



**Item 1. Cover Page**

**Form ADV Part 2A**

**REVELATION CAPITAL MANAGEMENT, LLC**

October 22, 2024

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**This brochure provides information about the qualifications and business practices of Revelation Capital Management, LLC (the “Adviser” or “Revelation”). If you have any questions about the contents of this brochure, please contact Liz Staley at [estaley@revelation-partners.com](mailto:estaley@revelation-partners.com) or 415-636-5420. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Registration with the SEC as an Investment Adviser does not imply that Revelation or any of the principals or employees of Revelation possess a particular level of skill or training in the investment advisory business or any other business.**

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

## **Item 2. Material Changes**

This brochure, dated October 22, 2024, serves as an update to the prior brochure of the Adviser dated March 29, 2024.

Updates made since Revelation's last annual update include :

- Item 4 – Update to ownership.

We encourage all recipients to read this brochure carefully and in its entirety.

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## **Item 4. Advisory Business**

### Overview of Revelation

For purposes of this brochure, the “Adviser” or “Revelation” means Revelation Capital Management, LLC, a Delaware limited liability company, together with its affiliated general partners of the Funds (as defined below) (each a “General Partner”). Such affiliated General Partners are under common control with Revelation Capital Management, LLC and possess a substantial identity of personnel and equity owners with Revelation Capital Management, LLC.

The Adviser provides investment supervisory services to Revelation Healthcare Fund I, L.P., Revelation Healthcare Fund II, L.P., Revelation Alpine, LP, Revelation Healthcare Fund III, L.P., Revelation Co-Invest II, L.P., and Revelation Healthcare Fund IV, L.P. (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

### Advisory Services

The Funds invest in healthcare companies primarily by providing liquidity to existing private equity investors. The Funds focus primarily on acquiring or financing investments in late-stage, private companies. In accordance with the Funds’ investment objectives, investments are generally made in companies and partnerships doing business in the healthcare sector. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments.

The Adviser provides investment supervisory services to the Funds in accordance with the limited partnership agreements of the Funds and advisory agreements (the “Advisory Agreements”) of each of the Funds. The Adviser will also, from time to time, organize one or more single purpose investment vehicles organized to co-invest with a Fund in order to facilitate a particular transaction and whose co-investment in the transaction is made on terms and conditions no more favorable than the terms and conditions of the Fund’s participation in the same transaction.

Investment advice is provided directly to the Funds, subject to the discretion and control of each Fund’s perspective General Partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the Funds. Investment restrictions for the Funds are established in the organizational or offering documents of the Funds, Advisory Agreements, and side letter agreements negotiated with investors in the Funds (such documents collectively, the Funds’ “Organizational Documents”).

### Assets Under Management

The principal owner of Revelation Capital Management, LLC is Revelation Topco, LP. The Adviser has been in business since October 2013. As of December 31, 2023, the Adviser manages a total of \$1,552,671,568 of regulatory assets under management, all of which is managed on a discretionary basis.

## **Item 5. Fees and Compensation**

The Adviser receives Management Fees and Carried Interest (each as defined below) from the Funds. The Funds, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, may reduce the Management Fees payable to the Adviser. Additionally, consistent with the governing documents of the

Funds, the Funds typically bear certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Funds and/or the portfolio companies. Further details about certain common fees and expenses are set forth in more detail below.

### Management Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from the Funds a management fee (each, an “Management Fee”).

Management fees are typically between 1% and 2% of the capital commitments by a Fund’s Limited Partners during a Fund’s investment period (which is typically 4 to 5 years) and, thereafter, the lesser of capital commitments and Limited Partners’ remaining capital invested, or contributed in that Fund. Management Fees are, in most cases, paid in advance on the first day of each fiscal quarter for each Fund. Certain Funds may have different obligations set forth in their respective Organizational Documents.

Management Fees paid by the Funds are reduced by other fees or compensation received by the Adviser or its affiliates that relate to the Funds’ activities and investments, or by certain excess organizational or other expenses borne by the Funds, as described in more detail below. Management Fees paid by the Funds are indirectly borne by investors in the Funds.

The precise amount of, and the manner and calculation of, the Management Fees for the Funds are set forth in the Funds’ Advisory Agreement received by each investor prior to investment in the Funds. The Management Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Funds. The fee structures described herein may be modified from time to time. Fees will from time to time differ as among investors in the same Funds. In addition, the Adviser will, from time to time, enter into economic and/or other fee sharing arrangements with respect to a Fund and/or certain limited partners thereof, the rights of which will not generally be made available to other limited partners.

In certain prior funds, certain investors that are employees, business associates and other “friends and family” of the Adviser or their personnel (collectively the “Adviser Investors”) will typically pay reduced or no Management Fees in connection with their investment in the Funds. Notwithstanding that Adviser Investors will generally not pay Management Fees, Adviser Investors will pay for their pro rata share of certain Fund expenses or the pro rata portion of such Adviser Investors’ expenses will be allocated to the Adviser or the respective General Partner of the Fund.

The Management Fees paid by the Funds will generally be reduced by a percentage of: (1) the fees incurred by the Adviser in connection with the organization of the Funds, including placement fees, that exceed a limit specified in the Funds’ Organizational Documents and (2) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the Funds. Any such reduction of the Funds’ Management Fees will be limited to the extent of the Funds’ proportionate interest in any such portfolio company.

In addition, the Adviser will, from time to time, waive or reduce all or a portion of the Advisory Fee paid by the Funds in full or partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in and alongside the Funds, which could result in acceleration of investor capital contributions. Waived or reduced Management Fees are not subject to various offsets or the reductions described above.

Upon termination of an Advisory Agreement, Management Fees that have been prepaid are returned on a prorated basis.

#### Carried Interest

In accordance with the terms of the Funds' Organizational Documents, a portion of the profits of the Funds, typically between 10% and 20%, are allocated to the capital account of its General Partner as "carried interest" (the "Carried Interest"). The General Partners of the Funds are related persons of the Adviser. Carried Interest paid by the Funds is indirectly borne by investors in the Funds. Certain investors in prior Funds incur lower or no Carried Interest.

#### Other Fees

##### *Fees Payable by the Portfolio Companies*

The Adviser and its employees may, but currently does not, perform transaction-related, financial advisory and other services for, and may, but currently does not, receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales or other dispositions and similar transactions with respect to such portfolio companies ("Transaction Fees").

The Adviser may, but currently does not, receive "Monitoring Fees" pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by the Adviser to such portfolio companies. The terms of a monitoring agreement may include (among other things) acceleration of payment of the Monitoring Fees upon certain termination events, including the occurrence of an initial public offering or strategic exit, the financial effect of which may be substantial, particularly in the event such circumstances occur early in the life of the Funds' investment in such portfolio company.

In addition, the Adviser has the ability to receive fees in connection with an unconsummated transaction ("Break-Up Fees") but does not expect to.

Break-Up Fees, Transaction Fees and Monitoring Fees (collectively, "Other Fees") received would offset the Management Fees paid by the Funds in accordance with the Organization Documents of each Fund. Any such reduction of the Funds' Management Fees will be limited to the extent of the Funds' proportionate interest in any such portfolio company net of any expenses relating thereto.

In addition, the Adviser or its personnel, on behalf of Adviser, could receive stock of a portfolio company due to service of such personnel on the board of such portfolio company. In the event of such a distribution or receipt of stock, the recipients, or Adviser, are required to remit any remuneration, including shares of stock, which then offsets the management fee net of any expenses.

##### *Payments Made to Third Parties*

The Adviser engages and retains senior advisors, advisers, consultants, and other similar professionals ("Providers of Operational Support") who are not employees or affiliates of the Adviser. Providers of Operational Support may, from time to time, receive payments from, or allocations with respect to, portfolio companies and/or other entities. In such circumstances, such fees or other compensation received by such persons are generally retained by such persons and will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing arrangements described above and will not benefit the Funds or its investors. For a discussion of material

conflicts of interest created by the engagement of such persons, please see “*Providers of Operations Support*” in Item 11 below.

#### *Expense Reimbursement*

Additionally, a portfolio company will typically reimburse the Adviser for expenses (including without limitation travel and travel-related expenses, which can include expenses for first class travel, and meals and entertainment expenses, indemnification expenses, certain legal expenses and similar out-of-pocket expenses) incurred by the Adviser in connection with its performance of services for such portfolio company. Reimbursements received will offset the original expense charged to the Funds.

#### Expenses

##### *Adviser Expenses*

Except as otherwise noted in the Organizational Documents, expenses of the Funds shall not include the following operating expenses of the General Partners and its equityholders: expenses of the Adviser related to its registration and compliance as an investment adviser with the Securities and Exchange Commission, expenses on account of rent, utilities, insurance (other than premiums for insurance covered in Fund Expenses below), office supplies, office equipment, and travel, compensation and other expenses of any of the Management Company’s officers and employees unrelated to the business and/or activities of the Funds.

##### *Fund Expenses*

Consistent with the Organizational Documents of the Funds, the Funds will bear all fees, costs, expenses, liabilities and obligations relating to the Fund and/or its activities, business, portfolio companies or actual or potential investments, including relating to it, including (i) all expenses incurred in the organization of the Funds and the offering and sale of interests in the Funds, including legal and accounting fees, printing, travel and travel-related, premium meals, social and entertainment events, organizational expenses of the Fund’s General Partner and marketing expenses up to an amount specified in the Funds’ Organizational Documents, (ii) legal, accounting, audit, valuation, tax compliance, regulatory compliance, custodial, registered agent, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any, and allocable salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, individuals performing fund accounting and or valuation initiatives or providing related services to the Funds), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), and other professional fees, including costs related to the establishment or maintenance of any such activities or services, including, without limitation, audits of the Fund in accordance with GAAP in order for the Management Company to comply with Rule 206(4)-2 promulgated under the Investment Advisers Act; (iii) consulting fees (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants) relating to services rendered to the Fund; (iv) banking, brokerage, registration, qualification, finders, depositary, local paying agent, trustee, record keeping, account, registered office and similar services (including any depositary appointed pursuant to the Directive 2011/61/EU of the European Parliament and of the Council dated June 8, 2011 on Alternative Investment Fund Managers, together with Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/EU, as well as any similar or supplementary law, rule or regulation, including any equivalent or similar law, rule or regulation implemented in the United Kingdom as a result of its withdrawal from the European Union, or subordinate legislation thereto, as implemented in any relevant jurisdiction (“AIFMD”) and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation

