such Supplemental Fees will be retained by the Firm. To the extent that such an offset credit would reduce the Management Fee for a given quarterly period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result).

As a matter of practice, Ariel Alternatives is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by Project Black Fund or any other investment vehicles or accounts managed by Ariel Alternatives that have also invested in such investment, and as a result Project Black Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee that relates to such co-investors or potential co-investors (which could include co-investment vehicles managed by Ariel Alternatives, third parties, portfolio company management or employees and/or others), which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Supplemental Fees are paid in kind (including through securities, option grants or other interests), Ariel Alternatives is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition of the relevant investment. Similarly, in certain circumstances, Ariel Alternatives expects that co-investors, lenders, consultants, or other parties, from time to time, will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the Governing Documents, it is Ariel Alternatives' practice to use or retain certain members of the Operations Group (as defined below) to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. The Operations Group generally receives compensation and other amounts described herein from the relevant

portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Ariel Alternatives also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

The Governing Documents generally permit Ariel Alternatives to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of the relevant Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the relevant General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver often will result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by Ariel Alternatives and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Carried Interest

Ariel Alternatives will receive carried interest with respect to the Fund equal to 20% of all realized profits subject to an 8% compound preferred return, as more fully described in the Governing Documents. The carried interest distributed to Ariel Alternatives is subject to a potential clawback at the end of life of the Fund if Ariel Alternatives has received excess cumulative distributions, and at certain interim intervals as provided in the Governing Documents.

It is expected that any future Funds will have a similar fee and incentive allocation structure.

Other Information

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem their interests from the Funds.

Principals or other current or former employees of Ariel Alternatives generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Ariel Alternatives or its affiliates.

In addition to the Management Fee and carried interest payable to Ariel Alternatives or its affiliates, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a subsidiary, a potential portfolio company or portfolio company, and whether or not incurred by the General Partner, the

Fund or any of their respective affiliates), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as “costs”) relating or attributable to:

(i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline;

(ii) activities with respect to the pursuing, developing structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding-up, liquidating, dissolving, or otherwise disposing of, as applicable, subsidiaries and actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith);

(iii) indebtedness of, or guarantees made by, the Fund, the General Partner, the Firm or any Affiliated Partner, as defined in the Governing Documents, on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;

(iv) financing, commitment, origination and similar activities;

(v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services;

(vi) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account registered office and similar services;

(vii) legal, accounting, research, auditing, technology, administration (including costs associated with regulations and any third-party administrator), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, the Operations Group (as defined below) or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services);

(viii) reverse breakup, termination and other similar arrangements;

(ix) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and

commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance;

(x) filing, title, transfer, survey, registration and other similar activities;

(xi) printing, communications, mailing, courier, marketing and publicity;

(xii) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or similar forms or other communications with Partners, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports), or other information, including costs of any third-party service providers and professionals related to the foregoing;

(xiii) compliance with any tax or financial account reporting regime, including FATCA, the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing;

(xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools or other administrative or reporting tools (including subscription-based services);

(xv) any activities with respect to protecting the confidential or non-public nature of any information or data, (including any costs incurred in connection with FOIA);

(xvi) to the extent provided in Governing Documents or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the limited partner advisory committee (“LPAC”) (including any reasonable out-of-pocket costs incurred by representatives of the General Partner, the LPAC members, permitted observers and other persons in attending or otherwise participating in meetings of the LPAC);

(xvii) indemnification (including legal and any other costs incurred in connection with indemnifying any partner or other person pursuant to the Governing Documents or otherwise and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents;

(xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith;

(xix) the Management Fee;

(xx) except as otherwise determined by the General Partner in its sole discretion, any cost relating to any intermediate holding company (whether or not co-investors invest through such intermediate holding company) that would be a Fund expense if it were incurred in connection with the Fund, any costs incurred in connection with the formation, management, operation, termination, winding-up and dissolution of any feeder vehicles related to the Fund to the extent

not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any Fund entity or portfolio company;

(xxi) the termination, liquidation, winding-up or dissolution of the Fund and any persons owned directly or indirectly by the Fund (including portfolio companies) and related entities;

(xxii) defaults by partners in the payment of any capital contributions;

(xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the parallel fund, the General Partner, the parallel fund general partner, the Firm, any entities owned directly or indirectly by the Fund (including portfolio investments) and any alternative investment vehicle of the Fund or the parallel fund, including the preparation, distribution and implementation thereof;

(xxiv) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to the Fund, the General Partner and/or any of their respective affiliates; and/or (B) the validation or other confirmation of any payments made to the Fund or the General Partner in connection with any voluntary or compulsory review (including as a result of any anti-money laundering laws, rules or regulations);

(xxv) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification provided for in the Governing Documents;

(xxvi) any consultants, experts or advisors engaged, including independent appraisers engaged in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than the Fund) managed or controlled by the General Partner or any of its affiliates;

(xxvii) unreimbursed costs incurred in connection with any transfer or proposed transfer or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian;

(xxviii) any taxes, fees and other governmental charges levied against the Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a partner) and any costs incurred by or related to the "partnership representative" or "designated individual" of the Fund;

(xxix) distributions to the partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses;

(xxx) unreimbursed or unpaid costs of the Operations Group or its members, employees or other persons engaged by the Operations Group;

(xxxi) compliance or regulatory matters, except as otherwise set forth in the Governing Documents, including compliance with the Governing Documents;

(xxxii) amendments to, and waivers, consents or approvals pursuant to, side letters and similar agreements with limited partners and “most-favored-nations” election processes in connection therewith;

(xxxiii) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the Firm or any of its respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs;

(xxxiv) any travel (in the case of air travel, including, where appropriate as determined by the General Partner, the cost of using or chartering private aircraft or other private air travel (at a cost not to exceed the cost of corresponding first class commercial airfare or equivalent), other air travel, car or ride sharing services or other modes of transportation), lodging, meals or reasonable entertainment and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;

