

ABF Investment Management LLC

Part 2A of Form ADV

The Brochure

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October 4, 2024

This brochure provides information about the qualifications and business practices of ABF Investment Management LLC (“ABF” or the “Manager”). If you have any questions about the contents of this brochure, please contact Diego Perez at (786) 564-2029 or DPerezB@gr-am.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ABF is also available on the SEC’s website at: www.adviserinfo.sec.gov. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2. Material Changes

This is the initial Form ADV Part 2A prepared in relation to ABF's application to register with the SEC and, therefore, there are no material changes to be reported at this time. Accordingly, pursuant to disclosure rules under the Investment Company Act of 1940 (the "Company Act"), as amended, this Brochure serves to provide new and prospective investors with clearly written, meaningful, current disclosure of its business practices, associated risks, and conflicts of interest.

In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's Brochure and that may be important to them.

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Item 4. Advisory Business

For purposes of this Brochure, “ABF” or the “Manager” means ABF Investment Management LLC, a Delaware limited liability company, that is jointly controlled by GRAM LLC (“GRAM”) and certain members of its investment team, together with any affiliates, that provide investment management and advisory services to its Clients (as defined below), including a fund’s general partner (“General Partner”) and related personnel.

ABF is an investment advisory firm based in Miami, Florida and Lima, Peru that was founded in April 2024 by Marco Peschiera and Eduardo Ramos (the “Co-Founders”). The management and operations of ABF is conducted by the Co-Founders and over ten additional professionals with broad financial experience. In addition, entities affiliated with GRAM hold a minority interest in ABF and it’s affiliated general partners and managers of the Funds (as defined below).

ABF intends to provide portfolio management and administrative services to privately offered pooled investment vehicles organized as private equity funds (together with any related parallel funds and alternative investment vehicles, each referred to as “Fund” and collectively, the “Funds”), including, but not limited to, investigating, analyzing, structuring and negotiating potential investments, monitoring performance of portfolio companies and advising the Funds as to disposition opportunities. The Manager seeks to make control-oriented equity and equity-related investments primarily in the United States and opportunistically in Latin America. ABF’s objective is to be the strategic partner of choice for middle-market businesses benefitting from Hispanic ecosystem growth throughout the Americas. In addition, ABF expects to sponsor and manage other investment vehicles (“Co-Investment Vehicles”) that will offer strategic and other investors opportunities to co-invest alongside the Funds made available through limited partnerships or other entities formed to make such investments, or alongside ABF in available investment opportunities that ABF will allocate among the Fund, any Co-Investment Vehicle and any third parties as it may in its sole discretion determine. ABF may also serve as the investment manager to alternative investment vehicles (“Alternative Investment Vehicles”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that may arise in connection with a transaction or transactions. The Funds, Co-Investment Vehicles, and the Alternative Investment Vehicles are collectively referred to as the “Funds” or “Clients”.

ABF also expects to manage executive investment vehicles (each, an “Executive Investment Vehicle”) that offer senior executives or founders of ABF portfolio companies, or other strategic individuals applicable to the portfolio company or who sourced the investment an opportunity to invest alongside the Fund(s) in a particular investment.

As the investment adviser to the Funds, ABF invests each Fund’s assets pursuant to an investment advisory agreement that the Fund enters into with ABF, and in accordance with the Fund’s limited partnership agreement, private placement memorandum and other governing documents (the “Governing Documents”). ABF conducts its investment advisory activities so as to comply with the investment objective, guidelines and restrictions set forth in each Fund’s Governing Documents, as the same may be amended from time to time. ABF typically does not tailor its investment activities on behalf of a Fund to the needs of any individual investor in a Fund. However, in connection with the negotiation of Fund and subscription terms and, as contemplated by the relevant Governing

Documents, ABF expects that the Funds will, from time to time, in its sole discretion, enter into “side letters” or similar agreements pursuant to which the Fund has granted, and expects to grant, specific rights, benefits, or privileges to certain investors.

ABF does not intend on participating in a wrap fee program at this time.

ABF has submitted its initial application for registration with the SEC under Rule 203A-2(c) of the Advisers Act, which provides an exemption from the prohibition on registration available to an adviser that reasonably expects to obtain the assets under management required to be registered within 120 days. As such, ABF does not manage any assets at this time.

Within 120 days of its registration, ABF will amend this Item to indicate its eligibility by disclosing the amount of its regulatory assets under management.

Item 5. Fees and Compensation

Management Fee and Carried Interest

ABF typically receives an asset-based management fee from each Fund that is generally equal to a fixed percentage of the Fund’s total committed capital while the Fund is actively making new investments and to a fixed percentage of the Fund’s actively invested capital thereafter. The management fee is payable quarterly in advance. If ABF’s advisory agreement with a Fund is terminated, management fees will be charged on a pro rata basis through to the date of termination, and any fees paid in advance but not earned will be refunded. The General Partner of a Fund generally makes capital calls on the Fund’s investors for the amount of ABF’s management fees and pays the amounts received to the Manager.

In addition to the management fees described above, ABF is also entitled to receive a carried interest allocation from the Funds after certain performance hurdles have been met, as further described in the applicable Fund’s Governing Documents. Such carried interest represents a portion of a Fund’s net investment profits. See “*Item 6 – Performance-Based Fees and Side-by-Side Management*” below for further details.

The management fees and carried interest are generally subject to waiver or reduction by the applicable General Partner with respect to some or all of a Fund’s investors in the applicable General Partner’s sole discretion, as further described in the applicable Fund’s Governing Documents.

ABF anticipates that, where negotiated, it may or may not receive similar asset-based management fees and carried interests from the Co-Investment Vehicles that it organizes in the future.

Investors in a Fund should review the applicable Fund’s Governing Documents carefully for a full description of the fee revenues and other compensation that ABF will receive from such Fund.

Fees and Expenses

In general, each Fund bears all costs and expenses directly or indirectly incurred in connection with the formation and organization of the Fund, its General Partner, and other entities necessary to organize the Fund, including third party legal, administrative and accounting fees, printing costs, travel as determined in good faith by the Manager in its discretion and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests in the Fund (but excluding any placement fees) (“Organizational Expenses”), up to a maximum amount specified in the applicable Fund’s Governing Documents. Organizational Expenses in excess of this amount, and any placement fees, will be paid by the Fund but borne by ABF through a 100% offset against the Fund’s management fee.

In addition, each Fund is generally responsible for all expenses relating to its own operations and activities (“Fund Expenses”), including, without limitation but subject to the terms specified in the applicable Fund’s Governing Documents: (a) any management fees; (b) fees, costs and expenses related to the identifying, structuring, negotiating, monitoring, financing or disposing of investments, including legal, accounting, audit, consulting, appraisal, market research, travel, accommodation, entertainment and other expenses (to the extent not reimbursed); expenses incurred in connection with consummated and unconsummated transactions, including the evaluation, acquisition, holding and disposition thereof (to the extent not reimbursed by a portfolio company or other third party); interest on fees and expenses related to or arising from any borrowing; other unreimbursed portfolio company expenses; fees and expenses of custodians, outside counsel and independent accountants; costs of reporting to investors; expenses of the Advisory Committee; any insurance or litigation expense; any taxes, fees or other governmental charges levied against the Fund; any out-of-pocket expenses incurred in connection with the Fund’s legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation (including legal, custodial, administration, auditing, accounting and regulatory and compliances expenses, ongoing registration fees charged by regulators and jurisdictions in which the Fund makes investments, and any fees, costs and expenses incurred in complying with any disclosure, reporting and other similar obligations (e.g., Form PF) under applicable laws and any other secondary legislations, rules and/or guidance); and expenses and fees charged or specifically attributed or allocated by the Manager or its affiliates to provide in-house administrative, tax, accounting, legal, IT systems support and other similar services to the Fund and/or portfolio companies, including, without limitation, compensation and other overhead allocable to such services (such allocation being made based on a variety of factors, which may change over time (e.g., based on time and/or assets under management of the Fund as compared to aggregate assets under management of the Manager or its affiliates with respect to which such professionals have responsibilities)) and methods that ABF determines in good faith are fair and reasonable.

ABF and its affiliates may charge portfolio companies directors’ fees, transaction fees, monitoring fees, advisory fees, break-up fees and other similar fees. An amount equal to 100% of the investors’ share of all such fees paid by portfolio companies that are received by the Manager, net of any unreimbursed expenses incurred by the Manager or its affiliates in connection with unconsummated transactions, will be applied to reduce the Management Fee otherwise payable. All such fees will be allocated among the Fund and any related co-investing entities on the basis of capital committed by each to the relevant investment. Management Fee reductions will be carried forward if necessary.

Travel Expenses

Travel, entertainment and related expenses that are borne by the Fund or the portfolio companies will include, without limitation, first class and/or business class airfare (at first class or business class rates, as appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals, and social and entertainment events with investors, prospective investors, portfolio company management, customers, clients, borrowers, brokers and service providers). The Manager and its personnel can be expected to receive certain intangible and other benefits and perquisites arising or resulting from their activities on behalf of the Fund which will not be subject to the Management Fee offset or otherwise shared with the Fund, its Limited Partners or the portfolio companies. Such benefits could include, among other things, participation at meals or events, or “miles” or “points” or other benefits of loyalty / status programs, airline travel or hotel stays where the costs of such event, meal or stay were incurred as fund expenses or as portfolio company or third party expenses. All such benefits and/or amounts, whether or not de minimis or difficult to value, will inure exclusively to the Manager and such personnel (and not the Fund, its Limited Partners and/or the portfolio companies) even though the cost of the underlying service is borne by the Fund and/or the portfolio companies. Certain expenses that are not Fund Expenses could nevertheless be reimbursed by the portfolio company and not offset Management Fees. In making a determination for purposes of the definition of Fund Expenses as to when commercial air travel is not practically feasible under the circumstances (and therefore private/charter airfare will be utilized), the Manager will take into account varying factors it deems appropriate, including, but not limited to, availability, timing, ease of access, connections, time constraints and concurrent travels. In addition, it should be noted that from time to time, travel plans are cancelled. While the Manager reasonably seeks to avoid these situations, if travel plans are cancelled for any reason, the expense will be allocated to the original portfolio company (or Fund, if applicable) that the planned trip was associated with. If a travel credit is issued, a different entity could benefit from such credit in the future.

Broken Deal Expenses

The Fund’s investments will require extensive preparation and negotiation prior to acquisition, and the related expenses may be quite substantial. These expenses may include, among others, negotiation of confidentiality and governing agreements, marketing studies, feasibility and technical studies, due diligence, bid preparation and submission costs and legal and other advisory costs associated with due diligence, preparation of legal documentation and negotiation. 100% of these expenses will be borne by the Fund even if the applicable prospective investment is not consummated, and without regard to whether some portion of such prospective investment may be offered (or required to be offered) under the Carlyle Co-Investment Arrangement (as more fully described in Item 10), to one or more Co-Investment Vehicle or to whether co-investors had been expected to participate had the transaction been consummated.

See “*Item 10. Other Financial Industry Affiliations and Activities*” for additional information.

Item 6. Performance Based Fees and Side-by-Side Management

As noted in “*Item 5 – Fees and Compensation*” above, ABF will be entitled to receive a carried interest allocation from the Funds after certain performance hurdles have been met, and ABF anticipates that it will also be entitled to receive carried interest allocations from Co-Investment Vehicles in the future. These performance-based carried interest distributions may create conflicts of interest, including an incentive for ABF to engage in riskier or more speculative investments on behalf of the Funds than might otherwise be the case. In addition, in allocating investment opportunities, it is possible that ABF could have an incentive to favor clients with a potential for performance-based compensation over clients with no performance-based compensation. As a fiduciary to its Funds, ABF has adopted policies and procedures that are designed to ensure that all of its clients are treated in a fair and equitable manner with respect to the allocation of investment opportunities.

Item 7. Types of Clients

As noted in Item 4, ABF’s clients are the Funds. Investors in the Funds will generally include endowments, foundations, public and private pension funds, funds-of-funds, corporations, U.S. and non-U.S. institutional investors, family offices, and high net worth individual investors.

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

Methods of Analysis; Investment Strategies

ABF aims to deliver superior risk-adjusted returns to Fund investors through a diversified portfolio of investments in middle market companies, with a primary focus on the consumer, healthcare, financial services, industrials, and technology-enabled business services sectors within the United States. ABF’s principal strategy involves making private equity investments in these portfolio companies to generate capital appreciation. The firm seeks out companies with compelling risk/return profiles, utilizing both quantitative and qualitative assessments to evaluate each opportunity. Typically, ABF looks for businesses that demonstrate one or more of the following characteristics: a proven and scalable business model, significant growth potential, a strong competitive position, and a core team of skilled and dedicated managers. Each Fund’s Offering Documents provide detailed information on the Fund’s specific investment goals and associated risks. Potential investors are strongly encouraged to review these materials carefully prior to investing, as there is no guarantee that the Fund’s objectives and strategies will achieve specific returns or avoid losses. The ability to generate returns is subject to numerous factors, many of which are outside the control of either the Fund or ABF.