relating to the implementation thereof) and similar fees or commissions; (v) transfer, capital and other taxes, as well as charges, duties and fees and any other costs (including broken-deal expenses) incurred in evaluating, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, holding, monitoring, selling (including in connection with an Extended Duration Transaction (as defined below)) or otherwise managing or disposing, or hedging against changes in the value, of Fund assets or obligations, out-of-pocket travel (including air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment), business meal and related expenses incurred by the General Partner in originating, investigating, evaluating or monitoring investments or investment opportunities and, to the extent that the liquid assets of the Fund are insufficient for the Fund to satisfy withholding tax obligations described in the Organizational Documents, any amounts paid by the General Partner on behalf of the Fund in respect of such withholding obligations; (vi) 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, indemnification (including legal and any other costs incurred in connection with indemnifying any Partner or other Person pursuant to the Organizational 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 Organizational Documents), except as otherwise set forth in the Organizational Documents, actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith and other extraordinary expenses; (vii) costs of the preparation, distribution or filing of financial statements and other reports to Partners as well as costs of all governmental returns, reports and other filings (including Form PF and Bureau of Economic Analysis Reports) and costs of governmental examinations, audits, investigations and similar proceedings, including costs of any third-party service providers and professionals related to the foregoing; (viii) costs of any annual, periodic or special meeting of the Partners and any other conference, meeting or webcast or other video conference with any Partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the general partner and meetings of the Advisory Committee (including the reasonable travel and other out-of-pocket costs incurred by the General Partner and the Advisory Committee members in attending such meetings); (ix) indebtedness of, or guarantees made by, the Fund, any Borrowing Subsidiary, the Adviser, the General Partner or any of their affiliates on behalf of the Fund (including any NAV Facility, 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; (x) amounts paid to or for the benefit of portfolio companies other than as capital contributions thereto or in exchange for securities issued thereby; (xi) the Management Fee, as well as any out of pocket costs and expenses incurred in generating or realizing (or in seeking to generate or realize) Fees Subject to Offset (as defined below) to the extent not reimbursed by portfolio companies; (xii) advertising, printing, communications, mailing, courier, marketing and public notice costs; (xiii) costs and expenses associated with preparing Fund tax returns, making tax elections and determinations, and similar activities as well as taxes and other governmental charges imposed upon the Fund as an entity; (xiv) costs of establishing and maintaining alternative investment vehicles and/or holding vehicles; (xv) Fund, General Partner, and Management Company compliance with applicable securities laws (including the IAA, United States Securities Exchange Act of 1934, the Securities Act, the initial and/or preliminary registrations, filings and compliance contemplated by AIFMD and other similar or related laws), as well as General Partner and Adviser compliance with applicable registration or licensing laws arising from the management of, or provision of advice to, the Fund; (xvi) fees and expenses related to compliance with the Organizational



Documents, any subscription agreement of a Limited Partner and any side letter or similar agreement (including, but not limited to, the most favored nation election process); (xvii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xviii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with all applicable legislation and regulation relating to the protection of personal data in force from time to time in the European Union, the European Economic Area or the United Kingdom, including the Data Protection Directive (95/46/EC), the UK Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the General Data Protection Regulation (EU 2016/679), any other legislation that implements any other then current or future legal act of the European Union concerning the protection and processing of personal data, any national implementing or successor legislation and any amendment or re-enactment of the foregoing); (xix) the termination, liquidation, winding up or dissolution of the Fund and any Persons owned directly or indirectly by the Fund (including portfolio companies, holding vehicles and alternative investment vehicles) and related entities; and (xx) any other expenses not listed in the preceding clauses (i) through (xix) that are not normal operating expenses of the General Partner.

From time to time, the General Partners of the Funds will create certain “special purpose vehicles” or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors (“SPVs”). In the event the General Partners create an SPV, consistent with the Organizational Documents of the Funds, the SPV, and indirectly, the investors that invested through this SPV, will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV.

#### *Co-Investment Vehicle Expenses*

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside the Funds will be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will generally bear its pro rata portion of expenses incurred in the making an investment.

If a proposed transaction is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses relating to such proposed but not consummated transaction (“Dead Deal Costs”) would therefore be borne by the Funds. As a general matter, a co-investment vehicle or co-investor will only be required to bear Dead Deal Costs when they are contractually committed to invest in the prospective investment. Similarly, co-investment vehicles (and co-investors) are not typically allocated any share of Break-Up Fees received by the Adviser in connection with such an unconsummated transaction unless they are contractually committed to invest in the prospective investment. Dead Deal Costs may include, among other things, legal, accounting advisory, consulting or other third-party expenses (including amounts payable to Operations Support Partners (as defined in Item 11 below) and other third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investments, any break-up fees, reverse termination fees,, topping, termination or other similar fees, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

#### *Expenses Related to Broker-Dealers and Providers of Operational Support*

The Adviser, from time to time, utilizes the services of broker-dealers to affect portfolio transactions for the Funds. In the event that it chooses to use a broker-dealer for limited purposes relating to the Funds, the Funds will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

The Adviser engages and retains senior advisors, advisers, consultants, and other similar professionals (“Providers of Operational Support”) who are not employees or affiliates of the Adviser. Providers of Operational Support are compensated through carried interest related to specific transactions where support is provided. The Funds will incur an expense when time and expense incurred for diligence performed related to specific investments. For a discussion of material conflicts of interest created by the engagement of such persons, please see “*Providers of Operations Support*” in Item 11 below.

#### *Allocation of Expenses*

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest.

To the extent not allocated to a portfolio company, the Adviser will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated in accordance with the Funds’ Organizational Documents.

The appropriate allocation between the Funds and Third Parties of Dead Deal costs, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser in its good faith discretion, consistent with the Organizational Documents of the Funds. If the Funds evaluate a potential investment that is not consummated, the fees and expenses generated in the course of such evaluating such investment typically are not allocated to co-investment vehicles.

With respect to allocating other expenses among the Funds, co-investors, and/or Third Parties, as appropriate, to the extent not addressed in the Organizational Documents of the Funds, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable.

#### *Carried Interest Payments*

Please see Item 6 below regarding “Carried Interest” that Funds may pay.

It is critical that Investors refer to the relevant Organizational Documents and Organizational Documents for a complete understanding of Management Fees and Expenses. The information contained herein is a summary only, qualified in its entirety by such documents, and does not preclude materially different fee and expense terms for future Funds managed by the Adviser.

### **Item 6. Performance-Based Fees and Side-By-Side Management**

In accordance with the terms of the Funds’ Organizational Documents, a portion of the profits of the Funds are allocated to the capital account of its General Partner as “carried interest” (the “Carried Interest”). The General Partners of the Funds are related persons of the Adviser. Carried Interest paid by the Funds is indirectly borne by investors in the Funds. Certain investors in prior Funds incur lower or no Carried Interest as described in Item 5 above.

## **Item 7. Types of Clients**

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the respective General Partner of the Fund, if applicable) and not individually to investors in the Funds.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and includes, among others, high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships and limited liability companies or other entities.

Minimum investment commitments exist for investors in the Funds. The General Partners can, in their sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of the Funds.

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

### Investment Strategy

As discussed in Item 4 above, Revelation’s strategy is to invest in healthcare companies primarily by providing liquidity to existing private equity investors. The Adviser focuses primarily on acquiring or financing investments in late-stage, private companies. In accordance with the Offering Documents, investments are generally made in companies and partnerships doing business in the healthcare sector.

### Investment Methodology

The Adviser generally employs a three-step process in evaluating investment opportunities. Throughout this process, the Investment Committee, a body controlled by the principals (the “Principals”), is informed through regular meetings and written memoranda. The Investment Committee provides feedback to the investment team regarding issues and concerns that should be addressed as the opportunity moves through the evaluation process. In the first stage, a potential opportunity is reviewed by the investment team to identify the interest or fit and deal issues that need to be addressed prior to the deployment of resources. In the second stage, the investment team makes an assessment of the value of the asset, or assets if it is a portfolio transaction, based on information that is typically already in the possession of the seller. In the third stage, the investment team conducts more intensive diligence, which may include meetings with the management teams to review business and financial prospects and related discussions with board members, co-investors, investment bankers, independent parties, consultants, and industry professionals.

### Risk Factors

Investing in securities involves a substantial degree of risk and, therefore, should be undertaken only by investors capable of evaluating the risks of a Fund and bearing the risks that it represents. There can be no assurance that a Fund will be able to implement its investment strategy or achieve its investment objective or that investors will receive a return on their capital. A prospective investor should not invest in a Fund unless such investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Potential Limited Partners in a Fund should review such fund’s Organizational Documents carefully and, in its entirety, and consult with their professional advisers before deciding whether to invest. In addition, material risks relating to the investment strategies and methods of analysis

described above, and to the types of securities typically purchased by or for the Funds, include the following:

- *Alternative Investment Vehicles.* Based on legal, tax, accounting, business, regulatory or other reasons and/or to facilitate participation in certain types of investments, the General Partner, in its sole discretion, may create one or more alternative investment vehicles (“AIVs”) having terms and conditions generally comparable to those of the Fund. The terms of any AIV may vary from the terms of the Fund based in part on the structure of the relevant transactions, legal requirements, and tax, accounting, business, regulatory or other considerations. Regardless of the terms of an AIV, it is possible that the applicable tax or regulatory authorities will not respect the separate identity of the AIV (apart from that of the Fund), in which case, the proposed benefits associated with establishing an AIV may not be realized.
- *Changes in Environment.* A substantial portion of the Fund’s investments will be in equity or equity-related instruments that by their nature involve business, financial, market and/or legal risks. The success of the General Partner’s investment strategy could be significantly impacted by changing external economic conditions in the United States and global economies, including 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. The stability and sustainability of growth in global economies may be negatively impacted by pandemics, political unrest, terrorism or acts of war. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. Companies in which the Fund invests are likely to be sensitive to general downward swings in the overall economy. Factors affecting economic conditions, including, for example, inflation rates, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, tax laws and innumerable other factors, none of which will be within the control of the Fund, can substantially and adversely affect the business and prospects of the Fund. Changing economic conditions could potentially adversely impact the valuation of portfolio holdings. A sustained period of low valuations in the public equity markets could result in substantially lower liquidation values and substantially longer periods before liquidity is achieved in comparison with historical values, which would reduce the returns that could be achieved by the Fund. In addition, factors specific to a portfolio company may have an adverse effect on the Fund’s investment in such company. The General Partner is likely to rely upon its own, or a portfolio company’s, projections concerning the portfolio company’s future performance in making investment decisions. Such projections are inherently subject to uncertainty and to certain factors beyond the control of the portfolio company and the General Partner. The General Partner is permitted to cause the Fund’s investment sourcing, selection, management and liquidation strategies and procedures to deviate from those described in the Offering Documents.
- *Competition.* The venture capital/private equity business is highly competitive, and has become more so in recent years due to a substantially increased flow of capital into venture capital/private equity funds and similar investment organizations. In addition, the activity of identifying, completing and realizing attractive commercial stage investments in general is very competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions. The Fund and the General Partner will be competing with other established funds formed before or after the establishment of the Fund. Potential competitors also include other investment partnerships and corporations, business development

companies, strategic industry acquirers and other financial investors investing directly or through affiliates with substantial resources and experience. 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 likely will be formed in the future by other unrelated parties. Some of these competitors are likely to have more relevant experience in certain circumstances, greater financial resources, a greater willingness to take on risk and/or more personnel than the Fund, the General Partner, the Management Company or their affiliates. It is possible that competition for appropriate investment opportunities may increase, which could negatively impact the Fund's ability to consummate investments and adversely affect the terms (including the price) upon which investments can be made. To the extent that the Fund encounters significant competition for investments, returns to limited partners may decrease. In addition, there can be no assurance that the General Partner will be able to locate and consummate investments that satisfy the Fund's rate of return objectives or realize their values or that it will be able to fully invest the Fund's aggregate Capital Commitments. To the extent that the General Partner encounters competition for investments, returns from the Fund to limited partners may decrease.