(xxxv) any unreimbursed costs incurred in connection with any consummated or unconsummated Liquidity Opportunity, as defined in the Governing Documents;

(xxxvi) any of the items listed in clauses (i) - (xxxv) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors’ proportionate share of any expenses related to an investment or other opportunity not consummated);

(xxxvii) any organizational expenses;

(xxxviii) any placement fees; and

(xxxix) any other costs approved by limited partners holding a majority of the aggregate Commitments, but not including (A) ordinary overhead and administrative expenses not described in the foregoing that are payable by the General Partner and/or the Firm and (B) any expenses included as part of the definition of “Investment Contributions” in the Governing Documents. As a general matter, broken deal expenses are expected to be allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Ariel Alternatives and/or its affiliates. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental

Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, it is possible that one Fund will pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. To the extent a paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for use of the facility. While Ariel Alternatives believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Ariel Alternatives, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Ariel Alternatives' related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. It is expected that representatives of Project Black CP Fund, Project Black Sparta Fund, and JPM will from time to time be invited to and attend meetings of the Limited Partners related to Project Black Fund matters and, in such cases, Ariel Alternatives intends to cause the attending co-investors to bear their *pro rata* share of the expenses related to such meetings (based on aggregate capital commitments) as a condition to attendance.

In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, the full amount of any fees and expenses generated in the course of evaluating any such proposed transaction generally would be borne by the Fund, and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such broken deal expenses where permitted by such vehicle's

Governing Documents. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

Ariel Alternatives and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Ariel Alternatives and/or its affiliates on the other hand.

Ariel Alternatives is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Ariel Alternatives and any other person designated by Ariel Alternatives, such as "friends and family" of Ariel Alternatives or its personnel, or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors. The General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Ariel Alternatives and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an Ariel Alternatives professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain Firm entities have the right to permit investors, affiliated with Ariel Alternatives or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors. Ariel Alternatives retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

Operations Group

Additionally, as further described herein and in the Governing Documents, it is Ariel Alternatives' practice to employ, use or retain an operations group (the "Operations Group"), typically comprised of (i) certain employees of Ariel Alternatives, (ii) persons that are employees of an affiliate of Ariel Alternatives and/or (iii) independent contractors, in each case (including entities formed for the benefit of such persons and/or to facilitate the provision of their services), to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. The Operations Group generally provides services in relation to the manufacturing, sales, marketing, finance, tax, technology, operations, financing, legal, consulting, real estate/facilities management, human resources, acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, or similar services. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. The Operations Group receives compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio

company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from Ariel Alternatives and/or its Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Group, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and the relevant Fund typically will bear the costs of the Operations Group's compensation, as well as fees, costs and expenses of structuring Operations Group arrangements. The Operations Group will also generally be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee.

As described above, members of the Board of Managers are permitted to be designated as members of the Operations Group. While all compensation or expenses associated with the Board of Managers is borne by Ariel Alternatives, such persons are permitted to receive additional compensation or remuneration from the Fund, the Co-Invest Vehicles and/or their respective affiliates and/or portfolio companies (including in the form of cash fees, retainers, transaction fees, guaranteed minimums, profits or equity interests and incentive equity or other stock awards as well as reimbursement for related overhead and/or out-of-pocket expenses paid to Ariel Alternatives, the Fund and the Co-Invest Vehicles) in their capacities as members of the Operations Group. Any such compensation or remuneration does not offset or otherwise reduce the Management Fee. To be clear, all compensation or expenses related to or associated with any person's role as a member of the Board of Managers is borne by Ariel Alternatives.

Although the personnel comprising the Operations Group are expected to vary over time, as of the date hereof, Shelley Stewart, Jr. and Paget L. Alves are the only members of the Operations Group.

- In his capacity as a member of the Operations Group, Mr. Stewart is expected to provide consulting services to the Funds and their portfolio companies, including creating and leading as chairperson an advisory council of chief procurement officers (the "CPO Council") to assist in identifying and advising on customers for potential and actual portfolio companies consistent with the Project Black investment thesis. Additionally, where appropriate, Mr. Stewart and the other members of the CPO Council will seek to make introductions to potential customers of portfolio companies. Mr. Stewart is also expected to provide guidance on the requirements of, and methodologies needed for portfolio companies to qualify for "minority business enterprise" certification from the National Minority Supplier Development Council. Mr. Stewart has entered into a written agreement documenting his consulting services to the Funds, which will each bear the fees payable to Mr. Stewart thereunder in accordance with the Governing Agreements.

- Mr. Alves serves as a director of Sorenson, a portfolio company held by the Fund and the Co-Invest Vehicles. Sorenson appointed Mr. Alves to its board and has documented the terms of his service pursuant to Sorenson's own corporate governance and legal processes and procedures and Sorenson accordingly bears the costs and expenses associated with Mr. Alves' board service

to Sorenson. Thus, while Mr. Alves' is also a member of the Operations Group, he does not currently have a separate agreement with Ariel Alternatives, the Fund or the Co-Invest Vehicles.

The scope of the services provided by Mr. Stewart, Mr. Alves and/or any other member of the Operations Group to the Funds and/or their respective affiliates and/or portfolio companies are permitted from time to time to be broadened, narrowed and/or otherwise modified in the sole discretion of Ariel Alternatives pursuant to a written agreement with Ariel Alternatives, the Funds and/or their respective affiliates and/or portfolio companies, as applicable. The composition of the Operations Group is expected to vary over time. The use of the Operations Group subjects Ariel Alternatives to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Ariel Alternatives generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

TYPES OF CLIENTS

Ariel Alternatives provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Ariel Alternatives' related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Investment Company Act"). The investors participating in the Funds generally include, but are not limited to, individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Ariel Alternatives and its affiliates and members of their families, the Operations Group or other service providers retained by Ariel Alternatives, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted from time to time to establish Funds that are alternative investment vehicles in order to permit certain investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents related Fund.