Risk Factors

An investment in the Fund requires a long-term commitment, with no certainty of return. Therefore, an investor in the Fund (each, a “Limited Partner”, and collectively, the “Limited Partners”, and

together with the General Partner, the “Partners”) should only invest in the Fund if the Limited Partner can withstand a complete loss of its investment. There most likely will be little or no near-term cash flow available to the Partners. The Fund’s investments will generally be highly illiquid, and there can be no assurance that the Fund will be able to realize on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Partners. Additionally, the Fund typically will acquire securities that cannot be sold except pursuant to a registration statement filed under the U.S. Securities Act of 1933 (as amended, the “Securities Act”) or in a private placement or other transaction exempt from registration under the Securities Act and that complies with any applicable non-U.S. securities laws. Certain of the securities in which the Fund may invest may be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Certain of the Fund’s investments may be in businesses with little or no operating history. Certain of the Fund’s investments may be in businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged investments, by their nature, require companies to undertake a high ratio of fixed charges to available income and are inherently more sensitive to declines in revenues and to increases in expenses.

The Fund will invest in businesses operating and/or organized primarily in the United States and Latin America. Investments in Latin America will involve risks not typically associated with investments in the securities of U.S. companies. For instance, investments in non-U.S. businesses (a) may require significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations, (b) may require financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States and (c) will expose the Fund to potential losses arising from changes in foreign currency exchange rates. The foregoing factors may increase transaction costs and adversely impact the value of the Fund’s investments in non-U.S. portfolio companies. See “Emerging Markets” and “Investments Outside of More Developed Economies” below.

Since the Fund may only make a limited number of investments, and since the Fund’s investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the Partners. The performance of portfolio investments of other affiliates of the Manager or of funds that certain members of the investment team of the Manager have sponsored, managed or participated in is not necessarily indicative of the results that will be achieved by the Fund.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Fund. Prospective investors should read the Fund’s private placement memorandum for additional information and consult with their own advisers before deciding whether to invest in the Fund.

General Risks

Competitive Nature of the Fund’s Business

The business of the Fund is highly competitive and involves a high degree of uncertainty. The Manager will be competing for investments against other groups, including direct investment firms

(e.g., other private equity funds and hedge funds), merchant banks, pension funds, insurance companies, government agencies and industrial groups, and the Manager may be unable to identify a sufficient number of attractive investment opportunities for the Fund to meet its investment objectives. These competitors may have different investment objectives from the Fund, enabling them to accept more risk or pay higher prices than the Manager deems reasonable or appropriate for the Fund. In addition, these competitors may make competing offers for investment opportunities that are identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to many uncertainties, only some of which are foreseeable or within the control of the Manager or the General Partner.

Dependence on Key Personnel

The success of the Fund depends in substantial part on the skill and expertise of the individual members of the investment team of the Manager. There can be no assurance that these individuals will continue to be employed by or otherwise affiliated with the Manager throughout the life of the Fund. The loss of key personnel could have a material adverse effect on the Fund and its performance.

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 for the liabilities and obligations of the Fund, Limited Partners must rely entirely on the General Partner and the Manager to conduct and manage, respectively, the affairs of the Fund.

Lack of Diversification; Risk of Loss of Capital

The Fund will concentrate its investments primarily in companies based, or having or pursuing operations, primarily in the United States and Latin America, and as a result, it may not be broadly diversified. Additionally, the Fund may participate only in a limited number of investments, and, as a consequence, the aggregate return of the Fund may be substantially adversely affected by the unfavorable performance of any single investment. The experience of the key personnel of the Manager is not necessarily indicative of the results that will be achieved by the Fund. There can be no assurance that invested capital will be returned.

Risk Arising from Provision of Managerial Assistance

The General Partner will use its commercially reasonable efforts to conduct the affairs and operations of the Fund so as to either (a) qualify the Fund as a Venture Capital Operating Company ("VCOC") under ERISA or (b) limit investment in the Fund by "benefit plan investors" (within the meaning of section 3(42) of ERISA) to less than 25% of each class of equity interests in the Fund. If the Fund decides to qualify as a VCOC, then it must obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of the Fund's portfolio companies. The Fund typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures

contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors, including claims that the limited partnership is a controlling person and thus is liable for securities law violations of a portfolio company. These measures also could (i) result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; (ii) result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles; and (iii) expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While the Manager intends to manage the Fund in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Regulatory Oversight

While the Fund may be considered similar in some ways to an investment company, it is not required and does not intend to register as such under the U.S. Investment Company Act of 1940 (as amended, the “Investment Company Act”) and, accordingly, Limited Partners are not accorded the protections of the Investment Company Act. In addition, pursuant to an exemption from registration with the Commodities Futures Trading Commission (the “CFTC”), the General Partner is not required to register with the CFTC as a commodity pool operator and thus is not required to deliver a disclosure document (as defined under the CFTC rules) to investors or to comply with any of the other disclosure, reporting and recordkeeping requirements of the U.S. Commodity Exchange Act and the CFTC rules. Therefore, Limited Partners will not be afforded any of the protections of such acts or rules. There are, however, significant compliance obligations and restrictions that currently apply, and may in the future apply, to the operations of the Fund, including but not limited to those resulting from the investment adviser status of the Manager; see “Regulation and Public Scrutiny of the Private Funds Industry” below.

In addition, the Fund is required to register and be regulated as a private fund under the Private Funds Act (as revised) (the “Private Funds Act”) of the Cayman Islands. Once registered, the Cayman Islands Monetary Authority (the “Authority”) will have supervisory and enforcement powers to ensure the Fund’s compliance with the Private Funds Act. The Authority may take certain actions if it is satisfied that a regulated private fund is or is likely to become unable to meet its obligations as they fall due, or is carrying on business fraudulently or otherwise in a manner detrimental to the public interest or to the interests of its investors or creditors, or is carrying on or is attempting to carry on business or is winding up of its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include, inter alia, the power to require the substitution of the General Partner, to appoint a person to advise the Fund on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Fund. There are other remedies available to the Authority, including the ability to apply to court for approval of other actions.

Lack of Operating History

Although key personnel of the Manager have had extensive experience investing in the private equity market, the Manager itself, as well as the Fund and the General Partner, are newly formed entities with no operating history upon which to evaluate the Fund’s likely performance.

General Economic and Financial Market Conditions

The market outlook, trends, opportunities and other matters presented in this Memorandum reflect the General Partner's and the Manager's current views, which are based on various estimates and assumptions, including about future events, which may cause financial and other results to materially differ from the results expressed or implied in this Memorandum. The estimates and assumptions are subject to uncertainties, changes and other risks, many of which may be beyond the General Partner and the Manager's control. The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund and the Fund's investments), trade barriers, currency exchange controls, terrorism, war, other armed conflicts and related cyber-attacks, economic and trade sanctions, and local, national and international political and socioeconomic circumstances in respect of the countries in which the Fund may invest, including sanctions, restrictions and counter-measures by governments of NATO member states and other countries relating to the 2022 invasion of Ukraine by Russia. The Fund could incur material losses even if the General Partner reacts quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Even a well-analyzed approach may not protect the Fund from significant losses under certain market conditions.

Fluctuations in the market prices of securities may affect the value of the investments held by the Fund. Instability in the securities markets may also increase the risks inherent in the Fund's investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market, bank loan market or otherwise. Additionally, investments made by the Fund may be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by the Fund, and the Fund's ability to execute its investment strategy. The Fund could target sectors that are highly cyclical and subject to significant fluctuation due to competition, the high level of government regulation, general economic conditions, the level of interest rates, the state of the public equity markets and other factors. The returns on the Fund's investments may therefore be lower in certain periods.

It is not possible to predict whether there will be volatility in the markets or what impact such volatility could have on the Fund. A recession, slowdown or sustained downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets could have a material adverse effect on the Fund's and the portfolio companies' profitability, impede the ability of the portfolio companies to perform under or refinance their existing obligations, and impair the Fund's ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain investments.

In addition, in recent years, economic problems in a single country have had an increased effect on other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets, which could in turn adversely affect the Fund's performance. Moreover, presidential and congressional elections may result in a number of changes to U.S. and

non-U.S. fiscal, tax and other policies, as well as the lending environment generally. These changes and other changes may significantly impact the U.S. and global financial markets and the execution of the Fund's strategy.

The Fund may be adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant economic developments and other events that could limit the Fund's activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of a severe worldwide economic downturn. Consequently, the Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

Fund Leverage

The Fund is permitted and expects to incur indebtedness for any proper purpose relating to the activities of the Fund, including for the purpose of financing investment-related activities of the Fund and to cover Fund Expenses. The Fund may enter into one or more credit facilities or guarantees (including a subscription line credit facility), and in connection therewith, may pledge the assets of the Fund and may make a collateral assignment to any lender or other credit party of the Fund of the General Partner's rights to issue drawdown notices and other related rights, titles, interests, remedies, powers, privileges of the Fund or the General Partner with respect to the capital commitments and rights to the capital contributions of the Partners. Such indebtedness may be structured so that the Fund and any other affiliate investment vehicles are jointly responsible, on a cross-collateralized basis, for the repayment of the indebtedness, and such other entities and the Fund may pledge not only the commitments of the limited partners of such other investment vehicles and the Fund, but also the other assets of such other entities and the Fund in order to secure the indebtedness incurred by such other entities and the Fund. In the event of a failure to pay or other event of default under any such indebtedness, the lenders could require the Limited Partners to fund their entire remaining capital commitments even though the Fund was insolvent. In addition, in the event that the lenders require Limited Partners whose capital commitments have been pledged to fund their capital commitment to repay indebtedness, the failure of certain of those Limited Partners to honor their capital commitments would result in the remaining Limited Partners' payments exceeding their pro rata share of the indebtedness. Moreover, the lenders may have the right to receive detailed due diligence and credit-related information regarding the Limited Partners; the General Partner reserves the right, in its sole discretion, to waive these requirements with respect to certain Limited Partners, which may have an adverse effect on the Fund's ability to obtain a credit facility or to obtain as favorable credit facility terms. Finally, lenders could require the Fund to sell some or all of its investments, or could foreclose on such investments, prematurely, causing the Fund to suffer losses. In addition, any leverage incurred by the Fund could have other significant adverse consequences to the Limited Partners, including, but not limited to, the following: (i) greater fluctuations in the net assets of the Fund; (ii) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (iii) increased interest expense if interest rate levels were to increase; (iv) in the case of certain tax-exempt Limited Partners, tax on UBTI (as defined below) in respect of acquisition indebtedness; (v) in certain circumstances, prematurely disposing of portfolio companies to service the Fund's debt obligations or meet financial ratio requirements; (vi) limitation on the flexibility of the Fund to make distributions to the Limited Partners; (vii) affecting the amount and timing of

contributions and distributions to the Limited Partners in a manner that may have potentially adverse consequences to the Limited Partners; and (viii) lower multiples of cost (but enhanced IRRs). Although leverage will increase investment returns if the Fund earns a greater return on the investments purchased with borrowed funds than it pays for use of those funds, the use of leverage will decrease the returns of the Fund if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. Moreover, because the General Partner does not receive distributions of carried interest until a Limited Partner has received a “preferred return” as described in “Distributions” in Section VII, the General Partner’s ability to use leverage could provide an incentive for the General Partner to cause the Fund to use borrowing in order to accelerate how quickly the preferred return is achieved, thereby allowing the General Partner to receive its carried interest earlier than it would absent the Fund’s incurrence of such leverage. Amounts borrowed directly or indirectly by the Fund or alternative investment vehicle structures used to acquire investments will be taken into account for purposes of calculating the management fee base during the period when the management fee is calculated based on invested capital.

Bridge Investments

From time to time, the Fund expects to provide interim financing (including on an unsecured basis) to, or make investments that are intended to be of a temporary nature in investments in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans may be convertible into a more permanent, long-term security; however, for reasons not always in the Fund’s control, such long-term securities may not be issued and such bridge loans may remain outstanding. The Fund is permitted to make short-term bridge investments with the intent to sell a portion of an investment to co-investors following the consummation of such investment. In addition, the Fund may bridge investments to be made by the management of the Fund’s portfolio companies or may invest proceeds in its portfolio companies with the expectation that such proceeds will be returned to the Fund in the near-term. In these cases, there is often uncertainty as to how much of such investment will ultimately be made by management, returned by the portfolio company or sold to the co-investors. The General Partner has broad discretion to determine what portion of an investment is a bridge investment, so long as such investment is intended to be of a temporary nature. In certain circumstances, the amount of an investment that will be determined to be a bridge investment will not be determined by the General Partner until after such investment is completed by the Fund, in which case the General Partner will make appropriate adjustments to take into account the different treatment and sharing of bridge investments vis-à-vis other portfolio investments.