- *Complex Investment Products and Structures.* While some of the Fund's investments are expected to consist of simple cash purchases of portfolio company preferred stock, the General Partner will have broad authority to cause the Fund to acquire, hold and dispose of more complex investment products and to acquire, hold and dispose of investment products through complex investment structures. Investment products/structures may include, without limitation, debt instruments (bridge, convertible or non-convertible), common stock, warrants, calls, interests in joint venture/syndication holding vehicles, securities that are subject to mandatory redemptions, calls, conversions or similar transactions at the option of issuers or other third parties, interests in fund-type vehicles, depository and similar certificates/interests, notional principal contracts and other derivative interests, and securities that may become traded (if ever) exclusively on non-United States exchanges. Each of these investment products/structures will carry with it unique risks and considerations. Except to the very limited extent set forth in the Fund's Organizational Documents, limited partners will have no right to review or approve any such products/structures and will be entirely dependent upon the business judgment of the General Partner.
- *Concentration of Investments.* The Fund's portfolio may become concentrated in a limited number of companies in the healthcare or other industries, increasing the vulnerability of the portfolio as compared with a portfolio that is more diversified. In certain cases, the Fund may acquire majority or greater interests in portfolio companies, which could further increase the vulnerability of the portfolio.
- *Cybersecurity.* The Management Company, its service providers, the Fund, its portfolio companies and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks, including, but not limited to, computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes, that could adversely affect the Fund, its portfolio companies and/or its limited partners, despite the efforts of the Management Company and its service providers to adopt technologies, processes and practices intended to mitigate these risks

and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Fund and the limited partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Management Company, its service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Management Company's systems to disclose sensitive information in order to gain access to the Management Company's data or that of the limited partners. A successful penetration or circumvention of the security of the Management Company's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, the Management Company and/or the Management Company's service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks are also present for portfolio company investments, which could have material adverse consequences for such investments, and may cause the Fund's investments to lose value. To the extent that a portfolio company is subject to cyberattack 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 cyberattack or other unauthorized access is directed at the General Partner or one or more 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.

- *Financial Institution Risk; Distress Events.* An investment in the Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including, but not limited to, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Adviser, the General Partner, the Fund or one or more of the Fund's portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an extended, potentially indeterminate, period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by government-sponsored organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the stated amounts are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose comparable risk of loss. While in recent years governmental intervention has resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that such intervention will occur in connection with any future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, delays or negative impacts

on banking or brokerage conditions or markets. Any Distress Event could have a potentially adverse effect on the ability of the General Partner to manage the Fund and its investments, and on the ability of the General Partner, the Fund and any portfolio company to maintain operations, which, in each case, could result in significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Fund is unable 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 the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the General Partner believes reflect the fair value of such investments; and the inability of the Adviser or portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that a Fund or a portfolio company will incur additional expenses or delays, or incur additional expenses, in putting in place alternative arrangements, or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, availability, access to capital or otherwise). To the extent the General Partner is able to exercise contractual remedies under 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, delays or other negative impacts. The Fund and its portfolio companies are subject to similar risks if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, contractors, service providers or other counterparties of the Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Fund and/or one or more of its portfolio companies. Many Financial Institutions require, as a condition to using certain of their services (often including lending services), that the General Partner and/or the Fund maintain all or a set amount or percentage of their respective accounts or assets with that Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the General Partner seeks to do business with Financial Institutions that it believes are established, well-capitalized and capable of fulfilling their respective obligations to the Fund, the General Partner is under no obligation to use a minimum number of Financial Institutions with respect to the Fund or to maintain account balances at or below the relevant insured amounts, and the rapid collapse in the first quarter of 2023 of several seemingly well-capitalized and established institutions demonstrates that there are limits to the effectiveness of this approach in avoiding counterparty exposure. Under certain circumstances, such as receiving capital contributions pursuant to a capital call or proceeds from a disposition, the Fund will not be able to maintain account balances at or below any relevant insured amounts.

- *Global Privacy and Data Protection Regulation.* Portfolio companies are subject to regulations related to privacy, data protection and information security in the jurisdictions in which they do business (collectively, "Privacy Laws"). Various countries have considered, or already implemented, Privacy Laws, many of which require approaches to compliance specifically tailored to each such country. As Privacy Laws are enacted, implemented, interpreted and applied, compliance costs and legal, financial, and reputational risks may increase and may require the dedication of additional time and resources, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. The EU has enacted the General Data Protection Regulation (EU 2016/679) (the "EU GDPR"); and the UK has implemented the Data Protection Act 2018 and the GDPR as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (the "UK GDPR"), each of which broadly impacts businesses that handle various types of personal data, including private fund managers and their funds and investments.

EU GDPR and UK GDPR impose stringent legal and operational obligations on businesses, as well as the potential for fines, sanctions, or other penalties, which could materially and adversely affect the result of operations and overall business, as well as have an impact on the reputation, of the General Partner, the Fund and their affiliates. Failure to comply with the EU GDPR and the UK GDPR, depending on the nature and severity of the breach, could attract regulatory penalties of up to the greater of: (i) €20 million in respect of the EU GDPR; and (ii) £17.5 million in respect of each of the UK GDPR, or, in each case, 4% of an entire group's total annual worldwide turnover, as well as the possibility of other enforcement actions (such as suspension of processing activities and audits), liabilities from third-party claims and reputational damage. Notably, the EU GDPR and UK GDPR have extra-territorial reach and govern the processing of personal data by businesses with an establishment in the EU and/or the UK (as applicable), as well as those which offer goods or services to EU/UK data subjects or which monitor EU/UK data subjects' behavior within the EU/UK. Additionally, as a result of recent case law and regulatory guidance in Europe, organizations with a nexus to the UK and/or the EU will likely need to dedicate compliance costs and resources to implement appropriate legitimizing mechanisms and safeguards (e.g., standard contractual clauses, pseudonymisation techniques, encryption, impact assessments) in respect of transfers of personal data from the EU and the UK to third countries that have not been deemed by the European Commission or the Government of the UK (as applicable) to provide adequate protection for personal data (e.g., the U.S.). Finally, compliance costs and resources will need to be expended to monitor changes to the Privacy Laws applicable to Europe, including changes to laws surrounding electronic communications which are expected to be enacted within the next two to five years. Furthermore, operations within the United States in particular will be impacted by a growing movement to adopt Privacy Laws similar to the EU GDPR and the UK GDPR, where such Privacy Laws focus on privacy as an individual right in general. For example, California has passed the California Consumer Privacy Act of 2018, as amended (the "CCPA"), which took effect on January 1, 2020. The CCPA generally applies to businesses that collect personal information about California consumers and meet certain thresholds with respect to revenue or buying and/or selling consumers' personal information. The CCPA imposes stringent legal and operational obligations on such businesses as well as certain affiliated entities that share common branding. The CCPA is enforceable by the California Attorney General. Additionally, if unauthorized access, theft or disclosure of a consumer's personal information occurs, and the business did not maintain reasonable security practices, consumers could file a civil action (including a class action) without having to prove actual damages. Statutory damages range from \$100 to \$750 per consumer per incident, or actual damages, whichever is greater. The Attorney General also may impose civil penalties ranging from \$2,500 to \$7,500 per violation. Further, California passed the California Privacy Rights Act of 2020 (the "CPRA") to amend and extend the protections of the CCPA. When the CPRA becomes effective on January 1, 2023, California will establish a new state agency focused on the enforcement of its privacy laws, likely leading to greater levels of enforcement and greater costs related to compliance with the CCPA and CPRA. Other states in the United States, have either passed, proposed or are considering similar Privacy Laws to the CCPA, the CPRA, the EU GDPR and the UK GDPR (such as the Virginia Consumer Data Protection Act passed March 2, 2021, the Colorado Privacy Act passed on July 8, 2021, the Utah Consumer Privacy Act passed on March 24, 2022, and the Connecticut Data Privacy Act passed on May 10, 2022, all of which will become effective in 2023), which could impose similarly significant costs, potential liabilities and operational and legal obligations. Such laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability on regulated entities. There are also ongoing discussions around enactment of United States Privacy Laws at a federal level.



- *Illiquidity of Investments.* An investment in the Fund requires a long-term commitment with no certainty of return, and should be viewed as an illiquid investment. It is unlikely there will be near-term cash flow available to the limited partners. 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. Many of the Fund's investments will be illiquid. 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. There can be no assurance that the Fund will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in-kind to the Partners. There can be no assurance that private purchasers can be found for the Fund's investments. 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 an extended period 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. Furthermore, the expenses of operating the Fund (including the Management Fee payable to the Management Company) may exceed its income, thereby requiring that the difference be paid from the Fund's capital.
- *Investments in Other Venture Capital/Private Equity Funds.* The General Partner is permitted to cause the Fund to invest in other venture capital or private equity funds. Investments in venture capital funds generally involve more risk than investments in private equity funds focused on later-stage investing due to the nature of the companies in which venture capital funds invest. Venture capital investing tends to be more speculative; there is a greater risk of loss of up to the entire amount invested because the underlying portfolio assets are generally attempting to do business in nascent or developing areas (where business models are not yet proven); and the competition for gaining market share or a proven product may be particularly intense. Investments in venture capital funds are highly illiquid and there is no guarantee that such funds (and hence the Fund) will be able to realize their investments in the expected timeframe. In many instances, a venture capital investment may require additional infusions of capital in order to protect earlier investments, although there is no guarantee that such additional investments will lead to a successful investment by the venture capital fund. It is anticipated that the Fund will be a purely passive investor in any such funds, with little or no right to vote upon or otherwise control the activities of such funds. In addition, the managers of such funds may be entitled to receive management fees, carried interests or other forms of compensation in respect of such funds. There will be no reduction in the Management Fees payable to, and carried interest of, the General Partner with respect to the portion of the Fund's capital that is invested in such funds. There are many investment-related risks associated with such types of funds and investments which could impair the performance of and reduce the value of the Fund's investments, each of which would adversely affect the performance of the Fund.