Project Black generally has a minimum investment amount of \$100 million for third-party investors, and Fund interests are offered and sold solely to persons that are (i) “accredited investors,” as that term is defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), (ii) “qualified clients,” as that term is defined under the Advisers Act and (iii) unless waived in the discretion of Ariel Alternatives, “qualified purchasers,” as that term is defined under the Investment Company Act. Ariel Alternatives generally is permitted to waive such minimum investment amount.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Ariel Alternatives is a private asset management enterprise offering a patient, focused and non-consensus approach to private equity. Ariel Alternatives’ first initiative is Project Black, a long-dated, closed-end fund that invests in middle-market companies. Both Ariel Alternatives and the Project Black Fund are certified as minority-owned business enterprises (“MBEs”). If the Project Black portfolio companies are not certified MBEs prior to the Fund’s investment, the Fund and Ariel may seek MBE certification for such entities based on the Fund’s ownership. Project Black’s mission is to scale sustainable MBEs to serve as leading suppliers to Fortune 500 companies — aiming to drive economic growth and equality from the entry level to the boardroom.

Investment and Operating Strategy

Deal Sourcing and Due Diligence. Ariel Alternatives seeks to source deals through its network of corporate executives, principals, leading institutional limited partners, and other industry relationships across the targets industries in which it expects to invest. Once a potential investment is identified, Ariel Alternatives will examine historical and projected financial performance, review the product and service capabilities, and study in-depth company fundamentals, with the goal of gathering a large quantum of information from a variety of resources to better understand relevant issues, risks and opportunities. As part of its diligence process, Ariel Alternatives, and its third-party consultants, will meet with management teams and complete a detailed analysis of an industry, which may include interviews with competitors, customers and suppliers, and other industry experts.

Develop Restructuring and Operating Plan. One or more of Ariel Alternatives’ principals and their associates, including operating staff of Ariel Alternatives and its affiliates, intend to develop a 100-day business plan prior to the close of each transaction identifying short- and long-term priorities informed by the target’s strengths, weaknesses, competitive position, industry trends, operating, financial and impact metrics, and other relevant factors.

Empower Management Team. Ariel Alternatives works with existing management team to identify opportunities to augment leadership capabilities. Where gaps are identified and additional talent is needed, Ariel Alternatives leverages its diverse network of highly skilled and experienced executives to ensure strong company governance and enhance the C-Suite. In certain instances, operating professionals of Ariel Alternatives or its affiliates are expected to serve in significant management roles at portfolio companies (including chief executive officer or chief financial

officer) on an interim basis immediately following closing until a professional management team can be assembled.

Active Engagement with Portfolio Companies. Ariel Alternatives aims to assist with developing metrics, systems and analyses that drive operational and strategic decisions. Ariel Alternatives will serve as a resource to portfolio company management teams and typically serve as active members of the portfolio company's board of directors. Ariel Alternatives also expects to, among other things, encourage management to pursue internal and external growth initiatives, implement operational initiatives to capture efficiencies, enhance productivity and manage costs, align compensation and equity incentives with clear goals to build long-term value, elevate business diversity and engage new and existing corporate relationships to satisfy constrained demand for minority suppliers.

Internal Growth and Add-on Acquisitions. Once the above strategies have been implemented, Ariel Alternatives will seek to develop a five-year business plan in coordination with portfolio company management teams and, where needed, Ariel Alternatives' operating executives. The five-year plan is expected to set forth financial and business objectives designed to maximize long-term growth, integrate impact imperatives with financial goals, and build relationships with Fortune 500 companies and other companies of comparable scale.

Exit Strategy. Once a portfolio company has met its growth objectives, Ariel Alternatives will seek to optimize the long-term value of such portfolio company by seeking strategic exits via initial public offerings or strategic sales or mergers. Factors considered include the company size, company growth rate, industry and competitive dynamics, and capital market conditions.

Risks of Investment

Each Fund and its investors bear the risk of loss that Ariel Alternatives' investment strategy entails. The risks involved with Ariel Alternatives' investment strategy and an investment in a Fund include, but are not limited to:

Investment Risks

Business Risks. The Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. Ariel Alternatives and the Fund are also subject to the general business risk that one or more of their counterparties defaults on its obligations which could impact Ariel Alternatives or the Fund's contractual agreements. This may impact Ariel Alternatives' clients or Fund investors.

Future and Past Performance; Loss of Principal. The Fund is a newly organized entity that has no prior operating history or track record. Accordingly, the Fund does not have performance history for a prospective investor to consider. In considering the prior performance information of any other investments in which Ariel Alternatives' affiliates participated in, prospective investors should understand that an investment in the Fund does not represent an interest in such investment or investment portfolio. Information about the prior performance of such investments is not

necessarily indicative, or a guarantee, of the Fund's future results, and there can be no assurance that the Fund will achieve comparable results. An investor should not rely on any expectation and there can be no assurance that the risk/return profile of an investment in the Fund will resemble that of prior investments in which Ariel Alternatives' affiliates participated. An investor should only invest in the Fund as part of an overall investment strategy, and only if the investor is able to withstand a total loss of its investment in the Fund. While the General Partner intends for the Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities. The securities in which the Fund will invest may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect the Fund's investment once made.

Concentration of Investments; Lack of Diversification. The Fund is expected to invest in a limited number of portfolio companies and may seek to make several investments in a single industry or industry segment, in a limited geographic area and/or within a short period of time, which could create conditions for a portfolio of investments that exhibit a very high degree of correlated returns. As a result, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, since the Fund expects to invest in a limited number of portfolio companies, the impact that losses on any one investment could have on the Fund's overall portfolio could be significant. To the extent that the capital raised is less than the targeted amount, the Fund may invest in even fewer portfolio companies and thus be less diversified.

The Fund is permitted to provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the investment limitations set forth in the Governing Documents.