To the extent a bridge investment is repaid, refinanced or otherwise disposed of within 18 months, the bridge investment’s proceeds will be distributed to the partners pro rata based on sharing percentages and contributions made and distributions made with respect to such bridge investment will not be taken into account under the carried interest waterfall or general partner clawback (i.e., will not be taken into account in determining the Preferred Return and will not be subject to carried interest). To the extent a bridge investment is not repaid, refinanced or otherwise disposed of within 18 months, the bridge investment will be treated as a permanent portfolio investment of the Fund from the date of the original investment and capital contributions made and distributions made with respect to such investment will be taken into account under the carried interest waterfall and general partner clawback (i.e., will be entitled to the Preferred Return and will be subject to carried interest).

Bridge investments are often disposed of for cost (if disposed of) and sometimes can be disposed of for a loss (including as a result of currency exchange fluctuations between the date of investment and disposition), in which case such loss will not be taken into account in the carried interest waterfall or general partner clawback. In addition, capital contributions made and distributions received from bridge investments (other than those that are not repaid, refinanced or otherwise disposed of within 18 months) are not expected to be included in the Fund's performance for purposes of the track record, which may result in higher MOIs and IRRs than if such amounts were included.

In the event of any such failure to dispose of a bridge investment, the Fund's exposure to such permanent portfolio investment may exceed the exposure the General Partner would otherwise deem appropriate for the Fund's portfolio construction or diversification.

Regulation and Public Scrutiny of the Private Equity Industry

Legal, tax and regulatory changes could occur during the term of the Fund that may adversely affect the Fund, its portfolio companies or its Partners. The legal, tax and regulatory environment for private equity funds is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators, may adversely affect the ability of the Fund to pursue its investment strategy, its ability to obtain leverage and financing, and the value of investments held by the Fund. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self-regulatory scrutiny of the private equity and alternative investment industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the governing bodies of both U.S. and non-U.S. jurisdictions.

It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to the Fund the General Partner, their respective affiliates, the markets in which they trade and invest or the counterparties with which they do business, or what effect such legislation or regulations might have. There can be no assurance that the Fund, the General Partner, the Manager or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of the Fund to implement its investment strategy could have a material adverse impact on the Fund. To the extent that the Fund or the Fund's investments are or may become subject to regulation by various agencies in the United States or other non-U.S. jurisdictions, the costs of compliance will be borne by the Fund.

Without limiting the generality of the foregoing, in August 2023 the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act (collectively, the "SEC Private Fund Rules") specifically related to registered investment advisers and their activities with respect to private funds. The SEC Private Fund Rules impose a wide range of new obligations and restrictions, including: expansive reporting requirements (including accelerated reporting timeframes) by advisers to private fund investors concerning fund performance, fees and expenses; a requirement for advisers to obtain an annual audit for private funds and to require such fund's auditor to notify the SEC upon the occurrence of certain material events; a requirement in connection with adviser-led secondary transactions (also known as GP-led secondaries) to obtain a fairness opinion and

make certain disclosures; restrictions on advisers engaging in certain practices, such as, without limitation, allocating or seeking reimbursement for certain regulatory or compliance expenses of an adviser or its related persons or relating to an examination or investigation thereof; restricting certain non-pro rata allocations of investment-related expenses; and limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser (for example, there are prohibitions on providing favorable redemption rights and differential information rights that would have a material, negative effect on other investors, as well as disclosure requirements on other preferential rights, including a requirement to disclose preferential material economic rights to prospective investors in advance of investing and disclosure following investment of all other preferential rights). The SEC Private Fund Rules represent a significant departure from the longstanding, disclosure-based regulatory framework applicable to registered investment advisers and the full extent of the implications on the operation of the Fund as well as on the Fund's broader business remains uncertain at this time (see below for a further discussion of the range of these potential impacts). While the SEC Private Fund Rules contain certain limited exceptions for legacy funds that were in existence and commenced operations before the relevant compliance dates, many aspects of the rules are expected to apply to, and therefore to impact, the activities of the Fund.

Furthermore, the SEC and other various U.S. federal, state and local agencies may conduct examinations and inquiries into, and bring enforcement and other proceedings against, the Fund, the General Partner or their respective affiliates. The Fund, the General Partner or their respective affiliates may receive requests for information or subpoenas from the SEC and other state, federal and non-U.S. regulators from time to time in connection with such inquiries and proceedings and otherwise in the ordinary course of business. These requests may relate to a broad range of matters, including specific practices of the General Partner, the Fund, the securities in which the Fund invests on behalf of its clients, the Fund's engagement of placement agents or industry-wide practices. The SEC has also proposed numerous, and adopted certain, new and amended rules that would apply to market participants that the Fund may interact with, including with respect to broker-dealers' execution of trades and clearance and settlement of trades.

In light of the heightened regulatory environment in which the Fund operates and the ever-increasing regulatory burdens applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Fund and its affiliates to comply with such regulatory reporting and compliance-related obligations, much of which costs are borne by the Fund (and other funds and accounts managed by the Manager). In particular, the aforementioned SEC rules and proposals, including the SEC Private Fund Rules, may result in material requirements and restrictions relating to how the Fund operates its business, as well as the Fund's implementation of the Fund's investment strategy, and there can be no assurance that such requirements and restrictions will not have a material adverse effect on the Fund, the General Partner, the Fund's investments and/or the Limited Partners. To the extent permitted under applicable regulation, many of the incremental costs of compliance by the Manager, the General Partner and/or the Fund with any new SEC rules, including, without limitation, the SEC Private Fund Rules and the aforementioned SEC proposals, are expected to be borne by the Fund, which may be significant. These rules could have a significant effect on investment advisers, including those to private funds, such as the Manager, and their operations, including increasing compliance burdens and associated regulatory costs; increasing litigation risk; reducing the ability to receive

expense or indemnification reimbursements; increasing the risk of regulatory action, fines, penalties or public regulatory sanctions; increasing the cost and availability of reporting; and reducing the availability of service providers and counterparties and/or increasing the costs associated with obtaining and maintaining relationships with service providers and counterparties for the General Partner, the Manager and the Fund. Such changes may also result in modifications to the Fund's practices and risk appetite in respect of the Fund's investment programs and other operations, which, for example, could negatively impact decision making and the Fund's performance due to changes in indemnification standards. In addition, increased disclosure obligations are likely to result in the Manager incurring higher costs if such new disclosure obligations require it to spend more time, hire additional personnel, or buy new technology to comply effectively. Further, certain of the SEC proposals could also significantly increase the cost of insurance, specifically D&O and E&O insurance, or may even make such insurance coverage unavailable.

Certain tax rules may treat a portion of any carried interest as short-term capital gain taxed at ordinary income rates for U.S. federal income tax purposes. Such legislation could adversely affect employees or other individuals performing services for the Fund who hold direct or indirect interests in the General Partner and benefit from carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund.

Unspecified Use of Proceeds

As of the date hereof, the Fund has not selected the investments that it will make. Limited Partners will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Fund and, accordingly, will be dependent upon the judgment and ability of the General Partner and the Manager in investing and managing the capital of the Fund. No assurance can be given that the Fund will be successful in obtaining suitable investments, or that if such investments are made, the objectives of the Fund will be achieved.

Follow-On Investments

The Fund may be called upon to provide additional funding to its portfolio companies or have the opportunity to increase its investment in such portfolio companies. There can be no assurance that the Fund will wish to make such follow-on investments or that it will have sufficient funds to do so. Any decision by the Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's ability to influence the portfolio company's future development.

Reliance on Management of Portfolio Companies

While it is the intent of the General Partner and Manager to invest in companies with operating management in place, there can be no assurance that such management will continue to operate successfully. Although the Manager will monitor the performance of each investment, the Fund will rely upon management to operate the portfolio companies on a day-to-day basis.

Material, Non-Public Information

By reason of their responsibilities in connection with the Fund and other activities, personnel of the Manager and/or the General Partner may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Applicable U.S. law prohibits the use of privileged information by insiders to obtain an unfair advantage, and subjects violators to substantial penalties. As a result, the Fund will not be free to act upon any such information and may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Global Conflict, Natural Disasters and Major Events

The performance of the Fund's portfolio companies may be affected by catastrophic "force majeure" events. A major disruption to the operations of the Fund and the Fund's portfolio companies as a result of force majeure events (including, without limitation, severe weather, earthquakes, landslides or other natural disasters, strikes or war or the outbreak of disease epidemics or pandemics or any other serious public health concern (as described further below), war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.) may cause the Fund or the Fund's portfolio companies to suffer losses due to damage to the Fund's or the Fund's portfolio companies' operations as a result of any of the foregoing. The occurrence of any such event could have a material adverse effect on the value of the Fund's investment.

With respect to the Fund's investments, certain losses arising from catastrophic events, such as wars, natural disasters, terrorist attacks or other similar events, could be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. The General Partner can, but is not required to, maintain insurance, where available on terms it believes to be commercially reasonable, for the Fund's portfolio companies and investments to protect against certain risks, such as business interruption insurance that is intended to offset loss of revenues during an operational interruption. Such insurance is likely to be subject to customary deductibles and coverage limits and might not be sufficient to recoup all losses with respect to the relevant investment. If a major, uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits from, the affected investments.

In particular, the ongoing 2019-nCoV ("COVID-19") pandemic has resulted in significant disruption in global public and private markets and supply chains, and government restrictions put in place include the institution of quarantines, border closures, travel restrictions and closures of businesses, schools, courts and other public venues. These events have had, and will continue to have, a material adverse effect on the economic environment as a whole, and in particular on businesses in the transportation, hospitality, tourism, entertainment and other similar industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession (which, according to some financial experts' opinions, has already arrived), are increasingly uncertain and difficult to assess. The ongoing presence of COVID-19 has had, and will

continue to have, a material adverse impact on portfolio companies, local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. The COVID-19 pandemic has contributed to, and could continue to contribute to, volatility in financial markets, including changes in interest rates. It has also had a material and negative impact on certain economic fundamentals and consumer confidence, increased the risk of default of particular portfolio companies, reduced the availability of debt financing to the Fund and potential purchasers of their portfolio companies, negatively impacted market values, caused credit spreads to widen and reduced liquidity, all of which have had and could have in the event of a continued outbreak, an adverse effect on the returns of the Fund. The impact of a public health crisis, such as COVID-19 (or any future pandemic, epidemic or other similar outbreak of a contagious disease), is difficult to predict, which presents material uncertainty and risk with respect to the performance of the Fund.

In addition, the threats of terrorist strikes and the fear of prolonged global conflict have exacerbated volatility in the financial markets and caused consumer, corporate and financial confidence to weaken, increasing the risk of a “self-reinforcing” economic downturn, which may have an adverse effect upon the portfolio companies in which the Fund makes investments. Economic and political uncertainty also increases the difficulty of modeling market conditions, which may reduce the accuracy of the Fund’s financial projections.

For example, military conflict between Russia and Ukraine began in February 2022 and has caused various disruption to global financial systems, trade and transport, and food security in certain regions of the world, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. Although the length and impact of that ongoing military conflict is highly unpredictable, the conflict between Russia and Ukraine has led to market disruptions, including significant volatility in commodity prices and in credit and capital markets, supply chain interruptions, and the associated restrictive measures that have been imposed by various jurisdictions. In particular, the military conflict between Russia and Ukraine has led to the imposition of sanctions and other restrictive measures by the U.S., the European Union, the U.K. and other countries against Russia, Belarus, and the so-called Donetsk and Luhansk People’s Republics of Ukraine, including, among other measures, blocking and asset freeze sanctions, bans on new investment, certain financial dealings and other activities in Russia. Russia’s invasion of Ukraine, related cyberattacks, the displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on various economies and business activity globally, and therefore could adversely affect the performance of the Partnership. Given the ongoing and evolving nature of the conflict and its ongoing escalation (such as Russia’s decision to place its nuclear forces on high alert, its potential involvement in the conflict between Israel and Hamas, its recent suspension of its participation in its last nuclear arms treaty and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict’s ultimate impact on global economic and market conditions, and, as a result, the situation presents uncertainty and risk with respect to the Partnership and its operations, as well as the ability of the Partnership to achieve its investment objectives. Given the involvement of the broader international community in the conflict, including via the supply of

weapons to Ukraine and China's role in proposing various ceasefires, there remains a risk of spread of the conflict beyond Eastern Europe.

Furthermore, on October 7, 2023, Hamas, a Palestinian U.S.-designated terrorist group who has controlled the Gaza Strip since 2006, conducted a coordinated surprise attack on Israel. In response, Israel declared war on Hamas and began a ground combat mission in the Gaza Strip. Across the Middle East region, tensions have risen, and there is concern that the Hamas-Israel conflict could expand to involve other regional powers and global actors. The ultimate course of a conflict such as the Israel Hamas war, and its impact on global economic and commercial activity and conditions, as well as the duration and severity of such effects, is impossible to predict. This impact may include reductions in revenue and growth, cyber-attacks, unexpected operational losses and liabilities, reductions in the availability of capital and reductions in the availability and productivity of the workforce. Developing and further governmental actions (military or otherwise) and international negotiations over such conflicts may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the Partnership's objectives.