- *Investments with Third Parties.* The Fund expects to make investments together with other third parties, including with venture capital and growth equity vehicles sponsored by others, and through co-investments with limited partners, strategic investors and other third parties. The Fund's investments in portfolio companies alongside third parties may amount to a substantial percentage of the Fund's total assets. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that an investor participating alongside the Fund in an investment experiences financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of the Fund, may take a different view from the General Partner's as to the appropriate strategy for an investment or disposition of an investment, or may be in a position to take action contrary to the Fund's investment objectives. In addition, the Fund may in certain circumstances be liable for the actions of a third party with whom it invests. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. The Fund may, in certain circumstances, be subject to dilutive or other punitive terms associated with "pay-to-play" or similar provisions if the Fund is unwilling or unable to participate in follow on or other investment opportunities with third parties. Some of the third parties with whom the Fund may partner have pre-existing investments with target portfolio companies, and the terms of such pre-existing investments may differ from the terms upon which the Fund invests in such portfolio companies. In addition, such arrangements are likely to involve additional restrictions on the resale of the Fund's interest in any such portfolio company.
- *Lack of Unilateral Control.* Even if the Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or is subject to terms and conditions imposed by portfolio company lenders, or makes a minority investment, the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. When taking non-control positions, a Fund generally will seek to negotiate certain negative controls and veto rights on major decisions, but there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value.
- *Leverage.* A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of the Fund's investments). In addition, certain Funds have the ability to utilize other forms of borrowings or leverage to finance investment and or operating activities but may or may not choose to utilize such borrowings. 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 relevant 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 creditors. In

addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of revolving lines of credit, an upfront fee for establishing borrowing facilities, 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 the maintenance, renegotiating or terminating the facility. Interest rates may be based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the governing documents, and 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 or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the relevant 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, and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. In addition, in order to secure borrowings, the relevant 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 borrowing facility and may agree to terms that are not the most favorable to one or more limited partners. 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 partnership 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 relevant General Partner called smaller amounts of capital incrementally over time as needed by a 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 Management Company for expenses incurred on behalf of the Fund. A 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.

- *Life Sciences/Health Care Industry.* The Fund's assets will be invested primarily in young companies focused upon the highly competitive and rapidly changing life sciences/health care industry. This industry is dominated by large multi-national corporations with substantially greater financing and technical resources than generally will be available to the Fund's portfolio companies. Such large corporations may be better able to adapt to the challenges presented by continuing rapid and major scientific, regulatory and technological changes as well as related changes in governmental and third-party reimbursement policies. Investments in portfolio

companies operating in healthcare, which is an industry that is subject to greater amounts of regulation than other industries, are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and/or regulatory capital requirements in the case of banks or similarly regulated entities. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. Within the life sciences/health care industry, the development of products generally is a costly and time-consuming process. Many highly promising products ultimately fail to prove safe and effective. Products under development and pre-clinical testing generally will require extensive clinical testing prior to application for commercial use. There can be no assurance that the research or product development efforts of the Fund's portfolio companies or those of their collaborative partners will be successfully completed, that specific products can be manufactured in adequate quantities at an acceptable cost and with appropriate quality, or that such products can be successfully marketed or achieve customer acceptance. The success of portfolio companies under certain circumstances will be dependent upon obtaining certain government approvals. The research, development, preclinical and clinical trials, manufacturing, labeling and marketing related to a biotechnology, medical technology or other healthcare company's products are subject to an extensive regulatory approval process by the FDA and other regulatory agencies in the United States and abroad. The process for obtaining FDA and other required regulatory approvals, including the required preclinical and clinical testing, is very lengthy, costly, and uncertain. There can be no assurance that any such product will be approved for marketing by the FDA or any other U.S. or non-U.S. regulatory agency. If a portfolio company is unable to obtain these approvals in a timely fashion, or if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company would experience significant adverse effects. In many cases, the value of a portfolio company will be dependent upon protecting proprietary rights with respect to products. It is difficult and costly to protect the proprietary rights associated with products. Further, competition to a product may develop from other new and existing products. If a portfolio company is dependent on one product, the consequences of such competition could be devastating to the prospects of such portfolio company. There can be no assurance that any issued patents underlying products will provide sufficient protection to allow portfolio companies to conduct their businesses in the ordinary course. Portfolio companies may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights related to products and may be unable to protect their rights to, or commercialize, the applicable products. Moreover, there can be no assurance that portfolio companies will remain free from intellectual property infringement claims by third parties. If a third-party claims that a portfolio company is infringing such third party's intellectual property rights, that third party may obtain a court injunction to prevent the portfolio company from engaging in its business in the ordinary course. The success of portfolio companies will also depend on the preservation of trade secrets, which are often not protected by patents and are instead subject to relevant confidentiality agreements with third parties such as collaborative partners, licensors, employees and consultants. Disclosure of trade secrets or other confidentiality information in violation of any such agreement could adversely affect the relevant portfolio company. Many of the Fund's portfolio companies will be at least partially dependent for their success upon governmental and third-party reimbursement policies that are under constant review and are subject to change at any time. Any such change could adversely affect the viability of one or more portfolio companies. The levels of revenues and profitability of pharmaceutical companies and other healthcare-related companies may be affected by the

continuing efforts of governmental and third-party payors to contain or reduce the costs of healthcare. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. There can be no assurance that a portfolio company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a portfolio company to maintain price levels sufficient to realize an appropriate return on its investment in product development. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or PPACA (collectively, the "Health Care Reform Act") has had a significant impact on the healthcare sector in the U.S. and consequently has the ability to affect the companies within the healthcare industry. The Health Care Reform Act has been and will remain subject to frequent regulatory change, including as to whether it will be repealed and replaced or otherwise further modified, and any decisions with respect to the Health Care Reform Act likely will have a significant impact on the healthcare industry and the companies in which the fund invests. While the Fund intends to make investments in companies that comply with relevant laws and regulations, certain aspects of their operations may not have been subject to judicial or regulatory interpretation. An adverse review or determination by any one of such authorities, or an adverse change in the regulatory requirements, could have a material adverse effect on the operations of the companies in which the Fund invests. The ultimate effects of federal healthcare reform or any future legislation or regulation, or healthcare initiatives, if any, on the healthcare sector, including the modification or repeal of the Health Care Reform Act (whether in whole or in part), whether implemented at the federal, state or local level, or internationally, cannot be predicted with certainty and such reform, legislation, regulation or initiatives, including the Health Care Reform Act, may adversely affect the performance of the Fund's investments. In addition, the growth of large managed care organizations and prescription benefit managers as well as the prevalence of generic substitution has hindered price increases for prescription drugs. For example, in Europe, following approval by the European Agency for the Evaluation of Medicinal Products ("EMA"), the pricing of a new pharmaceutical or biopharmaceutical product is negotiated on a country-by-country basis with each national regulatory agency. In addition, each European country has an approved formulary based on which it reimburses the cost of prescription drugs. The efforts to reform the healthcare delivery system in the United States and Europe has resulted in increased pressure on healthcare providers and other participants in the healthcare industry to reduce costs. These competitive forces place constraints on the levels of overall pricing, and thus could have a material adverse effect on profit margins for the companies in which the Fund invests.

- *Limited Access to Information.* The rights of limited partners to information regarding the Fund and its portfolio companies will be specified, and strictly limited, in the Organizational Documents. In particular, it is anticipated that the General Partner will obtain certain types of material information 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 for other reasons. For example, the General Partner may obtain information regarding portfolio companies (e.g., via members of the General Partner serving as advisors to, or officers/directors of, portfolio companies) that is material to determining the value of securities issued by such portfolio companies. Such information may be withheld from limited partners in order to comply with duties to such portfolio companies or otherwise to protect the interests of such portfolio companies or the Fund. Decisions by the General Partner to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example: (i) a Limited Partner that seeks to sell its interest in the Fund may have difficulty in determining an appropriate price for such interest; (ii) decisions by the General Partner to withhold information

may make it difficult for limited partners to subject the General Partner to rigorous oversight; and (iii) each communication from the General Partner to one or more limited partners must be interpreted in light of the realistic possibility that the General Partner is in possession of undisclosed information relating to the Fund or its portfolio companies that could be material to a comprehensive assessment of such communication. Overall, prospective investors should not expect the Fund to be operated with the same degree of “transparency” as a publicly-traded corporation or mutual fund. Additionally, it is anticipated that the limited partners that designate representatives to participate on the LP Advisory Committee 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. limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Fund succeeds in asserting confidentiality for requested documents and other materials, and the General Partner reserves the right to withhold certain information from investors subject to such laws for reasons relating to the General Partner’s public reputation, business strategy or other reasons.

- *Litigation Risks.* The Fund will be subject to a variety of litigation risks, particularly in consequence of the substantial likelihood that one or more portfolio companies will face financial or other difficulties during the term of the Fund’s investment. For example, it is anticipated that individual members of the General Partner may actively assist portfolio companies in differing capacities (including, without limitation, by serving as officers, directors, or advisors). The Fund may also participate in portfolio company financings at implicit portfolio company valuations lower than the valuations implicit in preceding rounds of financing, vote portfolio company shares in a manner contrary to the interests of other shareholders, or be exposed to flow-through liability for portfolio company debts and obligations (e.g., under laws governing liability for environmental damage). In the event of a dispute arising from any of the foregoing activities (or other activities relating to the operation of the Fund or the General Partner), it is possible that the Fund, the General Partner, or the members of the General Partner may be named as defendants. Under most circumstances, the Fund will indemnify the General Partner and its members for any costs they incur in connection with such disputes. Beyond direct costs, such disputes may adversely affect the Fund in a variety of ways, including by distracting the General Partner and harming relationships between the Fund and its portfolio companies or other investors in such portfolio companies. To the extent set forth in the Fund’s Organizational Documents, limited partners may be required to return distributions previously received by them from the Fund in order to enable the Fund to make indemnification payments to the General Partner, its members or other indemnified persons. More generally, limited partners may be required to return distributions previously received by them from the Fund to the extent required by applicable law. Such a return obligation may occur, for example, if the Fund makes a distribution at a time when it is technically insolvent or otherwise unable to satisfy the claims of creditors.
- *Long-Term Investment.* A significant period of time may elapse before the Fund has completed its investment program. Investments may take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Prior to such time, there often will be no current return on the Fund’s investments.