Unspecified Investments. Limited Partners will be relying on the ability of the General Partner to locate and evaluate the investments to be made by the Fund using the proceeds of the Fund's offering. The activity of identifying, structuring, completing and realizing private equity investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory and political environment. There can be no assurance that the General Partner will be able to identify, or the Fund will be able to complete, portfolio investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Fund will be able fully to invest its committed capital.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive. The Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including other private equity funds, investing directly or through affiliates. Over the past several years, an ever-increasing number of investment funds have been or are being formed,

and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Fund may be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partner, the Fund and their respective affiliates.

To the extent that the Fund encounters significant competition for investments, returns to limited partners may decrease. In addition, it is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated. Regardless of the extent to which the Commitments of the limited partners are invested, the limited partners will be required to bear Management Fees through the Fund during the commitment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the Governing Documents.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described herein, the General Partner is permitted to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner is permitted to pursue investments outside of the industries and sectors in which the principals have previously made investments or have internal operational experience.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Fund intends to invest, including various segments of the healthcare, industrial, media and marketing, outsourcing, manufacturing, and packaging, technology, transportation and logistics, and financial and professional services industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, industrial, media and marketing, outsourcing, manufacturing and packaging, technology, transportation and logistics, and financial and professional services industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests. By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the Fund may invest.

Investments in Certified Minority-Owned Businesses. While the Fund intends that all of its portfolio companies will be certified minority-owned businesses (*i.e.*, businesses with a Minority Business Enterprise or “MBE” certification), as such certification is determined under the applicable laws and regulations at the federal, state or local government-levels or standards of

widely-accepted, nongovernmental certifying bodies, there can be no guarantee that such certification will be acquired and any certification could be revoked, suspended or altered if the applicable laws, regulations or standards are replaced, reinterpreted or otherwise changed. Additionally, the federal, state, local and private levels include differing definitions, interpretations, standards and requirements in order for a business to qualify for their respective certifications, any of which may be relied upon by the General Partner in determining whether a portfolio company is certified as a minority-owned business in furtherance of the Fund's overall investment strategy and the General Partner will not be required to invest solely in those portfolio companies that satisfy only the most stringent standards for certification. The Fund will not be required to divest any portfolio company that ceases to be certified as a minority-owned business under the applicable law, regulation or standard after the time of such portfolio company's initial acquisition.

Federal, state and local governments as well as private businesses often set aside a percentage of their funds exclusively for those businesses that are certified as minority-owned by the applicable certifying body. Following the initial acquisition of a portfolio company, a change in the funds allocated for such purpose could negatively impact the operations and/or financial performance of the applicable portfolio company. There can be no guarantee that such allocated funds will be consistent or increase throughout the Fund's holding period with respect to the applicable portfolio company.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Fund generally will not be able to return capital or realize gains, if any, on an investment in a privately-held entity until the partial or complete disposition of such entity. While an investment may be disposed of at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. In addition, the term of the Fund is expected to span over twenty-five years. Accordingly, the Fund is expected to operate on a longer investment horizon than comparable investment funds. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the Firm or its designated affiliate) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments; Borrowing. The Fund is authorized to make use of leverage by having a portfolio company or intermediate entity incur debt to finance a portion of its investment, including

in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which may be impacted by regulatory restrictions and guidelines and which are difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The availability of leverage also is subject to governmental and regulatory oversight, and certain governmental bodies (including the U.S. Federal Reserve System, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation) may restrict or otherwise discourage lending that results in companies carrying large amounts of debt. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment, or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Additionally, lenders would typically have a claim that has priority over any claim by the Fund to the assets of such portfolio company in an insolvency event or proceeding. Should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose the Fund to potential claims by sellers of businesses which the Fund may have been contracted to purchase. Moreover, the companies in which the Fund will invest may not be rated by a credit agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The Fund is also authorized to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. Any use of leverage by the Fund will result in interest expense and other costs to the Fund that may exceed, or otherwise not be covered by, distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. The Fund reserves the right to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and/or other entities managed by or otherwise affiliated with the General Partner or any of its affiliates,

including through Fund subsidiaries and other intermediate entities, and, in connection with incurring such indebtedness, the General Partner is authorized, in its sole discretion, to cause the Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when the Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent the Fund incurs leverage or provides any guaranty, such amounts may be secured by Commitments and other Fund assets. The inability of the Fund to repay any leverage secured by Commitments could enable a lender to issue a capital call on behalf of the General Partner of the Fund.

Subscription Lines. The Fund is authorized to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments, the payment of Management Fees and payment or reimbursement of certain expenses). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental Fund expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiation or termination of the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

A credit agreement frequently will contain other terms that restrict the activities of the Fund and the limited partners or impose additional obligations on them. For example, a subscription line may impose restrictions on the General Partner's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments. In addition, in order to secure a subscription line, the General Partner may request certain financial information and other documentation from limited partners to share with lenders. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional

potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay Fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Ariel Alternatives for expenses incurred on behalf of the Fund. The Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

Uncertainty of Projections. The Fund may use financial projections to help analyze a potential investment or future capital raises and financing for portfolio companies or other transactions. Projected operating results of a company in which the Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may be significantly different from projections.

Hedging Arrangements; Related Regulations. The General Partner is authorized to (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of the Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

Market Conditions and Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, global pandemics or other sources of political, social or economic disturbance or unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability or potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire investments, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute their respective operations and to receive an attractive multiple of earnings upon disposition. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon the Fund's portfolio companies.

General Economic and Market Conditions. The private equity industry generally and the success of the Fund's investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the Fund's portfolio companies.

The Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio company's capital structure and may be magnified by the expected limited geographic diversity of the Fund's investments.