New or worsening geopolitical conflict and tension in these and other parts of the world may lead to similar economic instability and impacts, all of which may adversely affect the Fund and its portfolio companies.

Cybersecurity Threats

Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. The Manager's, the Fund's and the portfolio companies' information and technology systems could be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cybersecurity threats could involve unauthorized access to sensitive information, including, without limitation, information regarding the Limited Partners' and the Manager's investment activities, or could render data or systems unusable, any of which could result in significant losses. Any cybersecurity attacks against the Manager, the Fund or the portfolio companies could lead to the loss of sensitive information essential to such entity's operations and could have a material adverse effect on such entity's reputations, financial positions or cash flows, could lead to financial losses from remedial actions or loss of business, or could lead to potential liability.

The Manager does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers could have limited indemnification obligations to the Manager, the Fund or any portfolio company, each of whom could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, attempts to induce the Manager personnel (or third-party agents) to provide data or payments under false pretenses (e.g., via a falsified email), unauthorized release of confidential or otherwise protected information, including personal information relating to Limited Partners, and corruption of data, and other electronic security breaches could lead to disruptions in critical systems, potentially

resulting in further harm and could require the Manager, the Fund, or any portfolio company to make a significant investment to fix or replace such systems. Cyberattacks could also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites, rendering them unavailable. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in the Manager's, the Fund's, or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to the Fund (and its Limited Partners), material nonpublic information relating to, and the intellectual property and trade secrets and other sensitive information of, the Manager or its portfolio companies. Such a failure or unauthorized disclosure of data could harm the Manager's, the Fund's or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, regulatory action, increased costs, financial losses, data privacy breaches or enforcement actions arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions could not be fully insured or indemnified by other means.

Third Party Litigation

The General Partner, the Manager and the Fund's portfolio companies are subject to substantial litigation risks and could face significant liabilities and damage to their professional reputation as a result of litigation allegations and negative publicity. Such risks include potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which could include employees or agents of the Manager or the General Partner), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Fund, the General Partner or the Manager. The General Partner and the Manager are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, reputation, financial condition and/or operations of the General Partner, the Manager and the Fund, which would in turn have a substantial adverse effect on potential returns to investors.

In addition, the expense of litigation relating to the Fund, including paying any amounts pursuant to a settlement or judgment, would, absent certain disabling conduct by such person in connection with such claim, be borne by the Fund and would reduce the Fund's returns. The Manager, the General Partner and others are indemnified by the Fund in connection with such litigation, subject to the terms of the Fund Governing Documents.

Recent Developments in the Banking Sector

In early 2023, bank closures in the U.S. and Europe caused uncertainty for financial services companies—especially in the banking sector, and U.S. middle market banks in particular—and fear of instability in the global financial system generally. Many financial institutions experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors have withdrawn, or could withdraw in the future, significant sums from their accounts at these institutions (each, a “Distress Event”). As a result, U.S. governmental agencies (including the U.S. Federal Deposit Insurance Corporation (the “FDIC”) and the U.S. Federal Reserve Bank) intervened

directly and indirectly to protect the uninsured depositors of banks that have recently closed or who have experienced a significant Distress Event. Simultaneously, as a result of depositary outflows and other existential issues, the Swiss Financial Market Supervisory Authority intervened in the collapse of Credit Suisse, one of the global systemically important banks, brokering its partial sale to UBS. There is a risk that other financial institutions could undergo Distress Events as a result of contagion disconnected from market fundamentals or for other reasons, and it is unclear what steps regulators would take, if any, in the event of further bank closures or continuing (or increasing) market distress.

Banks and other financial institutions, including those that could undergo Distress Events could provide credit facilities and/or other forms of financing to the Fund or its portfolio companies. There can be no assurance that such financial institutions will honor their obligations as creditors or that another financial institution would be willing and able to provide replacement financing or similar capabilities and on similar terms.

If a financial institution closes, whether as a result of a Distress Event or otherwise, there is no guarantee that its uninsured depositors, which could include the Fund and/or its portfolio companies, will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. Pursuant to statute, U.S. bank accounts are insured by the FDIC in an amount up to \$250,000. While the U.S. government has considered raising that limit, there can be no guarantee that such limit will be increased. As a consequence, for example, if a Distress Event occurs, the Fund or portfolio companies could be delayed or prevented from accessing a portion or all of their bank accounts or making required payments under their debt or other contractual obligations. Limited Partners could be impacted in their ability to honor capital calls and/or receive distributions for related reasons.

Distress Events 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 not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a financial institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, or acquire or dispose of such investments at prices that the General Partner believes reflect the fair value of such investments; and the inability of 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 the Fund or a portfolio company will incur additional expenses or delays 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, access to capital, or otherwise). Although the General Partner expects 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 or delays. The Fund and its portfolio companies are subject to similar risks if any financial institution utilized by investors in the Fund or by suppliers, vendors, 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.

Many financial institutions require, as a condition to using their services (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 the 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 creditworthy 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.

Uncertainty caused by recent bank failures—and general concern regarding the financial health and outlook for other financial institutions—could have an overall negative effect on banking systems and financial markets generally. The recent developments could also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Fund or one or more of its portfolio investments or its overall performance.

Counterparty Risk

Certain of the Fund's transactions may be undertaken through counterparties, including brokers, banks or other organizations, and the Fund will be subject to the risk of the default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Fund would have any recourse in the event of default.

Pay-to-Play Laws, Regulations and Policies

In light of controversies and highly publicized incidents involving money managers, a number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies that prohibit, restrict or require disclosure of payments to (and/or certain contacts with) U.S. state officials by individuals and entities seeking to do business with U.S. state entities, including investments by public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a U.S. governmental plan investor for two years after the adviser or certain of its personnel contribute to certain U.S. elected officials or candidates. If the Fund fails to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on the Fund by, for example, providing the basis for the withdrawal of the affected governmental plan investor.

Certain Social Media Risks

The use of social networks such as Facebook, X (formerly known as Twitter) and Instagram, message boards such as Reddit and other internet channels has become widespread within the U.S. and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding the Manager, the Fund, the

Fund's portfolio companies or their respective affiliates or personnel could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect the Manager, the Fund, the Fund's portfolio companies or their respective affiliates (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the subject of such a ban).

Artificial Intelligence and Machine Learning Developments

Recent technological advances in artificial intelligence and machine learning technology (collectively, "Machine Learning Technology"), including OpenAI's release of its ChatGPT application, pose risks to the Manager, the Fund and the Fund's portfolio companies. While the Manager could utilize Machine Learning Technology in connection with its business activities, including investment activities, the Manager continues to evaluate and adjust internal policies governing use of Machine Learning Technology by its personnel. Notwithstanding any such policies, the Manager's personnel or any the Manager's affiliates could, unbeknownst to the Manager, utilize Machine Learning Technology in contravention of such policies. The Manager, the Fund and the Fund's portfolio companies could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to the Manager, also use Machine Learning Technology in their business activities. The Manager will not be in the position to control the manner in which third-party products are developed or maintained or the manner in which third-party services are provided.

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

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error, potentially materially so, and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that the Manager, the Fund or the Fund's portfolio companies are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on the Manager, the Fund or the Fund's portfolio companies. Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Different Information

Due in part to the fact that prospective investors and Limited Partners are expected to ask different questions and request different information, the General Partner expects to provide certain information to one or more prospective investors or Limited Partners in connection with their investment decision or during the term of the Fund in response to such questions and requests or otherwise that it does not provide to all Limited Partners. In addition, certain Limited Partners may, through separate written agreements or side letters entered into with the Fund or by virtue of its affiliation with the Fund, have access to information regarding the Fund's investments, including access to the Fund's investment committee materials and attendance at the Fund investment committee meetings, which is not available to other Limited Partners.

Risks Related to Investments

Investments Outside of More Developed Economies

The Fund is being formed to make investments in portfolio companies and businesses both within and, to a limited extent, outside the United States, including in Mexico, Guatemala, Costa Rica, Panama, Colombia, Chile and Peru. Investments outside of the United States involve certain factors not typically associated with investing in more established securities markets such as those in the U.S., including, without limitation, risks relating to: (a) differences arising from less developed securities markets, including potential price volatility in and relative illiquidity of some such securities markets; (b) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, which could result in lower quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors, less developed bankruptcy laws and difficulty in enforcing contractual obligations; (c) certain economic and political risks, including potential economic, political or social instability, exchange control regulations, restrictions on foreign investment and repatriation of capital (possibly requiring government approval), expropriation or confiscatory taxation and higher rates of inflation and reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; (d) potentially material and unpredictable governmental influence on the national and local economies; (e) fewer or less attractive financing and structuring alternatives and exit strategies; and (f) the possible imposition of local taxes on income and gains recognized with respect to investments. While the General Partner intends, where deemed appropriate, to manage the Fund in a manner that will minimize exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Fund that are held, directly or indirectly, in certain countries.

Emerging Markets

The Fund may also make investments that are based, or that operate, in jurisdictions viewed as "emerging markets." The risks described above in "Investments Outside of More Developed Economies" are usually greater in the case of these investments as these markets tend to be very inefficient and illiquid, as well as subject to political and other factors to a heightened degree relative to non-emerging markets. Many emerging markets are developing both economically and politically

and in some cases have relatively unstable governments and economies based on only a few commodities or industries. Many emerging market countries do not have firmly established product markets, and companies in these markets might lack depth of management and can be very vulnerable to political or economic developments, such as nationalization of key industries. Additional risks associated with investment in emerging markets include (a) greater risk of expropriation, confiscatory taxation, nationalization, social and political instability (including the risk of changes of government following elections or otherwise) and economic instability; (b) the relatively small current size of some of the markets for securities and other investments in emerging markets portfolio companies and the current relatively low volume of trading, resulting in lack of liquidity and in price volatility; (c) increased risk of national policies, which may restrict the Fund's investment opportunities, including restrictions on investing in portfolio companies deemed sensitive to relevant national interests; (d) the absence of developed legal structures governing private or foreign investment and private property; (e) the potential for higher rates of inflation or hyper-inflation; (f) increased currency risk and risk of the imposition, extension or continuation of foreign exchange controls, including managed adjustments in relative currency values; (g) increased interest rate risk and credit risk; (h) lower levels of democratic accountability; (i) greater differences in accounting standards and auditing practices, which result in increased risk of unreliable financial information; and (j) different corporate governance frameworks. The emerging markets risks described above also increase counterparty risks for investments in those markets. In addition, investor risk aversion to emerging markets can have a significant adverse effect on the value and/or liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments that is caused by any of the factors described above.

Many emerging market economies have been subject to frequent and occasionally drastic intervention by the government. In the past, certain measures, including interest rate increases and certain economic reforms, may have had the effect of slowing down economic growth in such countries. Governmental intervention could materially adversely affect the investment opportunities currently available in such emerging market, the value of the Fund's investments and its ability to execute successful exits of its portfolio companies. In addition, the political, administrative and judiciary institutions in the emerging markets are not as mature as their peers in developed markets. As a result, these institutions may not sustain their independence against political pressure or corruption by individuals in positions of power. The combination of high government involvement in the economy and developing institutions could adversely affect the performance of the Fund in a variety of ways. For example, political influence may prevent ministries and regulatory agencies from enacting laws and regulations that would facilitate the flow of much-needed investments into an emerging market country's infrastructure, which, if constrained, may adversely affect the growth of such country's economy. Such outcomes could consequently impair the Fund's ability to achieve its investment objectives.

Risks upon Disposition of Investments

In connection with the disposition of an investment in a portfolio company, the Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business, or may be responsible for the contents of disclosure documents under applicable securities laws. The Fund may also be required

to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the Partners. The Fund Governing Documents contains provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the Partners to the extent that they have received distributions from the Fund, subject to certain limitations.

Accounting Standards

The Fund is permitted to make investments in countries where generally accepted accounting standards and practices differ significantly from those practiced in the United States. As a result, the financial information presented in the financial statements of entities operating outside of the United States could represent the financial position or results of operations in a manner that is inconsistent with how such information would be presented if such financial statements were prepared in accordance with accounting standards generally accepted in the United States. Accordingly, evaluation of potential investments and the ability to perform due diligence could be adversely affected.

Government and Agency Risk

In some instances, the making or acquisition of an investment may involve substantive continuing involvement by, or an ongoing commitment to, a government, quasi-government, industry, self-regulatory or other relevant regulatory authority, body or agency (“Regulatory Agencies”). The nature of these obligations exposes the owners of the relevant investments to a higher level of regulatory control than typically imposed on other businesses.

Regulatory Agencies might impose conditions on the construction, operations and activities of a business or asset as a condition to granting their approval or to satisfy regulatory requirements, including requirements that such assets remain managed by the General Partner, the Fund or their affiliates, which could limit the ability of the Fund to dispose of portfolio investments at opportune times.