- Misconduct of the Adviser and Third-Party Service Providers.* The Adviser's reputation is critical to maintaining and developing relationships with existing and prospective limited partners, as well as with the numerous third parties with which the General Partner and Management Company do business. In recent years, there have been a number of highly publicized cases involving fraud or other misconduct by employees in the financial services industry, and there is a risk that employee misconduct could occur with respect to the Fund. Misconduct by the Management Company, General Partner, or Fund employees or by third-party service providers could cause significant losses to the Fund. Employee misconduct could include, among other things, binding the Fund to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, would result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses to the Fund. In addition, any improper use or disclosure of confidential information by employees and third-party service providers could result in litigation or serious financial harm, including limiting the Fund's business prospects or future activities. Furthermore, because of the Fund's diverse businesses and the regulatory regimes under which they operate, misdeeds by any of the Fund, General Partner, or Management Company (or its personnel) could result in foreclosing the Fund's, the General Partner's, a portfolio company or any of their affiliates' ability to conduct its activities in the manner otherwise intended. It is not always possible to detect, deter and/or prevent misconduct by employees and/or service providers, and the precautions the Fund takes to detect and prevent this activity are not guaranteed to be effective in all cases. It is also the case that misconduct at the level of the Management Company or a portfolio company also could have a negative effect on such entity, and potentially on the Fund, and similar challenges in detection, deterrence and prevention apply, to an even greater degree, at such level.
- No Right to Control the Fund's Operations.* Limited partners will have no opportunity to control the day-to-day operations of the Fund, including investment and disposition decisions. In order to safeguard their limited liability from the liabilities and obligations of the Fund, limited partners must rely entirely on the General Partner and the Management Company to conduct and manage the affairs of the Fund.
- Non-United States Investments.* While not the primary investment focus of the Fund, and subject to the concentration and other limitations with respect thereto as provided in the Organizational Documents, the Fund may invest in companies whose principal executive offices, corporate headquarters or activities are outside of the United States. Risks associated with investment in any non-U.S. jurisdiction may include the following: the unpredictability of international trade patterns; the possibility of governmental actions adverse to business generally or to foreign investors in particular; the imposition or modification of controls on foreign currency exchange, repatriation of proceeds, or foreign investment; the imposition or increase of withholding or other taxes income, gain or on gross sale or disposition proceeds; potential tax filing requirements in non-U.S. jurisdictions; the imposition of potentially confiscatory levels of taxation; price volatility; the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements; governmental influence on the national and local economies; and fluctuations in currency exchange rates. In addition, members of the Adviser's investment team have less extensive experience with investments in non-U.S. markets. Investments by the Fund in non-U.S. portfolio companies, if any, may be denominated in

currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of the U.S. dollar.

- *Other Regulatory Restrictions.* Anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the General Partner or the Fund from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC.
- *Portfolio Company Borrowings.* Although the Funds generally do not intend to borrow except on a short-term basis, certain portfolio companies in which the Fund will invest, and special purpose vehicles through which the Fund holds portfolio companies, may be significantly debt-financed by third parties. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve more risk, and the magnification of the risk of loss may be substantial. Because of the use of leverage, economic downturns, operating problems, and other general business and economic risk may have a more pronounced effect on a company's profitability or survivability. 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. Moreover, rising interest rates typically would increase (in some cases significantly) portfolio company interest expense, causing losses and/or the inability to service debt. In addition, cash flow from operations or investment that could otherwise be available to a leveraged portfolio company to fund growth often would instead be diverted to repay the company's debt obligations. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Fund may suffer a partial or total loss of their invested capital. A portfolio company's obligations to these lenders will likely be senior to the Fund's investment in the company and may also be secured by the assets of the company. The Fund's junior status could result in a loss of investment by the Fund in liquidations or sale transactions. It may also be necessary from time to time for a leveraged portfolio company to seek refinancing or restructuring of its debt financing, and there can be no assurance that any needed refinancing or restructuring may be available on terms that are favorable to the Fund's investment in the portfolio company. The Fund may guarantee the indebtedness of some portfolio companies. Consequently, if a portfolio company's cash flow is insufficient to cover its debt obligations, the Fund may be called upon to fund all or a portion of a portfolio company's debt obligations to satisfy such guarantees. This would reduce the amount of capital the Fund has available for other purposes and could adversely affect returns to the investors in the Fund. In addition, reduced availability of third-party leverage to finance acquisitions of portfolio companies could adversely affect the Fund's investment strategy.
- *Portfolio Investments.* Identifying and participating in attractive investment opportunities and assisting in the building of successful young/emerging enterprises is difficult. There is no assurance that the Fund's investments will be profitable and there is a substantial risk that the Fund's losses and expenses will exceed its income and gains. Any return on investment to the



limited partners will depend upon successful investments made on behalf of the Fund by the General Partner. There often will be little or no publicly available information regarding the status and prospects of portfolio companies. Many investment decisions by the General Partner will be dependent upon the ability of its members and agents to obtain relevant information from non-public sources, and the General Partner often will be required to make decisions without complete information or in reliance upon information provided by third parties that is impossible or impracticable to verify. The marketability and value of each investment will depend upon many factors beyond the General Partner's control. Typically, although a member of the General Partner may serve on a portfolio company's board of directors, each portfolio company will be managed by its own officers (who generally will not be affiliated with the Fund or the General Partner). The Fund is permitted to hold minority positions in portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic, management or other attributes. Portfolio companies may have substantial variations in operating results from period to period, face intense competition, and experience failures or substantial declines in value at any stage. Portfolio companies may need substantial additional capital to support growth or to achieve or maintain a competitive position. Such capital may not be available on attractive terms. The Fund's capital is limited and may not be adequate to protect the Fund from dilution in multiple rounds of portfolio company financing. The public market for high technology and other emerging growth companies is extremely volatile. Such volatility may adversely affect the development of portfolio companies, the ability of the Fund to dispose of investments, and the value of investment securities on the date of sale or distribution by the Fund. In particular, the receptiveness of the public market to initial public offerings by the Fund's portfolio companies may vary dramatically from period to period. An otherwise successful portfolio company may yield poor investment returns if it is unable to consummate an initial public offering at the proper time. Even if a portfolio company effects a successful public offering, the Fund or the limited partners may be prevented from disposing of the portfolio company's securities for a material period of time due to a contractual "lock-up," applicable law or other restrictions. Similarly, the receptiveness of potential acquirors to the Fund's portfolio companies will vary over time and, even if a portfolio company investment is disposed of via a merger, consolidation or similar transaction, the Fund's stock, security or other interests in the surviving entity may not be marketable. There can be no guarantee that any portfolio company investment will result in a liquidity event via public offering, merger, acquisition or otherwise, and there is a significant risk that the Fund's investments will yield little or no return. Generally, the investments made by the Fund initially will be illiquid and difficult to value, and there will be little or no collateral to protect an investment once made. At the time of the Fund's investment, a portfolio company may lack one or more key attributes (*e.g.*, proven technology, appropriate patent protection, marketable product, complete management team, regulatory approvals or strategic alliances) necessary for success. Many or most of the Fund's portfolio companies will be dependent for their success upon the development, implementation, marketing and customer acceptance of new technologies that can be rendered obsolete or otherwise unattractive at any time. In some (possibly most) cases, the success of the Fund's portfolio companies will depend upon the development of business, technology or other "ecosystems" that may or may not reach critical mass during the relevant time period. In particular, there have been many examples of technology-related investments that failed to produce attractive returns simply because they were made too early in the development of such ecosystems, and there can be no assurance that the Fund will make investments at the proper time to achieve its investment goals. Some portfolio companies may be reliant for their success upon regulatory approvals, while others may require changes to existing (or the development of new) regulatory regimes. Regulatory approvals and changed/new regulatory regimes may be costly, difficult or impossible to obtain (and, if obtained,

may be forthcoming only after a very extended period of time). Investments into certain types of regulated portfolio companies may impose costly and burdensome regulatory obligations upon the Fund itself. In most cases, investments will be long term in nature and may require many years from the date of initial investment before disposition. It is likely that the Fund will still hold some illiquid securities at the time of the Fund's dissolution, with the result that such securities may be distributed in-kind or sold for a price that reflects their illiquid nature. Relative to mature companies, young/emerging companies often have not yet developed comprehensive legal, regulatory, financial audit/control and similar compliance capabilities. This will make it more difficult for the General Partner to conduct diligence upon prospective portfolio companies and to monitor companies that have entered the Fund's portfolio. It enhances the risks that otherwise successful portfolio companies will experience adverse consequences due to unintended violations of legal, regulatory or similar obligations. It also enhances the risks that portfolio companies or the Fund will experience adverse consequences due to intentional wrongdoing by portfolio company personnel or third parties. It is anticipated that a portion of the Fund's investment portfolio will consist of securities issued by publicly traded companies (e.g., as the result of a direct investment in publicly traded securities, an initial public offering effected by a previously private portfolio company, or acquisition of a private portfolio company by a publicly traded company). The fact that a portfolio company is publicly traded will not necessarily reduce the business and other risks associated with an investment in such company. For example, the last few decades have seen multiple periods during which early stage companies have been able to effect initial public offerings, and the stage at which companies are able to effect an initial public offering varies in different markets around the world. Moreover, investments in publicly traded companies often are subject to additional risks, such as increased risks of litigation and greater securities law and other regulatory burdens, as well as risks associated with "insider trading" and similar rules.

- *Regulatory Concerns.* The Fund will be subject to a variety of securities laws and other types of governmental regulation in the United States and other jurisdictions that may limit the scope of its operations or impose material compliance costs and other burdens. Such laws and regulations are subject to change at any time. While the General Partner believes that the Fund will not be subject to the registration requirements of the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), there can be no assurance that this belief is, or will continue to be, correct. If the Fund were subject to such registration requirements, the Fund's performance could be materially adversely affected. The General Partner is not registered, and believes that it is not otherwise regulated, as a commodity pool operator under rules issued by the United States Commodity Futures Trading Commission (the "CFTC"). Accordingly, the General Partner believes that it generally is not subject to certain restrictions, disclosure requirements and other obligations applicable to registered or unregistered commodity pool operators under CFTC rules, although the General Partner may become subject to such restrictions, requirements and obligations in the future. Under the Fund's Organizational Documents, the General Partner will be authorized to manage and conduct the affairs of the Fund in a manner that (i) avoids classification of the Fund as a commodity pool and/or (ii) qualifies the General Partner for exemption from registration as a commodity pool operator, in each case under CFTC rules. Should the General Partner elect to manage and conduct the affairs of the Fund in such manner, the Fund's investment and other activities may be constrained. For example, the General Partner may limit the Fund's use of hedging transactions such as currency or interest rate swaps and thereby expose the Fund to greater risks with regard to changes in currency exchange or interest rates than if the Fund took a more flexible approach to hedging. Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of

law and regulations that would impact the business of the Management Company and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact the Management Company and its affiliates, the Fund and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Fund. In general, the General Partner will seek to minimize the degree of governmental regulation and oversight to which the General Partner and the Fund are subject. While it is anticipated that this approach will reduce compliance and other costs, this approach will also eliminate a variety of investor protections (including certain protections arising under the Securities Act, the United States Securities Exchange Act of 1934, the Investment Company Act, and the United States Investment Advisers Act of 1940 (the “Advisers Act”)) that would be available if the General Partner and the Fund were subject to greater governmental regulation and oversight. In particular, prospective investors are cautioned against assuming the applicability of investor protections generally associated with public offerings of securities.