Russia-Ukraine Conflict. The ongoing military conflict between Russia and the Ukraine which has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

The Russia-Ukraine conflict may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Fund.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken or have the potential to take restrictive measures, including instituting local and regional quarantines, restricting travel (including closing

certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

The ultimate impact of any such health emergency and any resulting decline in economic and commercial activity – on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund and its portfolio companies’ and investments’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future, all of which could adversely affect the Fund’s ability to fulfill its investment objectives. In addition, the operations of the Fund, its portfolio companies and investments, the General Partner and the Firm may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity’s personnel. These measures may also hinder such entities’ ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. In the event that the global credit markets deteriorate and it becomes more difficult for investment funds such as the Fund to obtain favorable financing for investments, the Fund’s ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund’s banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund’s assets (each, a “Financial Institution”) fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a

Financial Institution experiences a Distress Event, Ariel Alternatives, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Ariel Alternatives to manage the Funds and their investments, and on the ability of Ariel Alternatives, the General Partner, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although Ariel Alternatives expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

Many Financial Institutions require, as a condition to using their services or otherwise, that Ariel Alternatives, the General Partner and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with the Custodian, which heightens the risks associated with a Distress Event with respect to such Custodians. Although Ariel Alternatives seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Ariel Alternatives is under no obligation to use a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Non-U.S. Investments. Although it is not anticipated, the Fund has the authority to invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund’s non-U.S. investments are denominated (including risks associated with potentially rapid inflation), and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Fund invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; (iv) differences between the U.S. and non-

U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (v) the absence of uniform accounting, auditing, and financial reporting standards, practices and disclosure requirements, and less or more government supervision and regulation; (vi) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, governmental or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation; (vii) the possible imposition of non-U.S. taxes on income, gains and gross sales or other proceeds recognized with respect to such securities or instruments; (viii) the application of complex U.S. and non-U.S. tax rules to cross-border investments; (ix) possible non-U.S. tax return filing requirements for the Fund and/or the Partners; (x) differing and potentially less well-developed or well-tested corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and the protection of investors; (xi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (xii) political hostility to investments by foreign or private equity investors; and (xiii) less publicly available information.

Control Person Liability. The Fund is expected to have controlling interests in its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws and regulations) and other types of liability, for which the limited liability generally afforded to investors may be ignored. In particular, if determined to be a direct owner or operator of any of the portfolio company's facilities or operations, the Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination-related liabilities. If any such liabilities were to arise, the Fund might suffer significant losses. While the General Partner intends to manage the Fund in a manner that will minimize the exposure of these risks, the possibility of successful claims against the Fund and/or its affiliates cannot be precluded.

Director Liability. It is expected that the Fund will obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests (each, a "Board Representative"). In those instances where the Fund is not the sole shareholder of the applicable portfolio company, a Board Representative may have duties to persons other than the Fund. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Board Representative, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect against such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities.

Unfunded Pension Liabilities of Portfolio Companies. Certain court decisions have found that, in some circumstances, an investment fund could be treated as a "trade or business" for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Fund may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund may own

an 80% or greater interest in such a portfolio company. If the Fund (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under ERISA, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

Limited Access to Information. A limited partners' rights to information regarding the Fund will be specified, and strictly limited, in the Governing Documents. In particular, it is anticipated that the General Partner will obtain certain types of material information from or relating to portfolio investments that will not be disclosed to limited partners because such disclosure is prohibited for contractual, legal or similar obligations outside of the General Partner's control, or because of other reasons. Decisions by the General Partner to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its limited partner interest in the Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information also may make it difficult for a limited partner to monitor the General Partner and the General Partner's performance. Additionally, it is anticipated that the limited partners who designate representatives to participate on the LPAC may, by virtue of such participation, have more information about the Fund and its portfolio investments in certain circumstances than other limited partners generally and may be disseminated information in advance of communication to other limited partners generally.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the Fund reserves the right to decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Fund will make follow-on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, the failure to make such follow-on investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest in such portfolio company.

Cyber Security Breaches and Identity Theft. The Fund and its portfolio companies' 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. Although the General Partner intends to implement various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Fund and/or a portfolio company may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partner's, the Fund's and/or a portfolio company's operations and

result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the General Partner's, the Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims and/or regulatory actions or otherwise affect their business and financial performance. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company or the Fund to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the General Partner or one of its affiliates or service providers holding its financial or investor data, the General Partner, its affiliates or the Fund may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the General Partner, the Fund and/or the portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the General Partner, the Fund and/or the portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include the General Partner, the Fund and/or the portfolio companies.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Ariel Alternatives who were or may in the future be granted direct or indirect interests

in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Ariel Alternatives to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

LIBOR and other Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other GP-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by Ariel Alternatives following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Ariel Alternatives believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Ariel Alternatives and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Ariel Alternatives or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Ariel Alternatives or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Ariel Alternatives, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction.

Further, the relevant General Partner is expected to be incentivized to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Ariel Alternatives reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Ariel Alternatives will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Ariel Alternatives reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

Conflicts of Interest

Ariel Alternatives and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to Funds and portfolio companies. Ariel Alternatives will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Ariel Alternatives conducting its activities, the interests of a Fund, from time to time, are likely to conflict with the interests of Ariel Alternatives in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Ariel Alternatives will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the LPACs of the participating Funds.

During the commitment period of a Fund, all appropriate investment opportunities will be pursued by Ariel Alternatives principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Ariel Alternatives' allocation policies. Without limitation, Ariel Alternatives' principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Ariel Alternatives' principals and personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Ariel Alternatives' principals and personnel expect to spend a portion of their business time and attention pursuing investment opportunities for their personal investment and for other Funds, in each case that do not fall within the principal objectives, strategy or scope of the Fund and will continue to manage and monitor such investments until their realization. Such other investments that Ariel Alternatives principals and/or personnel expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund.

Following the commitment period of a Fund, Ariel Alternatives principals and personnel reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. Unless restricted by the Governing Documents, Ariel Alternatives' principals and personnel are permitted to serve on boards or act in other roles unaffiliated with Ariel Alternatives, the Funds or their portfolio companies, including boards of charitable and educational institutions, private and public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees. See "Advisory Business" above for certain conflicts disclosure relating to Ms. Hobson and Mr. Alves.