Regulatory Agencies often have considerable discretion to change or increase regulation of the operations of a portfolio company or to otherwise implement laws, regulations or policies affecting its operations (including, in each case, with retroactive effect), separate from any contractual rights that the Regulatory Agencies’ counterparties have. Accordingly, additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, could be required to acquire an investment, and additional approvals could become applicable in the future due to, among other reasons, a change in applicable laws and regulations or a change in the relevant portfolio company’s activities. There can be no assurance that a portfolio company will be able to (a) obtain all required regulatory approvals that it does not yet have or that it could require in the future; (b) obtain any necessary modifications to existing regulatory approvals; or (c) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced

acquisition or sale to a third party, or could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sale to a third party, or could otherwise result in additional costs and material and adverse consequences to a portfolio company and the Fund.

Regulatory Agencies could be influenced by political considerations and could make decisions that adversely affect a portfolio company's business. There can be no assurance that the relevant government will not legislate, impose regulations or change applicable laws, or act contrary to the law in a way that would materially and adversely affect the business of a portfolio company. The profitability of certain types of investments might be materially dependent on government subsidies being maintained. Reductions or eliminations of such subsidies would likely have a material adverse impact on relevant investments by the Fund.

Interest Rate Risk

The Fund's investments will expose it to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that can affect market interest rates include, without limitation, inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets. There could be significant unexpected movements in interest rates, which movements could have adverse effects on portfolio companies and the economy as a whole. In light of the foregoing, and more generally, the Fund expects that it will periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other, which could adversely affect its performance.

As indicated above, the Fund's portfolio companies and assets can be leveraged. As such, movements in the level of interest rates can affect the returns from these assets more significantly than other assets in some instances. The structure and nature of the debt encumbering an investment can therefore be an important element to consider in assessing the interest rate risk of the investment. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk. Due to the nature of the Fund's investments, the impact of interest rate fluctuations could be greater for the Fund's portfolio companies than for the economy as a whole in the country in which the interest rate fluctuations occur.

Inflation Risk

If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability might be adversely affected. The Fund's portfolio companies could in some cases have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real

interest rates would likely result in higher financing costs for portfolio companies and could therefore result in a reduction in the amount of cash available for distribution to Partners.

Currency Risk

A material number of the Fund's investments, and the income received by the Fund with respect to such investments, might be denominated in various non-U.S. currencies. However, the books of the Fund will be maintained, and capital contributions to and distributions from the Fund will be made, in U.S. dollars. Accordingly, fluctuations in currency values could adversely affect the U.S. dollar value of portfolio investments, interest, dividends and other revenue streams received by the Fund, gains and losses realized on the sale of portfolio investments and the amount of distributions, if any, to be made by the Fund. In particular, certain countries have experienced substantial devaluations compared to the U.S. dollar and further devaluations could occur in the future. Certain countries have implemented or could implement strict controls on foreign exchange, which could result in artificially pegged exchange rates that distort the results of, and returns on, investments in such countries. To the extent that the U.S. dollar appreciates relative to these currencies, the U.S. dollar value of these investments is likely to be adversely affected. In addition, if the currency in which the Fund receives dividends, interest or other types of payments (such as liquidating payments) declines in value against the U.S. dollar before such payments are distributed, the dollar value of these payments would be adversely affected if not sufficiently hedged. Further, the ability of the Fund and companies in which it invests to convert freely between the U.S. dollar and the local currencies could be restricted or limited and, in a number of instances, exchange rates and currency conversion are controlled directly or indirectly by governments or related entities. Currencies of some countries in which the Fund may invest are often subject to government intervention, restrictions on repatriation and similar restrictions, which could exacerbate the risk of unexpected fluctuations and/or could cause the Fund and/or its investments to incur significant costs or experience substantial delays in, or be prohibited from, converting currencies. Furthermore, the portfolio companies in which the Fund invests could in many cases be subject to risks relating to changes in currency values, as described above. If a portfolio company suffers adverse consequences as a result of such changes, the Fund likely would also be adversely affected as a result.

Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. The General Partner could try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and buying and selling options on foreign currencies, but the General Partner reserves the right in its sole discretion to determine whether and to what extent to hedge any such currency risks, and even in the event the General Partner determines to implement one or more such hedging strategies, there can be no assurance such strategies will be effective.

Investment Leverage

Certain of the investments may be in businesses with high levels of debt or may be investments in leveraged buyouts; leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Although the General Partner will seek to use leverage in a

manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Leveraging the capital structure of a portfolio company will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to the Fund receiving a return. The securities in which the Fund will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of the Fund or when due for refinancing such that the Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized.

Certain Effects of Default and Bankruptcy

Each of the Fund's portfolio companies or their assets may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such parties under certain circumstances, including an incipient and/or unremedied default. In the event of the bankruptcy of a portfolio company, prior distributions to the Fund may be reclaimed if such prior payments are determined to have been "preference" payments under applicable bankruptcy and related laws and regulations.

The bankruptcy law in the United States, for example, establishes an order of priority for the payment of debts owed by a bankrupt entity to its creditors and equity holders. Priority is generally given to labor related debts, secured creditors and tax debts, all of which take priority over equity owners such as the Fund. As such, it is possible for the Fund to lose its entire investment in a portfolio company that undergoes bankruptcy.

Item 9. Disciplinary Information

ABF and its employees have not been involved in any legal or disciplinary events in the past 10 years that ABF believes is material to a client's evaluation of the company or its personnel.

Item 10. Other Financial Industry Activities and Affiliations

Neither ABF nor any of its directors, officers or principals is registered, or has an application pending to register, as a broker-dealer or as a registered representative of a broker-dealer. Neither ABF nor any of its directors, officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or as an associated person of any of the above.

The investment professionals of the Manager will devote such time as shall be reasonably necessary to conduct the business affairs of the Fund in an appropriate manner. However, the Manager's personnel will work on other projects as contemplated herein and in the Fund Governing

Documents, including co-investment activities, Other ABF Accounts and investments made by GRIO or other corporate investments of Grupo Romero, and, therefore, conflicts exist in the allocation of resources, including due to Manager's internal policies and compliance with applicable law and regulation. The Fund will have no interest in such other investments, funds, vehicles, accounts or other matters and it is possible that such investments may be in competition with those of the Fund.

Without limiting the generality of the foregoing, the investment professionals of the Manager, through an affiliate thereof, have ongoing obligations to provide investment advisory consulting services in respect of Carlyle Peru Fund, L.P. and certain other investments made by one or more other investment vehicles sponsored by Carlyle. These consulting services include, among other things, monitoring and reporting on investments made by such Carlyle funds, endeavoring to identify follow-on investment opportunities and identifying and assisting in dispositions of such investments. These activities could require the devotion of a meaningful amount of time from the Manager's investment professionals, as is often the case with respect to sponsors that are managing predecessor funds.

In addition, the Manager's personnel will also serve as members of the boards of directors of various companies other than the Fund's portfolio companies. Conflicts may arise as a result of such other activities. The possibility also exists that such companies could engage in transactions that would be suitable for the Fund but in which the Fund might be unable to invest.

Investment professionals of the Manager are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles outside of the Manager, as well as engage in other personal trading activities relating to companies, assets, securities or instruments outside of the Manager (subject to the Manager's policies and procedures (including its code of ethics) and the terms of the Fund Governing Documents and the governing agreements of Other ABF Accounts), some of which will involve conflicts of interest. Such investments may divert such personnel's time and attention away from the affairs of the Fund and the Other ABF Accounts. In addition, the investment vehicles in which such personnel may invest may compete with the Fund and Other ABF Accounts for investment opportunities. In some cases, the Fund, Other ABF Accounts or their portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with, such other investment vehicles. Although conflict mitigation strategies may be put into place with respect to a particular circumstance as determined by the Manager, there can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Manager, the Fund or an Other ABF Account.

Policies and procedures implemented by the Manager and its affiliates from time to time (including as may be implemented in the future) to mitigate actual or potential conflicts of interest and address certain regulatory requirements and contractual restrictions could at times reduce the access of the Fund to other operations or expertise of the affiliates of the Manager, including GRIO and other current and future business units of Grupo Romero. Because Grupo Romero has other activities beyond the Fund, it is subject to a number of actual and potential conflicts of interest, additional regulatory considerations and more legal and contractual restrictions than that to which it would otherwise be subject if it focused only on the Fund. As a consequence, information, which could be of benefit to the Fund, might become restricted to certain businesses units within Grupo Romero

and otherwise be unavailable to the Fund. For example, Grupo Romero may choose to establish information barriers between the Manager and its operations (including the Fund), on the one hand, and other business units of Grupo Romero, on the other, which may serve to restrict the communications of the Manager's investment professionals with other Grupo Romero professionals.

Additionally, the terms of confidentiality or other agreements with or related to companies in which the Manager, its affiliates or an Other ABF Account has or has considered making an investment or which are otherwise advisory clients of the Manager or its affiliates may restrict or otherwise limit the ability of the Fund and/or its portfolio companies and their affiliates to make investments in or otherwise engage in businesses or activities competitive with such companies. While the Manager will seek to resist, mitigate and manage contractual restrictions requested by investment counterparties, noncompetition undertakings and analogous agreements are becoming increasingly prevalent in international transactions and any restrictions (whether in existence under current investment documentation or to be negotiated under future investment documents) may have consequences that are adverse to the interests of the Fund, such as, for example and without limitation, adversely affecting the ability of the Fund to participate in certain sectors and/or geographies. Further, the Manager and its affiliates may enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for the Fund, may require the Fund to share such opportunities or otherwise limit the amount of an opportunity the Fund can otherwise take.

ABF has established an advisory committee (the "Advisory Committee" or "LPAC"), with respect to one or more particular Fund(s), which consists of representatives of certain limited partners unaffiliated with ABF, who review certain matters designated in such Fund's applicable Governing Documents, including matters involving a potential conflict of interest. Except where the applicable Governing Documents specifically requires that a matter be brought to the LPAC, the General Partner of a particular Fund will typically have sole discretion to decide whether to present any potential conflict to the LPAC. Prospective investors in each Fund are advised to review the applicable Fund's Governing Documents for full details on the Fund's investment, operational and other actual and potential risks and conflicts of interest.

Investors should be aware that there will be situations where the General Partner, the Manager, the Fund and their respective affiliates, including any other investment fund, vehicle or account (including proprietary accounts) managed by the Manager or its affiliates (an "Other ABF Account") may encounter potential conflicts of interest in connection with the Fund's investment activities. If any matter arises that the General Partner determines in its good faith judgment constitutes an actual or potential conflict of interest, the General Partner may, from time to time (as described in the Fund Governing Documents) be required to present certain matters (including certain material conflicts of interest) to the Advisory Committee for review. Members of the Advisory Committee may approve actions in connection with portfolio investments where such members (and the investors such members represent) have conflicts of interest, including those arising from investments in counterparties or co-investment or financing opportunities in connection with such portfolio investments. Except where the Fund Governing Documents explicitly requires the Advisory Committee to approve a matter, an obligation to present a matter to

the Advisory Committee for review will not require that the General Partner obtain the consent of the Advisory Committee prior to taking an action or refraining from taking an action.

The Advisory Committee will meet as required to consult with the General Partner as to potential conflicts of interest. On any issue involving actual conflicts of interest, the General Partner will be guided by its good faith discretion. In the event that any matter arises that the General Partner determines constitutes an actual conflict of interest between the Fund, on the one hand, and the General Partner or its affiliates, on the other hand, the General Partner may take such actions as it deems necessary or appropriate in good faith to ameliorate the conflict (and, upon taking such actions approved by the Advisory Committee, the General Partner will be relieved of any responsibility for the conflict of interest).

A conflict of interest may exist because some, but not all, investors will be permitted to designate a member to the Advisory Committee. If the General Partner consults with the Advisory Committee as to certain potential conflicts of interest, the Advisory Committee may consent to matters that could be disadvantageous to some investors, including those investors who do not designate a member to the Advisory Committee.

The Fund Governing Documents will provide that to the fullest extent permitted by law, none of the members of the Advisory Committee, nor the Limited Partners on behalf of whom such members act as representatives, if applicable, shall be liable to any other Partner or the Fund for any reason (other than fraud, willful malfeasance or gross negligence) or owe any duties (fiduciary or otherwise) to any other Limited Partner in respect of the activities of the Advisory Committee. In addition, members of the Advisory Committee and their affiliates may have various business and other relationships with the Manager and its partners, employees and affiliates (and may be investors in, and/or serve on similar committees of the Fund) or may have an ownership interest in, be involved in the acquisition of, or otherwise have economic interests relating to existing or potential portfolio companies. The presence of these other relationships and circumstances may influence the decisions of the members of the Advisory Committee. For example, in connection with a transaction between or among the Fund, a Co-Investment Vehicle, Other ABF Accounts or a portfolio company of any such funds, the Advisory Committee is likely to consult with the General Partner and/or consent to such transaction. It is possible that certain members of the Advisory Committee of the Fund will become representatives of an investor in both the Fund and Other ABF Accounts, and in such circumstances, such members are not expected to abstain from voting on behalf of each of the Fund and such Other ABF Account with respect to such transaction.