- *Reliance on the General Partner and Key Personnel.* The General Partner will have sole discretion over the investment of the funds committed to the Fund as well as the ultimate realization of any profits. Investors in the Fund will be relying on the General Partner to conduct the investment activities of the Fund. The Fund is highly dependent on the diligence, skill and network of business contacts of the Managing Partners and the information and deal flow generated by the Managing Partners in the course of their investment and portfolio management activities. The Fund’s success will depend on the continued service of the Managing Partners and other key personnel. The loss of one or more of the Managing Partners or other key personnel of the General Partner or the Management Company could have a significant adverse impact on the business of the Fund and its ability to achieve its investment objectives. No assurances can be given that each of the Managing Partners and other key personnel will continue to be affiliated with the General Partner, the Management Company or any of their affiliates throughout the life of the Fund. There can be no assurance that the Managing Partners will be able to duplicate prior levels of success.
- *Reliance on Third Parties.* The General Partner and the Fund are permitted to require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, bankers, brokers, custodians, consultants (including “finders” and similar persons engaged to assist with the development and exploitation of portfolio deal flow, as well as “experts” and similar persons engaged to assist with the assessment of technologies, markets and other matters) and various other persons or agents. The General Partner and its affiliated management/advisory entities are permitted to also utilize the services of non-executive directors who provide such services on a professional basis and are not primarily part of any single venture capital/private equity firm. Failure by any of these third parties to perform their duties or otherwise satisfy their obligations to the Fund could have a material adverse effect upon the Fund. Except as otherwise provided in the Fund’s Organizational Documents, the fees and costs associated with such third parties will be paid by the Fund.
- *Reserves.* In managing the Fund, the General Partner will establish reserves for follow-on investments in portfolio companies, operating expenses (including management fees payable to

the General Partner), Fund liabilities, and other matters. Estimating the amount necessary for such reserves will be difficult, particularly because follow-on investment opportunities will be directly tied to the success and capital needs of portfolio companies. As set forth in the Fund's Organizational Documents, the General Partner's authority to cause the Fund to borrow will be strictly limited, which will further increase the difficulty of estimating the proper size of reserves. Inadequate or excessive reserves could have a material adverse effect upon the investment returns to the limited partners. For example, if reserves are inadequate, the Fund may be unable to take advantage of attractive follow-on or other investment opportunities or to protect its existing investments from dilutive or other punitive terms associated with a "pay-to-play" or similar investment round. If reserves are excessive, the Fund may decline attractive investment opportunities or hold unnecessary amounts of capital in money market or similar low-yield accounts.

- *Secondary Investments in Portfolio Companies.* In addition to the general risks associated with portfolio company investments (see "Risks Associated with Portfolio Investments" above), the Fund's intended focus on secondary direct investments presents specialized risks. While the secondary direct investment market has grown substantially in recent years, it remains a young market relative to more established venture capital/private equity markets. Thus it may be more prone to rapid swings in the level of market activity, highly variable inflows and outflows of competitors, changing deal terms and conditions, and other attributes of a young, developing marketplace. Moreover, the members of the General Partner have achieved their prior levels of success at times when the market was even less developed than it is at present, and they may face a variety of new or enhanced hurdles, challenges or difficulties as the market matures. For example, website operators recently have begun to create quasi-public markets for secondary direct interests and may achieve greater success in the future, with corresponding detriment to the Fund's more proprietary approach. Sellers of secondary interests may be passive investors or otherwise have little insight into the true value of such interests and little information to share with the General Partner other than reports that have been generated and provided by portfolio company management. The management of a prospective portfolio company may not be willing to assist the General Partner in conducting factual investigation and analysis ("diligence") with respect to the prospective portfolio company and may be under no obligation to do so. The General Partner typically will seek to position the Fund as an attractive counterparty vis-à-vis portfolio company management, and believes that this positioning often will induce prospective portfolio company management to cooperate with the General Partner's efforts to conduct diligence. Nevertheless, portfolio company management (in particular, management of successful portfolio companies) often will have access to many competing capital sources and service providers. Thus, there can be no assurance that prospective portfolio company management will be inclined to cooperate with the General Partner's efforts at diligence or to take such other steps as are necessary to facilitate an investment by the Fund. The securities that the Fund will seek to acquire on a secondary basis may be subject to substantial limitations on transferability including, without limitation, prohibitions on transfer, tag-along or drag-along rights, or rights of first refusal. Otherwise attractive investments may be impracticable or impossible to consummate due to such limitations. Once the General Partner has identified an attractive secondary investment opportunity, and gained access to that opportunity, the terms and conditions of investment may not be ideal. As a secondary purchaser, the Fund will be less likely to obtain a portfolio company board seat or similar position of the type often available to direct investors and therefore may be less able to protect its interests. Overall, the Fund may have fewer rights to influence portfolio company management than if it were a primary investor (see "Limited or No Control over Portfolio Companies" below). As a secondary purchaser, the Fund

may be required to devote substantial time, effort and resources in seeking to obtain clean title to the securities that it acquires (particularly when the seller is an individual). These efforts may not always be fully successful. The Fund's intended investment program includes the accumulation of substantial positions in portfolio companies by means of many incremental investments. Such an approach may result in substantially greater costs per dollar invested relative to typical venture/private equity funds that often invest larger amounts via a smaller number of transactions. The Fund's intended investment program is based, in significant part, on assumptions regarding the supply of investments available for purchase. That supply is subject to many circumstances beyond the General Partner's control. For example, an unexpectedly active IPO market might significantly reduce the supply of investments available to the Fund by making it possible for erstwhile sellers to cash-out via public market transactions. The market for secondary interests in alternative investment funds is continuing to develop and there can be no assurance as to the number of investment opportunities that will be available to the Fund. In addition, completing the acquisition of an interest in an alternative investment fund generally requires the consent of the General Partner of that fund and there is no assurance that the Management Company will be able to obtain such consent. The secondary market for interests in private equity funds and other alternative investment funds is highly competitive, and successfully sourcing investments can be problematic given the high level of investor demand and some investment opportunities receive. Even if these investment opportunities and managers are identified, there is no assurance that the Fund's bids to acquire interests in such investments, which interests are often difficult to value, will be successful; and, upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control, and other similar provisions applicable to such investments (and which may have been granted in favor of other affiliates of the Management Company or investment vehicles in which they may have invested), may prevent the Fund from acquiring all or a portion of such investments. In addition, the Fund may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment. The Fund may incur significant expenses investigating potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.

- *Secondary Investments through Third-Party Alternative Investment Funds.* The market for secondary interests in alternative investment funds is continuing to develop and there can be no assurance as to the number of investment opportunities that will be available to the Fund. In addition, completing the acquisition of an interest in an alternative investment fund generally requires the consent of the General Partner of that fund and there is no assurance that the Management Company will be able to obtain such consent. The secondary market for interests in private equity funds and other alternative investment funds is highly competitive, and successfully sourcing investments can be problematic given the high level of investor demand and some investment opportunities receive. Even if these investment opportunities and managers are identified, there is no assurance that the Fund's bids to acquire interests in such investments, which interests are often difficult to value, will be successful; and, upon a successful bid, legal or contractual transfer restrictions, including rights-of-first-refusal, change-of-control, and other similar provisions applicable to such investments (and which may have been granted in favor of other affiliates of the Management Company or investment vehicles in which they may have invested), may prevent the Fund from acquiring all or a portion of such investments. In addition, the Fund may not be able to obtain as favorable terms as it would otherwise in a less competitive investment environment. The Fund may incur significant expenses investigating potential investments that are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors.

- *Syndication.* From time to time, the Fund may purchase a portfolio investment with the intention of syndicating a portion of such portfolio investment to one or more limited partners and/or other parties, including third party co-investors. In such instances, the Fund may have to agree to less favorable terms than expected with such co-investors to complete the syndication and/or the Fund may not be able to find sufficient co-investors for any such syndication within 13 months, which may result in the Fund having to hold a greater portion of such portfolio investment than the General Partner originally intended. As a result, the Fund's portfolio could become more concentrated with respect to such investment than initially expected.
- *Tax Liability Considerations.* The Fund is permitted to take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by a taxing authority, a Limited Partner might be found to have a different tax liability for that year than that reported on its tax returns. In addition, a taxing authority's review of the Fund may result in a review of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by the Fund and affect items not related to a limited partner's investment in the Fund. If such adjustments result in an increase in tax liability for any year, the Fund or one or more of the limited partners may also be liable for interest and penalties with respect to the amount due. The legal and accounting costs incurred in connection with any taxing authority's review of the Fund's tax returns will be borne by the Fund. The cost of any review of a Limited Partner's tax return will be borne solely by such Limited Partner.
- *Uncertainty of Financial Projections.* Financial and other information concerning the Fund's investments will generally only be available through certain sources, including the portfolio companies themselves and are likely to include assumptions of fact and opinions as to future events which the General Partner believes to be reasonable when made. It is not generally expected that there will be any consistent means, however, of confirming the accuracy of such information. It may also be impractical or undesirable to carry out full time due diligence before an investment is acquired and the General Partner and the Management Company are permitted to conduct their due diligence activities over a very brief period. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the Management Company in its discretion. The portfolio companies may have little or no previous credit or operating histories. 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. The inaccuracy of certain assumptions and general economic conditions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events, which are unpredictable, can have a materially adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from such projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.
- *Valuation of Assets.* There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstance of the investments. Valuations are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the

process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities may ultimately be sold. Third-party pricing information may at times not be available regarding certain of the Funds' assets. With respect to the Funds, the exercise of discretion in valuation by the Adviser may give rise to conflicts of interest, as the performance allocation in the Funds is calculated based, in part, on these valuations and such valuations affect performance calculations.

The foregoing list of risk factors and conflicts does not purport to be a complete enumeration or explanation of the risks involved in the Adviser's investment strategy. Before deciding to invest in a Fund, Limited Partners should consider carefully all of the risk factors and other relevant information contained in the Funds' Organizational Documents.

#### **Item 9. Disciplinary Information**

Item 9 is not applicable to the Adviser.

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

Neither Revelation nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Neither Revelation nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

Related persons of the Adviser serve as general partner of the Funds. For a description of material conflicts of interest created by this relationship, as well as a description of how such conflicts are addressed, please see Item 11 below.

A related person of the Adviser provides advice to an unaffiliated fund, currently in dissolution, managed by Saints Capital Services, LLC and is compensated through carried interest for this advice.

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

##### Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its managing directors, principals, partners and officers (or any person performing similar functions), or employee (collectively, "Adviser Personnel"). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the "Advisers Act"), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for the Funds, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest. Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware.

Adviser Personnel are required to annually certify compliance with the Code of Ethics. A copy of the Code of Ethics is available to any client or prospective client upon written request to: Liz Staley at [estaley@revelation-partners.com](mailto:estaley@revelation-partners.com)

#### Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser invest in and alongside the Funds, either through the General Partners or as direct investors in the Funds. The Funds or their General Partners, as applicable, will reduce all or a portion of the Management Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below. Due in part to the fact that potential investors in the Funds (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

#### Conflicts of Interest

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

#### *Resolution of Conflicts*

In the case of all conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, but in its sole discretion. In resolving conflicts, the Adviser may consider various factors, including the interests of the Funds with respect to the immediate issue and/or with respect to its longer-term course of dealing. Conflicts will not necessarily be resolved in favor of the Funds. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) The Funds will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of the Funds;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) The Funds have established an advisory committee, consisting of representatives of investors not affiliated with the Adviser. In certain situations specified in the Organizational Documents, the General Partners are required to seek consent from the Advisory Committees. In other situations, the General Partners may do so in their sole discretion;
- (4) The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- (5) Prior to subscribing for interests in the Funds, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Funds.