From time to time, Ariel Alternatives will be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Ariel Alternatives. In determining which investment vehicles should participate in such investment opportunities, Ariel Alternatives and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Ariel Alternatives is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Ariel Alternatives in a portfolio company also have the potential to raise the risk of using assets of a client of Ariel Alternatives to support positions taken by other clients of Ariel Alternatives.

Ariel Alternatives must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Ariel Alternatives generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including but not limited to: the amount of available capital, anticipated future capital requirements of an investment opportunity and/or the existing portfolio companies, expected time to obtain liquidity, conflicts considerations, limitations on the pace of capital deployment and/or other limitations in the Governing Documents of the applicable Fund(s), investment guidelines, diversification limitations, investment strategies and objectives, legal, tax and regulatory considerations, and any other factors deemed relevant by Ariel Alternatives and its affiliates. It is Ariel Alternatives' policy to allocate follow-on investments to the Fund(s) that own(s) the applicable portfolio company. If a follow-on investment is to be made in a portfolio company owned by more than one Fund, such follow-on investment will generally be made in the same part of the capital structure and in the same proportions as the original investment. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of Ariel Alternatives in the manner set forth in the Governing Documents and Ariel Alternatives' allocation policy. Ariel Alternatives will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients over time consistent with Ariel Alternatives' obligations and reserves the right to take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

Following such determination of allocation among Funds, Ariel Alternatives will determine if the amount of an investment opportunity in which one or more Funds will invest exceeds the amount that would be appropriate for such Fund(s). As disclosed above under "Advisory Business", Ariel Alternatives has committed to provide (i) two institutional investors with the right to co-invest alongside Project Black Fund (through Project Black CP Fund and Project Black Sparta Fund) up

to a predetermined amount and (ii) JPM with the right to co-invest alongside Project Black Fund on a no-fee, no-carry basis in investment opportunities with excess capacity, up to a predetermined portion of such excess capacity in JPM's discretion through investment vehicles managed and controlled by JPM. Ariel Alternatives further reserves the right and intends to offer any remaining excess capacity to one or more potential co-investors, including third parties, as determined by the Governing Documents, Side Letters and Ariel Alternatives' procedures regarding allocation.

Ariel Alternatives' procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: (i) the ability of a potential co investor to react promptly to a co-investment opportunity; (ii) any strategic advantages that may result from a potential co-investor's participation in a co-investment opportunity; (iii) a potential co-investor's commitment to the Fund and/or commitment to one or more Funds; (iv) the likelihood that a potential co-investor may invest in the Fund and/or a future Fund; (v) the potential co-investor's investable assets relative to the size of the co-investment opportunity; (vi) tax, regulatory and/or securities law considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); (vii) confidentiality concerns that may arise in connection with providing the potential co-investor with specific information relating to the co-investment opportunity; (viii) whether the potential co-investor's participation in an investment opportunity may subject the relevant Fund to legal, regulatory, reporting or other burdens or could impair the ability of either the Fund or the Firm to execute the relevant transaction in the desired time or on desired terms; (ix) the size of the investment allocation and practicality of dividing it among multiple potential co-investors; (x) lender requirements; and/or (xi) whether the General Partner or the Firm believe that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Fund(s). Furthermore, the relevant General Partner reserves the right to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a co-sponsor. Additionally, from time to time, certain service providers (*e.g.*, lenders) seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to Ariel, the Fund or portfolio company in connection with the services provided. Although Ariel Alternatives reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Ariel Alternatives in identifying co-investors. Ariel Alternatives has granted, in certain instances as noted above, and further reserves the right to grant, to certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, Ariel Alternatives or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. However, with respect to Project Black, in the event the General Partner determines in its sole discretion to make any co-investment opportunity available to any Limited Partner solely because such person is a Limited Partner (generally expected to be subsequent to offering the opportunity to the institutional co-investors described above), the General Partner will offer such co-investment opportunity to all

similarly situated (in the General Partner's sole discretion) Limited Partners and parallel investment entity limited partners pro rata in accordance with their relative commitments. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Ariel Alternatives expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of Ariel Alternatives and its affiliates make capital investments in or alongside certain Funds, Ariel Alternatives and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Ariel Alternatives' allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Ariel Alternatives will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Ariel Alternatives expects to be subject, discussed herein, did not exist. Furthermore, unless required by a Fund's Governing Documents, Ariel Alternatives is not obligated to recommend any investment opportunity to any particular Fund. The existence of investments by more than one Fund in a portfolio company also has the potential to raise the risk of using assets of a Fund to support positions taken by other Funds.

In certain cases, Ariel Alternatives will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Ariel Alternatives will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different, or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Ariel Alternatives in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Ariel Alternatives expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Ariel Alternatives expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Ariel Alternatives may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Ariel Alternatives intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness, without undue favoritism over time.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund or Ariel Alternatives' vehicle, or if it were to invest in the securities of a company in which another Fund or Ariel Alternatives' vehicle has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, investment terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction,

regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Ariel Alternatives and its affiliates reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, Ariel Alternatives will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case, in its sole discretion. In exercising such discretion, Ariel Alternatives expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual, or similar restrictions, expense allocation decisions generally will be made by Ariel Alternatives or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Ariel Alternatives. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected from time to time to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Ariel Alternatives and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Ariel Alternatives personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Ariel Alternatives and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Ariel Alternatives.