Conflicts of Interest

Conflicts of interest include, but are not limited to, the following:

Fee Income

The Manager and its affiliates could in the future be entitled to receive cash and non-cash directors' fees, transaction fees, investment banking fees, break-up fees, advisory fees, monitoring fees or other similar fees ("Fee Income") in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions. The nature and amount of such Fee Income

earned by the Manager and its affiliates is likely to vary from investment to investment. The potential to receive such Fee Income may create an incentive for the Manager and its affiliates to engage in transactions when it might not otherwise be in the best interest of the Fund to do so.

Fee Income relating to the investment activities of the Fund will generally be allocated among the Fund and any co-investing entities on the basis of capital committed by each to the relevant investment. The Fund's share of any such Fee Income will generally (in accordance with the terms of the Fund Governing Documents) offset any Management Fees that are otherwise payable to the Manager. A Co-Investment Vehicle (or co-investor) will generally not receive the benefit of offsetting Fee Income (for example, because co-investing entities are not charged Management Fees, and accordingly, no Management Fee offset is applicable), and such Fee Income shall not be allocated to the Fund. For the avoidance of doubt, there will be no reduction of the Fund's Management Fees in respect of any fee income paid or received in respect of any Other ABF Account, Co-Investment Vehicle or co-investor, and any fees received by the Manager and its affiliates from any Other ABF Account, Co-Investment Vehicle or co-investor will not constitute Fee Income. While the Fund's share of any such Fee Income will generally offset the Management Fee that is otherwise payable by the Fund to the Manager, there can be no assurance that there will be sufficient Management Fees payable to offset the full amount of such Fee Income. Any unused portion of the Fee Income paid or received in respect of the Fund will be carried forward to offset Management Fees otherwise payable by the Fund in future periods. If upon dissolution of the Fund there is unapplied Fee Income remaining after all applicable reductions in the Management Fee payable, each Limited Partner will be entitled to elect whether to receive their pro rata share of such unapplied Fee Income, and the Manager will return a proportionate amount of such unapplied Fee Income to the Fund for distribution to any such electing Limited Partners pursuant to the Fund's distributions provisions. The Manager will retain any remaining Fee Income attributable to non-electing Limited Partners.

In the case of monitoring fees, these may be payable as fixed dollar amounts or may be calculated as a percentage of EBITDA (or other similar metric). The terms of a monitoring agreement may in certain instances provide for an acceleration of fees paid to the Manager or its affiliates upon termination following certain milestones, such as an initial public offering or sale, and where the lump-sum termination fee may be calculated as the present value of hypothetical foregone future payments (which in some cases may extend past the term of the Fund and may be based on an assumed growth in EBITDA or other metric used to calculate the fee) and be calculated using a discount rate as low as the risk-free rate, as determined by the Manager. In the case of transaction fees, often times these will be calculated as a percentage of the total enterprise valuation of the transaction, which is generally the aggregate amount of funds raised (including invested capital, rolled-over equity and debt assumed or financed by the Fund and/or the relevant portfolio company and their respective subsidiaries and affiliates).

Allocation of Investment Opportunities

As a general matter, it is not expected that all investment opportunities identified by or suitable for investment funds, vehicles and accounts managed by the Manager and its affiliates will be made available to the Fund. The Manager and its affiliates will be permitted, in their sole discretion, in the future to establish Other ABF Accounts with investment objectives, mandates and policies that

are the same or substantially similar to and/or overlap with, those of the Fund (including, without limitation, co-investment funds, separate accounts and any successor fund to the Fund), in each case, without the consent of, or notice to, any Limited Partner, subject only to the limited restrictions set forth in the Fund Governing Documents. Consistent with the foregoing, the Manager expects to be presented with investment opportunities that fall within the investment objectives of the Fund and other vehicles managed or controlled by the Manager and its affiliates, including Other ABF Accounts, and in such circumstances, except as otherwise provided in the Fund Governing Documents, the Manager will allocate all or a portion of such opportunities (including any related co-investment opportunities) to one or more of the Fund and such Other ABF Accounts (including, without limitation, an allocation of 100% of such an opportunity to such Other ABF Accounts, or 100% of such opportunity to the Fund) on a basis that the Manager reasonably determines in good faith to be fair and reasonable taking into account all factors the General Partner deems relevant, including the requirements of such Other ABF Accounts, the sourcing of the transaction, the nature of the investment objective, investment focus, mandate or policies, target return profile or projected hold period of each such Other ABF Account, the relative amounts of capital available for investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Fund and each such Other ABF Account and other considerations deemed relevant by the Manager in good faith (including, for example, various characteristics of a prospective investment, such as the country or countries in which it operates or intends to operate). The Fund will not be entitled to any type of priority allocations of credit investment opportunities.

In accordance with a co-investment arrangement (the “Carlyle Co-Investment Arrangement”) between affiliates of the Manager and Carlyle Investment Management L.L.C. (“CIM”), during the Fund’s Investment Period, unless the Carlyle Co-Investment Arrangement is terminated earlier, the Manager is required to offer to CIM and any investment vehicles formed, managed or advised by CIM (collectively, “Carlyle”) the opportunity to invest (a) up to 51% of the first \$300 million required equity capital and up to 100% of any required equity capital in excess of \$300 million in private equity buyout or growth investment opportunities in a portfolio company that is domiciled and/or principally operating in the United States and (b) up to 100% of any required equity capital in excess of \$150 million in private equity buyout or growth investment opportunities in a portfolio company that is domiciled and/or principally operating in Latin America. As such, the investment opportunities available to the Fund, and in particular the co-investment opportunities that might be available alongside the Fund will be limited by the obligations under the Carlyle Co-Investment Arrangement.

While the Manager generally does not expect GRIO, which is a pre-existing family investment office of Grupo Romero, to be pursuing similar investments to the Fund, GRIO will not have any obligation to offer or otherwise allocate investment opportunities to the Fund. The Manager expects GRIO to primarily focus on investments in non-U.S. infrastructure whereas the Fund is expected to focus on the Target Sectors and in the Target Countries, as discussed. Notwithstanding the foregoing and as provided below in “Co-Investments,” as determined in the sole discretion of the General Partner, the Fund may invest alongside GRIO in a co-investment, if GRIO offers a portion of GRIO’s interests in any of GRIO’s investments to the Fund, and vice versa.

Allocation of Expenses

The General Partner will have a conflict of interest in allocating certain expenses among partners of the Fund, as well as among the Fund, any Parallel Funds, co-investment vehicles, Other ABF Accounts and the Manager. For example, as described under “Side Letters” above, out-of-pocket expenses incurred by the General Partner in complying with the provisions of one or more Side Letters may be allocated to all partners whether or not all such partners receive a benefit from such Side Letter provisions. In addition, compensation and other overhead related to in-house administrative, tax, accounting, legal, IT systems support and other similar services provided by the General Partner or its affiliates will, as with other expenses, be allocated to the Fund, any Parallel Funds, co-investment vehicles, Other ABF Accounts and/or other entities (either related or unrelated to the Fund) by the Manager in accordance with its expense allocation policy (which is subject to change). These amounts include, among other things, both base and variable bonus compensation, payroll taxes, healthcare benefits, rent, property taxes and utilities that are allocable to workspaces and shared spaces utilized by applicable personnel. It should be noted that the Manager generally does not obtain pricing or other benchmarking information from unaffiliated third party service providers and accordingly compensation and overhead of applicable personnel charged to the Fund could exceed the cost of comparable services provided in an arm’s length transaction. The determination of these amounts, as well as the method of allocation of the portion of these amounts as among the Fund, the Manager and Other ABF Accounts, present conflicts of interest and there is no guarantee that these conflicts will be resolved in favor of the Fund. The General Partner and/or its affiliates are permitted, in their discretion, to consult with or refer to the Advisory Committee, legal counsel, tax advisors, accountants, investment bankers and other similar advisors engaged by the Fund, the Manager or its affiliates regarding any determinations with respect to contractual interpretation or ambiguities relating to fees, costs and expenses, and the General Partner and/or its affiliates are permitted to rely on such advice. Such determinations, if made in good faith reliance on such consultation, will be binding on the Fund and all Partners.

Furthermore, the Manager expects any costs incurred in connection with the transfer of a Limited Partner from the Fund to a Parallel Fund (as contemplated by the Fund Governing Documents) will be treated as a Fund expense and will be borne by all partners in the Fund and investors in the Parallel Funds. The Fund will also bear as Fund expenses the costs of preliminary activities related to the sourcing of investments (such as prospecting for investments), which will include any costs or expenses incurred in connection with attending industry conferences. Information management system expenses, which are also treated as Fund expenses, will include expenses related to specialty or custom software (including software for monitoring risk, compliance and the overall portfolio), as well as any related development costs. For the avoidance of doubt, the Advisory Committee may consent to a fee, cost or expense being borne by the Fund as a Fund expense, and any such fee, cost or expense may benefit only a subset of the Partners or represent amounts charged by the Manager or its affiliate of to the Fund. Further, the Fund shall bear all fees, costs and expenses incurred in connection with alternative structures contemplated for the organization and offering of interests in the Fund but not ultimately implemented.

The Manager will have broad discretion in allocating Fund expenses as between the Fund and any Other ABF Accounts, and although the Manager will generally seek to allocate such expenses on a

fair and reasonable basis in accordance with its expense allocation procedures, the Fund may ultimately bear certain expenses that would also benefit such Other ABF Accounts.

In addition, the allocation of broken deal expenses among the Fund and Other ABF Accounts may be based on a preliminary allocation by the Manager of the related investment opportunity among the Fund and Other ABF Accounts. Such preliminary allocation may be made by the Manager after it has been determined that an investment opportunity will not be consummated. The final allocation of an investment among the Fund and Other ABF Accounts may have been different had such investment opportunity ultimately come to fruition. Further, Limited Partners will bear and be charged all expenses, including organizational expenses and broken deal expenses of the Fund and its operations, regardless of when such expenses are incurred or charged, including amounts incurred prior to the admission of any Limited Partner to the Fund. For the avoidance of doubt, broken deal expenses will include all fees, costs and expenses incurred in connection with the structuring, organization and offering of interests in any vehicle formed by the Manager for co-investors to participate in a proposed investment that is not ultimately made. In addition, any fee, cost or expense eligible to be treated as a Fund expense will not be treated as an Organizational Expense.

The Manager will take into account a variety of considerations when allocating expenses and uses methods that it believes are fair and reasonable. These methods are expected to vary depending on the type of expense, including, without limitation, allocations based on invested or committed capital, fair market value, sharing percentages, number of investments held by the Fund, any parallel funds, co-investment vehicles and Other ABF Accounts, number of Other ABF Accounts in a particular strategy and relative volume. Among other approaches, the Manager's allocation policy may provide for allocation of such expenses based solely on methods, including capital commitments or invested capital without regard to the specific services provided to the Fund or any Other ABF Fund. The application of these methodologies may lead to an allocation of expenses to the Fund without the corresponding performance of services to the Fund or its portfolio companies. Moreover, expenses may be incurred that, along with the related services, benefit other parties, including Other ABF Accounts or other owners in a portfolio company but are borne solely by the Fund. Despite the Manager's good faith intent to apply a fair and reasonable expense allocation methodology, the use of any particular methodology may lead the Fund to bear relatively more expense in certain instances and relatively less in other instances compared to what the Fund would have borne if a different methodology had been used. However, the Manager seeks to make allocation determinations that are equitable on an overall basis in its good faith judgment. By investing in the Fund, each Limited Partner will be deemed to have acknowledged the foregoing expense allocation procedures.

Co-Investments

From time to time, subject to the Carlyle Co-Investment Arrangement, the Fund may make investments with the expectation of offering a portion of its interests therein as a co-investment opportunity to the Limited Partners and/or other third-party investors (including, for the avoidance of doubt, GRIO, employees or consultants of ABF or the Manager and persons that have other relationships with the Manager or ABF), via a co-investment vehicle sponsored, managed or advised by the Manager (such fund, a "Co-Investment Vehicle"). The Manager may establish one or more

Co-Investment Vehicles for certain investors to facilitate their participation in all or a subset of any co-investment opportunities that are offered alongside the Fund; any such Co-Investment Vehicles may be established in connection with the applicable investor's investment in the Fund (or otherwise) and may provide for such investor to have certain delineated rights, including, for example, the ability of the investor to opt-in or opt-out of co-investment opportunities and other such terms as may be agreed between the Manager and such investor. To the extent the Manager does not offer such investors with priority rights to allocations of co-investment opportunities, the Manager does not view participation in any such Co-Investment Vehicle as a material "right" or "benefit" that is electable as part of the side letter "most favored nations" election process. Whenever a Co-Investment Vehicle is created to facilitate one or more investments, the General Partner may make a capital commitment to such fund, which would result in the General Partner investing additional capital in certain, but not all, investments of the Fund.