The material conflicts of interest encountered by the Funds include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by the Funds. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### *Conflicts*

*Allocation of Investment Opportunities.* The Adviser advises funds whose investment objectives may from time-to-time overlap. Therefore, in connection with their investment activities, the Adviser may encounter situations in which they must determine how to allocate investment opportunities among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with the Funds in all or particular transactions entered into by the Funds (the investors in such co-investment vehicles may include Adviser Investors; and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with the Funds in particular transactions entered into by the Funds; and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

The Adviser will allocate all investment opportunities that it sources among the Funds, pursuant to the allocation procedures described below. The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities, and will make allocation determinations consistently therewith. In addition, the Funds are subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are set forth in the Funds Organizational Documents. The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities will generally be set forth in a Fund’s Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities

Once the Funds and other parties that will participate in the investment opportunity are identified, the Adviser will allocate such opportunity among such parties in accordance with any Investment Allocation

Requirements. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing;
- Each Fund's liquidity and reserves;
- Each Fund's portfolio construction and diversification;
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio (and the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- The seniority of an investment and other capital structuring criteria;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors, or third-parties;
- Whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds, including but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Feedback from the Limited Partners Advisory Committee

Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. Executive officers and other personnel of the Adviser and their affiliates invest indirectly in and may be permitted to invest directly in the Funds and may therefore participate indirectly in investments made by the Funds. The existence of these varying circumstances may present conflicts of interest in determining how much, if any, of certain investment opportunities to offer to the Funds.

*Allocation of Co-Investment Opportunities and Secondary Transactions.* The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the Funds), and any such excess may be offered to one or more co-investors pursuant to the procedures included in the Funds' Organizational Documents and as set forth in the following paragraphs. There can be no assurance that Limited Partners of the Funds will be provided with the opportunity to participate in any co-investment opportunities. The allocation of co-investment opportunities could be made to one or more persons or entities (including, but not limited to, certain Limited Partners) for any number of reasons, which may not be in the best interests of the relevant Funds or any individual Limited Partner. Generally, subject to any Investment Allocation Requirements (which do not include non-binding acknowledgements of interest in co-investment opportunities), (a) no Limited Partner will have a right to participate in any co investment opportunity, (b) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the General Partners, (c) co-investment opportunities typically will be offered to some (and not other) Limited Partners, in the sole discretion of the General Partners, (d) certain persons or entities other than Limited Partners may, in the sole discretion of the General Partners, be offered co-investment opportunities, (e) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchaser their interests from the Funds after the Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer). The Adviser has entered into side letters with certain investors in the Funds providing that the Adviser will offer co-investment opportunities to such investors. In addition, the Funds may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Funds, or may be in a position to take action contrary to the investment objectives of the Funds. In addition, the Funds may in certain circumstances be liable for actions of its third-party co-venturer or partner. In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, the Adviser may consider some or all of a wide range of factors, which may include, but are not limited to, one or more of the following:

The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Funds without harming or otherwise prejudicing the Funds, in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether

the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);

Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;

The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;

The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;

The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, (i) if the potential co-investment party is involved in the same industry as a target company in which the Funds wish to invest, (ii) the ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's chemistry with the management team of the potential portfolio company, (iii) if the potential co-investment party has any existing positions in the portfolio company, or (iv) if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may otherwise affect the likelihood of the Funds being able to capitalize on a potential investment opportunity);

Any interests a potential co-investment party has in any competitors of the portfolio company; and

Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that the Funds' actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable to the Funds as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist. In the event the Adviser determines to offer an investment opportunity co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Funds or that expenses incurred by the Funds with respect to the syndication of the co-investment will not be substantial. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Funds may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. The Adviser or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment

parties alongside a Fund. Any such vehicle will be established at the Adviser or its affiliates' sole discretion and the Adviser and its affiliates have no obligation to offer a similar opportunity to any other investor. In addition, to the extent the Adviser has discretion over a secondary transfer of interests in the Funds pursuant to the Funds' Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationship that may provide longer-term benefits to current or future Funds and/or the Adviser;
- Whether the potential purchaser would subject the Adviser, the Funds, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future fund);
- Requirements in the Funds' Organizational Documents; and
- Such other facts as it deems appropriated under the circumstances in exercising such discretion.

*Business with Portfolio Companies and Investors.* In certain instances, the Funds' portfolio company may compete with another Funds' portfolio company. A conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund. When providing advice to any such portfolio company that is a competitor of another Fund's portfolio company, the Adviser will not consider the interests of, or potential consequences to, such competitor portfolio company. The Adviser and/or its affiliates may engage in business with certain service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in the Funds and/or who provide services (including mezzanine and/or lending arrangements) to the Adviser, the Funds, portfolio companies, and/or businesses that are competitors of the Adviser. Such engagement may be concurrent with an investor's admission to the Funds, or during the term of such investor's investment in the Funds. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in the Funds, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. The Adviser may also have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Certain members of the Funds' LP Advisory Committees are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partners of the Funds will from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate. The Adviser and its affiliates have in the past and may in the future hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated

with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest.

*Conflicting Interests of Limited Partners.* The Funds have a diverse range of Limited Partners that may have conflicting interests stemming from differences in investment preferences, tax status, and regulatory status. The Adviser will consider the objectives of the Funds as a whole when making investment decisions with respect to the selection, structuring, and sale of portfolio investments. However, such decisions may be more beneficial for one Limited Partner than for another Limited Partner.

*Conflicts Related to Purchases and Sales.* The Adviser has in the past and may in the future pursue a portfolio investment involving (directly or indirectly) new or follow-on investments in entities in which the Funds or an Affiliated Fund has made or will make investments or capital commitments. Such investments or capital commitments may have been or may be made at different prices and on different terms and may have been made in a different type of security of such entity. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly in funds that have invested in different securities within the same portfolio company. In the event that such investments are made by the Funds, the interests of the Funds may be in conflict with the interest of such Affiliated Fund, particularly in circumstances where the underlying company is facing financial distress. No assurance can be given that the Funds will realize identical economic results from an investment in a portfolio company held by an Affiliated Fund, and as a result thereof the interest of the Affiliated Fund, as the case may be, and the interest of the Funds in restructuring or exercising rights with respect to or realizations from a portfolio investment may differ. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company. Investments by both the Funds and an Affiliated Fund in a portfolio company may also raise the risk of using assets of the Funds to support positions taken by an Affiliated Fund. Employees and related persons of the Adviser and its affiliates have made or may make capital investments in or alongside the Funds, and therefore may have additional conflicting interests in connection with these investments. There can be no assurance that the return of the Funds in such transaction would be equal to and not less than it would have been had such conflict not existed. The application of a Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed. The Funds may invest in opportunities that other Affiliated Funds have declined, and likewise, the Funds may decline to invest in opportunities in which other Affiliated Funds have invested. From time to time the Adviser may, in its discretion, enter into transactions with investors in the Funds to dispose of all or a portion of certain investments held by the Funds. In exercising its discretion to select the purchaser(s)

of such investments, the Adviser may consider some or all of the factors listed above under "*Allocation of Co-Investment Opportunities and Secondary Transactions*". The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the Funds, taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance that such transaction will ultimately prove to be the most profitable or advantageous course of action for the Funds. Any such transactions will comply with the Organizational Documents of the Funds. The Funds may sell down an interest in its portfolio companies to co-investors. Subject to the Funds' organizational documents, the Adviser may charge (or may decide not to charge) a co-investor (such as an investor in the Funds or Third Party) interest costs for the time period between the closing of the Funds' investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

*Conflicts Relating to the Adviser.* The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of the Funds) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. The Adviser generally may, in its discretion, recommend to the Funds or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of the Funds) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost. The Adviser, its affiliates, and partners, officers, principals and employees of the Adviser and its affiliates may buy or sell securities or other instruments that the Adviser has recommended to the Funds. In addition, officers, principals and employees may buy securities in transactions offered to but rejected by the Funds. A conflict of interest may arise because such investing Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Funds. In such circumstances, the investing Adviser personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity. Officers and employees may also buy securities in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. If officers, principals and employees of the Adviser have made large capital investments in or alongside the Funds they may have conflicting interests with respect to these investments. Because certain expenses are paid for by the Funds and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by the Funds and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing the Funds or its portfolio companies to incur) such expenses.

*Cross-Transactions.* The Adviser may, in certain cases, cause a Fund to engage in "cross transactions" via the purchase or acquisition of a security from, or the sale or transfer of a security to, another Fund, provided that the transfer is consistent with fiduciary obligations to each Fund participating in the cross

transaction. Typically, the Governing Documents of a Fund address permissible cross transactions and any applicable disclosure and/or Fund consent requirements. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, the Funds may not receive the best price otherwise possible.

*Diverse Membership.* The investors in the Funds include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

*Fee Structure.* Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when the Adviser may not otherwise have done so. Additionally, as discussed above in Item 6, the General Partners of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of the Funds. The General Partners are an affiliate of the Adviser. The existence of the General Partners' Carried Interest may create an incentive for the General Partners to cause the Funds to make more speculative investments than it would otherwise make in the absence of performance-based compensation. Pursuant to the Organizational Documents, the General Partners may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partners to defer disposition of one or more investments or delay the liquidation of the Funds if the disposition and/or liquidation would result in a realized loss to the Funds or would otherwise result in a clawback situation for the General Partners.

*Follow-on Investments.* Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by the Funds in a portfolio company in which an Affiliated Fund has previously invested. In addition, the Funds may participate in releveraging and recapitalization transactions involving portfolio companies in which an Affiliated Fund has already invested or will invest. Conflicts of interest may arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

*Management of the Funds.* The Adviser expects that it or their personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to those of the Funds. The Advisers ability to do so is governed by the Funds' Organizational Documents. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See "*Allocation of Investment Opportunities*" above. In addition, employees of the Adviser responsible for managing the Funds have responsibilities with respect to Prior Funds and will have responsibilities to funds that may be raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by the Funds. Conflicts of interest may arise in



allocating time, services or functions of these officers and employees. In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends, and otherwise develop investment strategies. The Adviser has in the past and is likely in the future enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. The Adviser has already and is likely in the future, in certain instances, to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. The Adviser has in the past and is likely in the future to utilize such information to benefit the Adviser, its Affiliates or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

*Principal Transactions.* Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the Adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including those disclosures required by Section 206 of the Advisers Act be made to the Funds regarding any proposed principal transactions and that any required prior consent to the transaction be received.