Additionally, a portfolio company typically will reimburse Ariel Alternatives or service providers retained at Ariel Alternatives' discretion for expenses (including without limitation travel expenses) incurred by Ariel Alternatives or such service providers in connection with its performance of services for such portfolio company. This subjects Ariel Alternatives and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Ariel Alternatives determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their

effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Ariel Alternatives or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Ariel Alternatives, its affiliates, and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Ariel Alternatives' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Ariel Alternatives and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Ariel Alternatives Information"). In many cases, Ariel Alternatives Information will include tools, procedures and resources developed by Ariel Alternatives to organize or systematize Ariel Alternatives Information for ongoing or future use. Although Ariel Alternatives expects its Funds and their portfolio companies generally to benefit from Ariel Alternatives' possession of Ariel Alternatives Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies and not by the Fund or portfolio company from which Ariel Alternatives Information was originally received. Ariel Alternatives Information will be the sole intellectual property of Ariel Alternatives and solely for the use of Ariel Alternatives. Ariel Alternatives reserves the right to use, share, license, sell or monetize Ariel Alternatives Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale, or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites, and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Ariel Alternatives generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and from time to time such service providers are expected to include: (i) Ariel Alternatives or a related person of Ariel Alternatives (which may include a portfolio company of such Fund); (ii) an entity with which Ariel Alternatives or its affiliates or current or former members of their personnel has a relationship or from which Ariel Alternatives or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Ariel Alternatives personnel are seconded, or from which Ariel Alternatives receives secondees; or (iii) certain limited partners or their affiliates. For example, Ariel Alternatives expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Ariel Alternatives to conflicts of interest, because although Ariel Alternatives selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Ariel

Ariel Alternatives has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Ariel Alternatives, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Ariel Alternatives), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Ariel Alternatives will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Ariel Alternatives generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not Ariel Alternatives has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In certain circumstances, current or former Ariel Alternatives personnel are expected to serve in interim or part-time roles at a portfolio company, or provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at Ariel Alternatives. Under such arrangements, Ariel Alternatives and/or the relevant portfolio company is authorized to pay all or a portion of the personnel costs of such employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships or to former employees generally will not offset or reduce the Management Fee. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer-term or permanent basis. Employees may or may not return to Ariel Alternatives at the end of such secondee arrangement.

In addition, as described above, the Funds and portfolio companies typically pay certain fees to the Operations Group (including members of Ariel Alternatives governing board and/or advisory board (the advisory board is also at times referred to as the “accelerants”), consultants introduced or arranged by Ariel Alternatives and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset or reduce the Management Fee as described herein. Members of the Operations Group (which include Ariel Alternatives governing board and board of advisers and/or “accelerants”) generally make use of Ariel Alternatives resources or otherwise are associated with Ariel Alternatives. Ariel Alternatives and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. The Operations Group generally receives investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein and the Governing Documents, and the use of the Operations Group is expected to fluctuate and/or expand over time. To the extent that the Operations Group are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operations Group’s services at a time when fewer portfolio companies or Funds make use

of the Operations Group. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the number of hours worked or the amount or written work product generated by the Operations Group. Although the use of the Operations Group and the allocation of compensation paid to them by Ariel Alternatives, its affiliates and/or the portfolio companies subjects Ariel Alternatives and/or its affiliates to potential conflicts of interest, Ariel Alternatives believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operations Group is lower than market rates for the services provided and/or if the services of the Operations Group align with Ariel Alternatives' model for the portfolio company and improve portfolio company performance. Although Ariel Alternatives seeks to retain the Operations Group with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Ariel Alternatives also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Ariel Alternatives believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operations Group members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, Ariel Alternatives reserves the right from time to time to cause a Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by Ariel Alternatives, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. Certain of such transactions raise potential conflicts of interest, including where the investment of one Fund supports the value of portfolio companies owned by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of Ariel Alternatives, Ariel Alternatives reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Ariel Alternatives) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. In certain circumstances, Ariel Alternatives reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions. Ariel Alternatives intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund.

Although Ariel Alternatives generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any Ariel Alternatives

affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, Ariel Alternatives intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or an Ariel Alternatives affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or an Ariel Alternatives affiliate, whether or not related to the Fund in which such limited partners have invested.

Ariel Alternatives and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Ariel Alternatives and/or its affiliates; conversely, current, or former personnel or executives of Ariel Alternatives and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by Ariel Alternatives. Similarly, Ariel Alternatives, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Ariel Alternatives and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Ariel Alternatives' entities, whether or not relating to financial Ariel Alternatives personnel obligations to fund General Partner commitment obligations) to Ariel Alternatives personnel and their estate planning vehicles. Ariel Alternatives expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Ariel Alternatives information about markets and industries in which Ariel Alternatives operates (or is contemplating operations) or will provide other services that are beneficial to Ariel Alternatives or one or more other Funds. Ariel Alternatives expects to be subject to a potential conflict of interest in making such recommendations, in that Ariel Alternatives has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Ariel Alternatives, its affiliates, and equity holders, officers, principals and employees of Ariel Alternatives and its affiliates reserve the right to buy or sell securities or other instruments that Ariel Alternatives has recommended to a Fund. In addition, officers, principals, and employees

reserve the right to buy securities in transactions deemed unsuitable for a Fund. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Ariel Alternatives' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Ariel Alternatives have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than Ariel Alternatives deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Except to the extent prohibited by the Governing Documents, Ariel Alternatives and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, Ariel Alternatives and its personnel are also permitted to offer, restructure, and monetize interests in Ariel Alternatives.

Because there is a fixed commitment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Ariel Alternatives may not otherwise have done so.

Since Ariel Alternatives is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of Supplemental Fees charged will be

proportional to the number of hours of work performed on behalf of the portfolio company. Additionally, Ariel Alternatives, its personnel, affiliates, or others designated by Ariel Alternatives expect from time to time to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), Ariel Alternatives and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Ariel Alternatives) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund). In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Ariel Alternatives reserves the right to accrue, defer or forego payments of Supplemental Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

Ariel Alternatives and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Ariel Alternatives' compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, and liquidity or transfer rights. Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters.