While the Fund Governing Documents requires that the terms of certain such co-investments alongside the Fund be made on terms no more favorable than those received by the Fund (subject to the exceptions set forth in the Fund Governing Documents), the Fund may from time participate in an investment alongside a joint venture partner, co-sponsor or other third-party counterparty and may in certain circumstances provide for certain counterparties to a transaction (e.g., lenders to a portfolio company) to co-invest alongside the Fund as part of the terms of such counterparty's overall participation in the transaction, and in each such case the terms of such investments may differ from those on which the Fund participates. There can be no assurance (a) that the Fund will be successful in offering such Co-Investment Vehicle, in whole or in part; (b) that the closing of such Co-Investment Vehicle will be consummated in a timely manner; (c) that the co-investment opportunity will be offered on terms and conditions that will be preferable for the Fund; or (d) that expenses incurred by the Fund with respect to such co-investment opportunities will not be substantial. If the Fund is not successful in raising such Co-Investment Vehicle, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto.

When determining the person(s) to whom the Manager offers a co-investment opportunity, and the relative amounts offered to each such person, the Manager will take into account such factors as it determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (i) the investor's stated desire to participate in co-investments; (ii) the ability of an investor to commit to invest in a short period of time, which may be impacted by whether an investor is committed to a multi-investment Co-Investment Vehicle; (iii) the ability of an investor to commit to a significant portion of such opportunity; (iv) the economic terms on which an investor may agree to participate; (v) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (vi) the size of an investor's commitment to the Fund or Other ABF Account; (vii) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; (viii) the ability of an investor to provide debt financing in connection with such investment; (ix) the ability of an investor to enter into an equity commitment letter or similar agreement with respect to such investment; or (x) any other legal, regulatory or tax consideration or any such other factors as the Manager deems relevant, which may include subjective determinations, such as working relationships and strategic benefits to the Manager, the

Fund or Other ABF Account. For the avoidance of doubt, as a result of the application of the criteria above, co-investment opportunities may not be offered to some or any of the limited partners of a fund.

The Fund may also provide interim financing for the purpose of bridging a potential co-investment. The performance of co-investments is not aggregated with that of the Fund, including for purposes of determining the General Partner's carried interest under the Fund Governing Documents. The Manager and/or the General Partner may or may not charge management fees, administrative fees, one-time funding fees and/or carried interest in respect of co-investments, as it determines in its sole discretion, subject to the terms of any applicable agreements with investors. The allocation of any co-investment opportunities will directly or indirectly benefit the Manager or the General Partner as a result of, among other things, the receipt of any such fees or carried interest and capital commitments to the Fund or Other ABF Account.

Further, it is possible that the Fund will make an investment in a portfolio company, and subsequently sell a portion of such investment to a Co-Investment Vehicle at cost plus interest even in a circumstance where the value of such investment is higher. In such cases, any determination with respect to apportionment of transaction fees or other fee income by the Manager among the Fund and any such Co-Investment Vehicles will be made (or recalculated) after giving effect to such sale.

Investments at Different Times or in Different Classes of Securities

The Fund, Co-Investment Vehicles and Other ABF Accounts may also, from time to time, acquire investments in the same company or opportunity as part of a single transaction or otherwise. In connection with any such investment, the Fund, on the one hand, and such Co-Investment Vehicle or Other ABF Account, on the other hand, may have conflicting interests if they invest in the same security at different times, at different prices and on different terms and conditions, particularly to the extent that they invest in different classes of securities of a particular portfolio company. In addition, it is possible that subsequent to an initial investment in a portfolio company by the Fund, a Co-Investment Vehicle or Other ABF Account, the Fund may determine to make a follow-on investment in such portfolio company while the applicable Co-Investment Vehicle, certain co-investors in such Co-Investment Vehicles, or such Other ABF Account do not participate in such follow-on investment opportunity (either because such co-investors were not offered the opportunity to, or elected not to, participate), which could give rise to conflicts of interest, including, but not limited to, relating to valuation. In such cases, the Manager will make determinations with respect to valuation and any other conflicts in good faith.

For example, if the Fund invests in the equity securities of a company and a Co-Investment Vehicle or Other ABF Account invests in debt instruments of the same company, conflicts may arise between the Fund, on the one hand, and such Co-Investment Vehicle or Other ABF Account, on the other hand. Questions may arise whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether to enforce claims, whether to advocate or initiate restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring, raise conflicts of interest. If such a portfolio company becomes troubled, the Fund,

such Co-Investment Vehicle or Other ABF Account might be best served by a liquidation that would result in its debt being paid, but leave nothing with respect to the other's interest in the company's equity. In those circumstances where the Fund, a Co-Investment Vehicle or Other ABF Accounts hold investments in different classes of a company's debt or equity, the Manager may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between the Fund, such Co-Investment Vehicle or such Other ABF Account, including causing the Fund to take certain actions that, in the absence of such conflict, it would not take, such as (a) remaining passive in a restructuring or similar situations (including electing not to vote or voting pro rata with other security holders); (b) divesting investments; (c) appointing an independent decision-maker; or (d) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting a Co-Investment Vehicle or Other ABF Account and therefore may not have been in the best interests of, and may have been adverse to, the Fund. A similar standard generally will apply if any Co-Investment Vehicle or Other ABF Account makes an investment in a company or asset in which the Fund holds an investment in a different class of such company's debt or equity securities or such asset.

Competing Interests

Other ABF Accounts may also, from time to time, make investments that are in competition with the Fund's investments (for example, an Other ABF Account could invest in a portfolio company (in which, for these purposes, the Fund will have no interest) that competes with a portfolio company of the Fund). In providing advice and recommendations to, or with respect to, such investments and in dealing with such investments on behalf of such Other ABF Account, to the extent permitted by law, the Manager will not take into consideration the interests of the Fund and its portfolio companies and other investments. Accordingly, such advice, recommendations and dealings could result in adverse consequences to the Fund or its investments. Conflicts of interest could also arise with respect to the allocation of the Manager's time and resources between such portfolio companies and other investments.

In addition, in providing services in respect of such portfolio companies and other investments, the Manager will at times come into possession of information that it is prohibited from acting on (including on behalf of the Fund) or disclosing as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the interests of the Fund. To the extent not restricted by confidentiality requirements or applicable law, the Manager could apply experience and information gained in providing services to portfolio companies and other investments of the Fund to provide services to competing portfolio companies and investments of an Other ABF Account, which could have adverse consequences for the Fund or its investments. In addition, although the respective investment programs of the Fund and Other ABF Accounts (if any) may be similar in certain respects, the Manager may give advice to Other ABF Accounts that may differ from advice given to the Fund.

Operating Executives and Other Consultants

The Manager may engage and retain strategic advisors, consultants, senior advisors, operating executives and other similar professionals, which may include former employees of the Manager (collectively, the "Consultants"), who are not employees or affiliates of the Manager and who are

expected, from time to time, to receive payments from, or allocations with respect to, portfolio companies (as well as from the Manager or the Fund). The compensation of these Consultants, as well as out-of-pocket expenses incurred by, or with respect to, such Consultants is expected to be treated as Fund expenses borne by the relevant Fund or portfolio company with respect to which such consultant provides services. In certain cases, Consultants may provide their services through an entity, and in such cases, compensation of advisors may include such an entity's operating costs (including rent and other overhead) and the salaries of such entity's personnel; amounts paid to Consultants will not be deemed paid to or received by the Manager and such amounts will not be subject to the management fee offset provisions of the Fund Governing Documents even if they have the effect of reducing any retainers or minimum amounts otherwise payable by the Manager. These Consultants, as well as current and former executive officers of portfolio companies of the Fund and Other ABF Accounts, are expected from time to time to be offered the ability to co-invest alongside the Fund, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company, or invest directly in the Fund or vehicles controlled by the Fund subject to reduced or waived management fees, and/or carried interest, including after termination of their engagement by or other status with the Manager (which generally would reduce the amount invested by the Fund in any investment). Consultants may be entitled to receive performance related incentive fees and/or a share of the profits generated by a liquidity event with respect to a portfolio company, which will reduce the Fund's returns and will not necessarily be subordinated to the return of Limited Partners' capital contributions. Additionally, and notwithstanding the foregoing, these Consultants, as well as current and former executive officers of portfolio companies of the Fund and Other ABF Funds are may be (or have the preferred right to be) investors in portfolio companies (which, in some cases, may involve agreements to pay performance fees to such persons in connection with the Fund's investment therein, which will reduce the Fund's returns and will not necessarily be subordinated to the return of Limited Partners' capital contributions). For the avoidance of doubt, the existing or potential rights described in the foregoing, whether or not considered compensation paid in connection with services to the Fund or portfolio companies, will not be subject to the management fee offset provisions of the Fund Governing Documents (nor will any fee income otherwise received by such Consultants).

The nature of the relationship with each of the Consultants and the amount of time devoted or required to be devoted by them is expected to vary considerably. In some cases, they may provide the General Partner and/or the Manager with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they may take on more extensive roles and serve as executives or directors on the boards of portfolio entities, contribute to the origination of new investment opportunities or serve in deal finder roles. They may be compensated (including pursuant to retainers and expense reimbursement and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) by the Manager, the Fund and/or portfolio companies or otherwise uncompensated, unless and until an engagement with a portfolio company develops. Certain Consultants may be subject to contractual obligations to exclusively provide certain services to the Manager. Consultants, professionals and/or other service providers may share office space with employees of the Manager and may have other indicia of an employee of the Manager (including, in certain cases, email addresses and business cards). In addition, such Consultants may share in carried interest otherwise payable to the General Partner.

To the extent the Manager hires any employees whose primary responsibility will be to assist Consultants in providing their services, the full salaries of, and expenses incurred by, such individuals are expected to be borne by the Fund and/or Other ABF Accounts, as applicable. Similarly, to the extent any administrative assistant or other employee of the Manager provides services to a Consultant, the allocable salaries, and/or expenses incurred by, such individuals are expected to be borne by the Fund and/or Other ABF Accounts, as applicable.

Over time, certain existing and future employees of the Manager may transition to a Consultant or senior advisor role. Such a transition would have the effect of shifting the burden of the compensation of such employees from the Manager to the Fund and/or its portfolio companies. There can be no assurance that any of the Consultants and/or other professionals will continue to serve in such roles and/or continue their arrangements with the Manager, the Fund and/or any Issuer throughout the term of the Fund.

Outsourcing

Services required by the Fund may, for certain reasons, including efficiency considerations, be outsourced, in whole or in part, to third parties in the discretion of the Manager or the General Partner in connection with the operation of the Fund, and the expenses of such third parties will be Fund Expenses. Such outsourced services may include, without limitation, deal sourcing, asset management, information technology, licensed software, data processing, trading, settlement, client relations, administration, custodial, accounting, legal and tax support and other services. The decision by the Manager to initially perform particular services in-house for the Fund will not preclude a later decision to outsource such services, or any additional services, in whole or in part, to third parties.

Service Providers

Certain advisors and other service providers, or their affiliates (including, without limitation, accountants, administrators, lenders, bankers, brokers or other deal sources, attorneys, consultants, custodians, investment or commercial banking firms and certain other advisors and agents) to the Fund, the Manager or the Fund's portfolio companies, may also provide goods or services to, have their services be recommended by, or have business, personal, familial, political, financial or other relationships with the Manager, its affiliates, its employees and portfolio companies. Without limiting the generality of the foregoing, the Manager or its affiliates may hold equity or other investments in companies or businesses (even if they are not themselves "affiliates" of the Manager) that provide services to or otherwise contract with portfolio companies. Such advisors and service providers may be (a) investors in the Fund or Other ABF Accounts; (b) affiliates of the Manager and the General Partner; (c) sources of investment opportunities; (d) co-investors or counterparties; or (e) entities in which the Fund, a Co-Investment Vehicle or Other ABF Accounts have an investment, and payments by the Fund and/or such portfolio companies may indirectly benefit the Manager. These relationships and the potential of leveraging the capabilities of its personnel through the use of service providers may influence the General Partner in deciding whether to select such a provider to perform services for the Fund or a portfolio company or to recommend such service provider to a portfolio company (the cost of which will generally be borne directly or indirectly by the Fund or such portfolio company, as applicable), which may result in financial

incentives (including additional equity ownership) and/or milestones benefiting the Manager that are tied or related to participation by Issuers. The Fund and the Limited Partners will not share in any fees or economics accruing to the Manager as a result of these relationships and/or participation by portfolio companies.

For example, the Manager may recommend a portfolio company's services to another portfolio company of the Fund or a Co-Investment Vehicle or Other ABF Account. The Manager may have a conflict of interest in making such recommendations, as the Manager has an incentive to recommend the portfolio company's services even if another service provider is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Manager, ABF or any of their respective affiliates may also, from time to time, recommend the services of family members (or of companies owned by family members) of any employee and advisor of the Manager, ABF, any of their respective affiliates or portfolio companies. Further, the Manager, ABF, or any of their respective affiliates may recommend the services of business in which the Manager, ABF, or any of their respective affiliates, partners, employees or advisors have an economic interest.