*Providers of Operations Support.* The General Partners and the portfolio companies will from time to time retain other companies and individuals ("Operations Support Providers"), which may be affiliates of the general partners, employees of such affiliates, third party consultants (including specialized consultants, external executives, and industry advisory roundtable members), "operating partners" or "senior advisors". The Operations Support Providers are engaged to provide operational support, specialized operations and consulting services and similar or related services to, or in connection with, one or more portfolio companies in relation to the identification, acquisition, holding, improvement and/or disposition of such portfolio companies ("Operations Support Services"). These services may be high level insight, or extensive day-to-day roles, and may include support to the general partners or portfolio companies regarding, among other things, the company's management (including serving in management positions or participating in determining corporate strategy), the company's supply chain, revenue and margin management (including determining sales/marketing strategy and retail strategy), data intelligence, finance (including generating metrics and reporting and business restructuring), human capital management (including recruiting personnel and determining executive/incentive compensation), information technology, corporate communications, customer service, sustainability (including, strategy, policy and reporting development), real estate matters and similar operational matters. The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated Operations Support Services to be provided. Operations Support

Providers may be offered the ability to co-invest alongside the Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof. Pursuant to the Organizational Documents of the Funds, fees and expenses associated with Operations Support Services (“Operations Expenses”) are paid and/or reimbursed by portfolio companies and/or the Funds. Operations Expenses (including Operations Expenses incurred in connection with an affiliated Operations Support Provider) will be determined at the discretion of the Adviser. The determination of whether a service is an Operations Support Service will be made by the Adviser, in its sole discretion, but will generally be based on whether third parties often provide such services to investment advisers or companies. Operations Expenses may also be incurred in respect of portfolio companies prior to the closing of the investment. In the event one or more Operations Support Providers (directly or indirectly) is providing services with respect to the Funds, such Operations Expenses will be allocated as determined by the Adviser, as applicable in a fair and equitable manner. To the extent any such Operations Expenses are payable to any affiliated Operations Support Provider by the Funds or a portfolio company, such Operations Expenses will not reduce any fees otherwise payable to the Adviser or its affiliates. The general partner’s good faith determination as to whether a service is an Operations Support Service, the categorization of any fees and expenses (e.g., as Operations Expenses) and the allocation of such fees and expenses shall be binding on the Funds and its investors.

*Recycling Investment Proceeds.* Except as specifically set forth in the Fund’s Organizational Documents, the General Partner will have broad authority to “recycle” investment proceeds (e.g., cash received upon sale of portfolio securities) for Fund purposes such as new investments and payment of Fund expenses. While the practice of recycling investment proceeds can have many benefits (such as enabling the Fund to more broadly diversify its portfolio and providing a cushion against cash shortfalls), the authority to recycle investment proceeds effectively increases the amount of capital available to the General Partner in managing the Fund (i.e., it effectively increases the Fund’s “size”). Moreover, especially in light of the Fund’s limited term, it can create conflicts of interest, such as an incentive on the part of the General Partner to cause the Fund to make additional, non-marketable investments late in the Fund’s term (e.g., for the purpose of enhancing the Fund’s IRR, mitigating the risk or size of any General Partner claw-back obligation, or to maintain investment activities during a period when it is difficult to raise a successor fund). This, in turn, could make it difficult for limited partners to deny General Partner requests for an extension to the Fund’s term. Recycling investment proceeds typically would result in delayed or reduced distributions to the limited partners in respect of recycled amounts (which may result in limited partners recognizing taxable income or gain without receiving a corresponding cash distribution from the Fund), and may incentivize the General Partner to seek taxable cash exits for certain portfolio securities in lieu of distributing such securities in kind. More generally, the practice of recycling investment proceeds tends to enhance competition and other conflicts of interest among affiliated (but non-parallel) funds related to the General Partner because earlier-formed and later-formed funds may simultaneously seek to participate in the same investment opportunities or to become co-investors or cross-investors in the same portfolio companies.

*Service on Boards of Directors, Material Non-Public Information, Etc.* Individual members of the General Partner may serve as officers or directors of portfolio companies. In their capacity as officers or directors (or even simply by virtue of the Fund’s status as a significant shareholder of a portfolio company), such individuals may become subject to fiduciary or other duties which adversely affect the Fund. For example, the Fund may be unable to sell or otherwise dispose of portfolio securities if a member of the General Partner is in possession of material, non-public (i.e., “inside”) information relating to the issuer thereof. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Management Company’s internal policies. Due to these

restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Nevertheless, the Fund's Organizational Documents will not preclude members of the General Partner from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. Conversely, the Fund's Organizational Documents will not require that members of the General Partner serve as officers or directors of portfolio companies, and there can be no assurance that the General Partner will have a legal right to influence the management of any portfolio company or companies. In general, if there is a conflict between the fiduciary duties of the General Partner or a member thereof to a portfolio company and such person's fiduciary duties to the Fund or the limited partners, such person's fiduciary duties to the portfolio company will prevail.

*Side Letter Agreements; Advisory Committee Rights.* The Adviser may enter into certain side letter arrangements with certain investors in the Funds providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights. Except as otherwise agreed with an investor, the Adviser (is not required to disclose the terms of side letter arrangements with other investors in the same Funds. The Funds have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the Funds, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee.

*Other Potential Conflicts.* The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in the Funds, and may also represent one or more portfolio companies or investors in the Funds. In the event of a significant dispute or divergence of interest between the Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies. The Adviser has in the past and may, in its discretion, in the future, cause the Funds and/or its portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of the Adviser. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or its portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person. The Funds may invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, the Adviser

or its related persons. In such a case, investors in the Funds will bear not only the direct management fees and other expenses associated with their investment in the Funds, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses may be paid to the Adviser or its related persons. Additionally, the interests of the Funds, as an investor, may conflict with the interests of the underlying pooled investment vehicle or the Adviser or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for the Adviser. If the Funds purchase in the secondary market at a discount debt securities of a company in which the Funds have, a substantial equity interest, (a) a court might require the Funds to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) the Funds might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction. The General Partners may receive distributions in kind from an investment disposition. In the event the General Partners receive such a distribution, the General Partners may act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the General Partners shall determine. The ability of the General Partners to act in its own interest with respect to such distributed shares creates a conflict of interest between the General Partners, as an adviser to the Funds, and the Funds.

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest between the Funds and other persons.

## **Item 12. Brokerage Practices**

The Adviser has adopted written policies to address issues that might arise with respect to selling publicly traded securities.

### Selection of Brokers and Dealers

The Funds invest primarily in private companies although they may acquire, sell or distribute public securities from time to time. The Adviser has, subject to the direction of the General Partners, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer to be used to affect transactions. In placing each transaction for the Funds involving a broker-dealer, the Adviser will seek “best execution” of the transaction. “Best execution” means obtaining for the Funds account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. In seeking “best execution”, the Adviser is not obligated to obtain the lowest possible commission cost, but rather, will determine whether the transaction represents the best qualitative execution for clients. In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser’s investment team takes into account all factors that it deems relevant to the broker’s or dealer’s execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks (“ECNs”) when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

To the extent consistent with achieving best execution, the Adviser may also consider other business a particular broker or dealer may have done with the Adviser, such as identifying investment opportunities. The Adviser does not receive “soft dollars” in connection with its use of broker-dealers.

#### Aggregation of Trades

The Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser will generally combine orders on behalf of Funds with orders for other Funds for which it has trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser generally aggregates trade orders for publicly traded securities so that each participating client will receive the average price for each execution of a transaction. If an order for more than one client for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser’s procedures for allocation of investment opportunities, as described in Item 11 above.

### **Item 13. Review of Accounts**

#### Oversight and Monitoring

The investment portfolio of the Funds is generally private, illiquid and long-term in nature, and accordingly the Adviser’s review is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Managing Partners and other investment professionals of the Adviser.

#### Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Funds within 120 days for non-fund-of-fund and 150 days for fund-of-funds’ fiscal year end , as well as quarterly performance reports after each fiscal quarter end. The Adviser may, from time to time, in its sole discretion, provide additional information relating to the Funds to one or more investors in the Funds as they deem appropriate.

### **Item 14. Client Referrals and Other Compensation**

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies. The Adviser has, in certain circumstances, engaged a placement agent firm for the Funds in connection with the offer and sale of interests to certain potential investors. Such placement agent firms receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to the Funds that are subsequently accepted. Certain personnel of such placement agent have invested in prior funds and may invest in future funds. .

### **Item 15. Custody**

The Adviser has custody of the Funds. The Adviser complies with the custody rule by having annual US GAAP audits conducted by an independent auditor registered and inspected by the e Public Company

Accounting Oversight Board (“PCAOB”) and by distributing the audited financial statements to investors within 120 days for non-fund-of-fund and 150 days for fund-of-funds’ fiscal year end. Please see the ADV Part 1 for a list of custodians utilized by each Fund.

From time to time, for legal, tax, regulatory, or other similar purposes, Revelation utilizes certain special purpose vehicles (“SPVs”) to facilitate investments in certain securities by one or more of the Funds. In accordance with applicable SEC guidance, Revelation generally treats the assets owned by the SPVs as assets of the relevant Funds of which Revelation has custody indirectly and therefore includes such assets within the scope of the Funds’ financial statement audits, as described above.

As Revelation’s investment program primarily involves investments in privately offered securities, Revelation generally will be exempt from the requirement that securities be maintained with a “qualified custodian.” Revelation anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer’s outstanding securities. To the extent that Revelation holds any publicly traded securities or securities which are otherwise ineligible for an exemption from qualified custodian requirement of the Custody Rule, Revelation will maintain such securities with a qualified custodian in an account in the name of the Fund.

#### **Item 16. Investment Discretion**

Investment advice is provided directly to the Funds’ funds and securities, subject to the direction and control of the General Partners of the Funds, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreement with the Funds and the Organizational Documents of the Funds. Investment restrictions for the Funds are established in the Organizational Documents of the Funds.

#### **Item 17. Voting Client Securities**

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of the Funds taking into account all facts and circumstances at the time of the vote. It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s investment team, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds. The Funds cannot direct the Adviser’s Vote. All Voting decisions initially are referred to the Adviser’s investment team for a voting decision. In making such a decision, the investment team may rely on any of the information and/or research available to him or her and will consult with the Chief Compliance Officer as needed regarding any material conflicts of interest that are identified. The Adviser’s investment team has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. Each member of the Adviser’s investment team will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds. Where the Adviser’s investment team deems appropriate in its sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the

Adviser's Investment Committee shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or professionals. Records relating to how proxies were voted in connection with the Funds and copies of proxy voting policies are available to any client or prospective client upon written request to: Liz Staley at [estaley@revelation-partners.com](mailto:estaley@revelation-partners.com).

#### **Item 18. Financial Information**

The Adviser is not subject to any matters which impact the Advisers financial condition, and the Adviser is not subject to any adverse financial conditions.