Ariel Alternatives is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Ariel Alternatives, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Ariel Alternatives, its affiliates and personnel, or the Funds. Further, Side Letters may also relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except where required by Governing Documents, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Ariel Alternatives, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Ariel Alternatives to potential conflicts of interest, including in

circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Ariel Alternatives believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Ariel Alternatives has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Ariel Alternatives has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Ariel Alternatives, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a

borrowing component. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

In borrowing on behalf of the Fund, the General Partner is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the Fund's preferred return, the General Partner is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down Commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital following the end of the commitment period, a limited partner would pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Any of these situations subjects Ariel Alternatives and/or its affiliates to potential conflicts of interest. Ariel Alternatives attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Ariel Alternatives' advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Ariel Alternatives will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Ariel Alternatives consults and receives consent to conflicts from an advisory committee consisting of limited partners of the relevant Fund(s) and such other investment vehicles.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Ariel Alternatives is affiliated with other Ariel Alternatives investment advisers, including General Partners and equivalent entities formed from time to time and subject to the Advisers Act pursuant to Ariel Alternatives' registration in accordance with SEC guidance. These advisers also include Project Black Management, which is registered under the Advisers Act pursuant to Ariel Alternatives' registration. These entities operate as a single advisory business together with Ariel Alternatives and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions.

Ariel Alternatives is affiliated with Ariel Distributors, LLC ("Ariel Distributors"), a broker-dealer registered with the Financial Industry Regulatory Authority, Inc. and a member of the Securities Investor Protection Corporation. Ariel Distributors acts as placement agent for the Funds.

Some of Ariel Distributors registered representatives receive incentive compensation from Ariel Distributors that is based on their institutional business development efforts to increase the assets managed by Ariel Alternatives. These supervised persons are salespersons and/or institutional business development personnel (not management persons of Ariel Alternatives). Some incentive compensation is calculated using a mathematical formula. Other compensation is not formulaic; rather, it is a factor that is considered as part of a comprehensive qualitative review.

Ariel Distributors' registered representatives do not sell non-Ariel investment products or services. Ariel Distributors' registered representatives have a conflict of interest because they have an incentive to sell the products or services of Ariel Alternatives and/or those of its affiliates based on their own anticipated compensation rather than those of Ariel Alternatives client and/or Fund investors. Ariel Alternatives addresses the conflict through disclosure in this brochure.

Ariel Alternatives is also affiliated with Ariel Investments, an investment adviser registered with the SEC. Ariel Investments is a money management firm managing various investment strategies for registered investment companies, a pooled investment vehicle, and managed account clients.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Ariel Alternatives has adopted a Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of Ariel Alternatives principals, employees, and members of its Board of Managers and addresses conflicts that arise from personal trading. The Code requires certain Ariel Alternatives personnel and its affiliated persons to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Ariel Alternatives personnel and certain affiliated persons from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from Ariel Alternatives' Chief Compliance Officer. In addition, the Code requires such personnel and affiliated persons to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Pascale M. Thomas, Ariel Alternatives' Chief Compliance

Officer, at 312-726-0140. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

Accordingly, should Ariel Alternatives or any of its affiliated persons come into possession of material non-public or other confidential information with respect to any public and non-public company, Ariel Alternatives generally would be prohibited from communicating such information to clients, and Ariel Alternatives will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Ariel Alternatives personnel or affiliated persons serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and employees of Ariel Alternatives and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Ariel Alternatives, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

Ariel Alternatives and its affiliates, principals and employees expect from time to time to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

From time to time, a General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, Ariel Alternatives or an affiliate from time to time is expected to sign non-disclosure agreements or other

deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

Ariel Alternatives will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

BROKERAGE PRACTICES

Ariel Alternatives focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Ariel Alternatives reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Ariel Alternatives does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

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

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

Consistent with Ariel Alternatives seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Ariel Alternatives generally does not make use of such services at the current time and has not made use of such services since its inception.

Ariel Alternatives does not anticipate engaging in significant public securities transactions; however, to the extent that Ariel Alternatives engages in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Ariel Alternatives also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Ariel Alternatives expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage

commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Ariel Alternatives is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the number of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided Ariel Alternatives believes they are fair and equitable to its clients under the circumstances over time.

In Ariel Alternatives' private company securities transactions on behalf of the Funds, Ariel Alternatives reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Ariel Alternatives reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Ariel Alternatives generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid, and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Ariel Alternatives monitors companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner's tax return, (iii) a third-party valuation of each portfolio company as of the expiration of the Investment Period, as defined in the Governing Documents, and each of the tenth, fifteenth and twentieth anniversary of the final closing date and (iv) periodic reports providing a narrative summary of the status of each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

Ariel Alternatives and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees. *See* "Fees and Compensation."

Ariel Alternatives reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Ariel Alternatives indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

Ariel Distributors served on a fee-free basis as distributor to sell interests of Project Black. Although there are potential conflicts of interest inherent in using an affiliated broker-dealer and its personnel to place securities, Ariel Alternatives believes these to be substantially mitigated by the fact that the arrangement did not involve the payment of placement fees to Ariel Distributors. However, there can be no assurance that another service provider could not provide the same or similar services to Ariel Alternatives.

CUSTODY

Ariel Alternatives maintains custody of assets held in the name of each of the relevant Funds with qualified custodians as required by the SEC's custody rule. Further, Ariel Alternatives intends, with respect to the Funds, to comply with the private fund audit requirements as provided in Rule 206(4)-2(b)(4) under the Advisers Act.

INVESTMENT DISCRETION

Ariel Alternatives has discretionary authority to manage investments on behalf of each Fund, although investors in the co-investment funds have certain consent rights in relation to the making of certain co-investments. As a general policy, Ariel Alternatives does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Ariel Alternatives and/or its affiliates expect to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Ariel Alternatives assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Ariel Alternatives does not anticipate that its clients will own public equity securities in the near future. In advance of Ariel Alternatives deciding to own such securities for its clients or of one of its portfolio companies going public, Ariel Alternatives will establish the requisite policies and procedures, inclusive of proxy voting guidelines, to ensure compliance with the SEC's proxy voting requirements, including Rule 206(4)-6 of the Advisers Act. These procedures will address conflicts of interest in voting proxies and consider seeking the approval from the LPAC.

FINANCIAL INFORMATION

Ariel Alternatives does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.