In connection with such arrangements with service providers, the Manager will make determinations on appropriate fees based on its consideration of a number of factors, which are generally expected to include the General Partner's experience with non-affiliated service providers and other methodologies determined by the Manager to be appropriate under the circumstances. The Manager and its affiliates do not expect to obtain benchmarking data regarding the fees charged or quoted by such service providers for similar services. It is possible that appropriate comparisons are not available for a number of reasons, including, for example, a lack of a substantial market of providers or users of such services or the confidential and/or bespoke nature of such services. Accordingly, any such market comparison efforts by the Manager could potentially result in inaccurate information regarding market terms for comparable services.

In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to the Manager, the General Partner or their affiliates as compared to services provided to the Fund and its portfolio companies, which may result in more favorable rates or arrangements than those payable by the Fund or such portfolio companies (e.g., where the organizational expenses exceed the cap on such expenses set forth in the Fund Governing Documents). Moreover, the Fund or the Manager may not be in a position to verify the risks or reliability of such third-party service providers. The Fund may suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them.

Conflicts with Portfolio Companies

It is expected that the Manager and its affiliates will have long-term relationships with a significant number of portfolio companies, their respective senior management teams, and with numerous investors, including institutional investors and their senior management. The existence and development of these relationships could influence whether the Manager undertakes a particular investment on behalf of the Fund or a Co-Investment Vehicle and, if so, the form and level of such

investment. Similarly, the Manager could take the existence and development of such relationships into consideration in its management of the Fund and its investments. Without limiting the generality of the foregoing, there could, for example, be certain strategies involving the management or realization of particular investments that the Manager will not employ on behalf of the Fund or a Co-Investment Vehicle in light of these relationships.

The Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of Other ABF Accounts or other affiliates of the Manager that, although the Manager determines to be consistent with the requirements of the governing agreements of such Other ABF Accounts, may not have otherwise been entered into but for the affiliation with the Manager and that may involve fees and/or servicing payments to affiliates of the Manager, which are not subject to the Management Fee offset provisions. For example, the Manager may, like other private equity firms, in the future advise portfolio companies to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which may be pooled across portfolio companies and discounted due to scale) and other similar operational initiatives that may result in fees, commissions or similar payments and/or discounts being paid to the Manager or its affiliates or to an Issuer, including related to a portion of the savings achieved by the portfolio company. In addition, portfolio companies of Other ABF Accounts may do business with, support or have other relationships with competitors of the Fund's Issuers, and in that regard prospective investors should not assume that a company related to or otherwise affiliated with the Manager will only take actions that are beneficial to or not opposed to the interests of the Fund and its portfolio companies. For example, it is possible that one or more portfolio companies of the Fund may look to buy or sell a business or asset to or from a portfolio company of an Other ABF Account (or to or from the Other ABF Account itself).

Officers and employees of the Manager or ABF and Consultants may serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near insolvency of the portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the Fund, and vice versa. In addition, Consultants may have economic interests in certain potential or current portfolio companies.

Accordingly, in these situations, there may be conflicts of interests between such individuals' duties as officers or employees of, or consultants to the Manager and such individuals' duties as directors of portfolio companies.

In addition, officers and employees of the Manager may have pre-existing financial or economic interests in a company that later becomes a portfolio company of the Manager. In these situations, there may be conflicts of interests between such individuals' pre-existing financial or economic interests and such individuals' duties as officers or employees of the Manager.

Side Letters

The Manager and/or the Fund may enter into other written agreements (“Side Letters”) with one or more Limited Partners. These Side Letters may entitle a Limited Partner to make an investment in the Fund on terms other than those described herein. Any such terms, including with respect to (a) opting out of particular investments, (b) reporting obligations of the Partnership, (c) transfer to affiliates, (d) co-investment opportunities, (e) withdrawal rights due to adverse tax or regulatory events, (f) consent rights to certain Fund Governing Documents amendments, (g) indemnification limitations, (h) economic terms or (i) any other matters described therein, may be more favorable than those offered to any other Limited Partners. For the avoidance of doubt, matters arising under any Side Letter are considered matters contemplated in the Fund Governing Documents and the limitation on liability provisions therein shall apply equally to any Side Letter. If the General Partner and/or the Fund enter into a Side Letter entitling a Limited Partner to opt out of a particular investment or withdraw from the Fund, any election to opt out or withdraw by such Limited Partner may increase any other Limited Partners’ pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal). As a result of Side Letters, certain Limited Partners may receive preferential treatment as compared to other Limited Partners. To the extent the General Partner or the Fund incur third-party expenses in connection with compliance with a Side Letter provision, such expenses may be, in the sole discretion of the General Partner, borne either by the Limited Partners that have the benefit of such provision or by all Limited Partners.

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

ABF has established a code of ethics (the “Code of Ethics”) that sets forth standards of ethical conduct for its professionals. The Code of Ethics addresses standards for treating clients ethically, addressing potential conflicts of interest and monitoring and restricting personal trading by ABF and its affiliates and professionals. In addition, the Manager has established policies and procedures that address, among other things, potential conflicts of interest that might arise in the management of client assets.

As a general rule, purchases or sales of securities of public companies are not a principal part of ABF’s strategies. However, from time to time, ABF personnel will come into possession of material non-public information related to public companies. In such circumstances, employees must comply with all applicable securities laws on so-called insider trading. ABF will at all times maintain a list of securities of companies that the Manager is actively evaluating for purchase in a client’s account, in which a client account holds an interest, or about which ABF might have received material non-public information (the “Restricted List”). The Chief Compliance Officer (the “CCO”) will update the Restricted List as appropriate. Securities will be removed from the Restricted List when information is no longer material and an appropriate “cooling off period” has lapsed. In addition, ABF personnel are required to pre-clear all personal trades with the CCO involving securities that are offered pursuant to a private placement or initial public offering, digital securities, and securities that are issued by a company on the Restricted List.

ABF's employees may not take for their own advantage an opportunity that rightfully belongs to ABF's clients, may not use Company or client property, information or position for personal gain, and may not compete directly or indirectly with the Funds. Under certain circumstances an employee might invest in a security that is not considered suitable for the Funds because of size, liquidity, or other factors. Although such situations are infrequent, these investment opportunities have in the past and may in the future come to the attention of an employee as a result of investment research paid for by the Funds. A change in these factors could result in the security becoming more suitable for the Funds, but the CCO may not allow the security to be purchased for the Funds in order to avoid even the appearance of employees trading ahead of clients. In ABF's experience, it is rare for an employee's personal trading to limit the Funds' investment opportunities, but such a situation may arise from time to time.

ABF's employees and control persons must certify annually that they have read and agree to comply in all respects with the Code of Ethics and that they have disclosed or reported all personal securities transactions, holdings and accounts required to be disclosed or reported by the Code of Ethics. A copy of the Code of Ethics shall be provided to any client or prospective client upon request.

Item 12. Brokerage Practices

ABF's advisory business generally involves privately negotiated transactions in which best execution obligations do not arise in the same context as transactions in publicly traded securities. With respect to such private transactions, ABF believes it fulfills its best execution responsibilities through careful evaluation and negotiation of the terms of each such transaction. "Best execution" means considering the total cost (in purchasing an asset) or total proceeds (in selling an asset) taking into account the circumstances of the transaction and the reputability and reliability of the executing counterparty. Best execution is not limited solely to the consideration of the best available price.

However, ABF could from time-to-time purchase or sell publicly traded securities or digital assets, in some instances to facilitate transactions in private companies. In such circumstances, ABF considers various factors in determining which broker or exchange is most likely to deliver best execution including, but are not limited to, the Manager's knowledge of negotiated commission rates and spreads currently available; the nature of the security or instrument being traded; the size and type of the transaction; the nature and character of the markets for the security or instrument to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security or instrument; confidentiality; the execution, clearance, settlement, and custodial security capabilities as well as the reputation and perceived financial soundness of the broker selected and other brokers or exchanges considered; ABF's knowledge of actual or apparent operational problems of any broker or exchange; the broker, dealer, or exchange's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

ABF does not maintain relationships with broker-dealers or exchanges that feature soft-dollar benefits or referral arrangements.

ABF maintains policies and procedures that are designed to ensure that all investment opportunities are, to the extent applicable, allocated among the Funds on a basis that over time is fair and equitable to each Fund relative to other Funds taking into account all relevant facts and circumstances. ABF may depart from this policy in a particular circumstance if it is determined that it would be appropriate to do so and that such a departure would nonetheless be consistent with ABF's fiduciary duties to its clients. The factors generally considered by ABF in making an allocation determination include: (i) differences among Funds with respect to available capital, size and remaining life of each Fund, (ii) the nature of the investment opportunity, (iii) potential conflicts of interest, (iv) the applicable provisions of each Fund's Governing Documents, (v) tax, legal or regulatory considerations, and (vi) current and anticipated market conditions. Depending on the size and other relevant factors associated with an investment opportunity, investment allocation decisions may also be made with respect to potential co-investment in an investment opportunity.

Item 13. Review of Accounts

ABF monitors each of the investments it makes in portfolio companies on an ongoing and continuous basis.

On a quarterly basis, investors in each Fund will receive written financial reports, including an unaudited balance sheet, a statement of net income or net loss, a statement of changes in financial position or a cash flow statement, and a supplemental statement of such investor's capital account. On an annual basis, investors in each Fund also will receive audited financial statements of the Fund, valuations of all of the Fund's investments, and tax information necessary for the completion of U.S. tax returns. Investors also receive periodic written letters providing updates regarding their respective Fund.

Due in part to the fact that prospective investors in each Fund (including a purchaser of a limited partner's interests in a secondary transaction) or a co-investment opportunity may be invited to meet with representatives of the Adviser to ask questions of, and receive answers from such representatives and to obtain additional information, the Adviser from time to time will provide certain information to one or more prospective investors that it does not provide to all of the prospective investors and/or the Fund's limited partners.

Item 14. Client Referrals and Other Compensation

The Manager has engaged Snowbridge Securities LLC and Investment Associates AG and could (subject to certain agreed exclusivity arrangements) engage one or more additional placement agents in respect of the offer of Interests to certain prospective investors. Any such placement agent acts for the Fund and the Manager and not as an investment adviser to potential investors in connection with the offering of Interests. Potential investors must independently evaluate the offering and make their own investment decisions. In making those decisions, potential investors should be aware that a placement agent will be paid (a) placement fees based upon the amount of interests subscribed for by the investors and (b) reimbursement and indemnification in respect of expenses and liabilities arising in connection with the offering. Prospective investors also should be

aware that certain placement agents or affiliates thereof may seek to earn fees and commissions from affiliates of the Fund, the General Partner, the Manager and the Fund's portfolio companies for providing, among other services, lending, credit arranging and prime brokerage services. While placement agent fees paid by the Fund will offset the Management Fee, expenses (including indemnification obligations) will be borne by the Fund, in each case as further described in the Fund Governing Documents. Potential investors should also note that at various times the Fund's placement agent or agents could act as placement agent for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with the Manager. Such unaffiliated fund sponsors could pay placement fees on terms different from the fees such placement agents could receive in respect of the Fund, and such differences in fees could influence a placement agent's decision to introduce potential investors to the Fund. Furthermore, such placement agents (or its affiliates) could seek to do business with and earn fees or commissions from portfolio companies of the Fund and affiliates of the Manager, for example in connection with financing or investment banking services, or lending or arranging credit. Accordingly, potential investors should recognize that each such placement agent's (or its affiliates') participation as a placement agent for the Interests could be influenced by its interest in such current or future fees and commissions. Potential investors should also be aware that affiliates or employees of a placement agent could invest in the Fund on their own behalf and/or on behalf of their clients.

Item 15. Custody

All client assets are held in custody by unaffiliated broker/dealers or banks that are qualified custodians, however ABF is deemed to have custody over the Funds because each Fund's General Partner is a related person to ABF.

ABF is deemed to have custody over the Funds due to its affiliation with each Fund's General Partner. With respect to each Fund is subject to an annual audit by an independent public accounting firm registered, and as a result subject to regular inspection, by the PCAOB. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP) and required to be distributed to investors of the Fund within 120 days of the Fund's fiscal year-end and within 180 days for fund-of-funds.

Item 16. Investment Discretion

In general, advice to the Funds will be provided on a discretionary basis pursuant to investment management agreements executed between ABF and the Funds. The terms and conditions governing ABF's discretion over the investments made on behalf of its clients is set forth in writing in the applicable investment management agreement or Governing Documents.

Item 17. Voting Client Securities

In accordance with Rule 206(4)-6 of the Advisers Act, ABF has adopted and implemented written policies and procedures governing the voting of client securities. The Funds are primarily invested in privately-held portfolio companies that do not typically issue proxies. However, in the event proxies have to be voted, ABF will generally be responsible for voting proxies on behalf of its clients. ABF will vote client proxies in a way that it believes will maximize value for its clients. In exercising its voting discretion, ABF and its employees will seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of ABF's clients.

A copy of ABF's written proxy voting policies and procedures, as well as a record of how the Manager has voted, if applicable, will be maintained and made available for client review upon written request.

Item 18. Financial Information

ABF has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.