

**ITEM 1 – COVER PAGE**

**PART 2A OF FORM ADV**

**INVESTMENT ADVISER BROCHURE FOR:**

**ALIGN CAPITAL PARTNERS, LP**  
**ALIGN COLLABORATE MANAGEMENT, LP**

**3401 Tuttle Road, Suite 250**  
**Shaker Heights, OH 44122**  
**[www.aligncp.com](http://www.aligncp.com)**  
**[mmir@aligncp.com](mailto:mmir@aligncp.com)**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Align Capital Partners, LP (the “**Filing Adviser**”) and its affiliated investment adviser, Align Collaborate Management, LP (the “**Relying Adviser**” and together with the Filing Adviser, the “**Advisers**”). If you have any questions about the contents of this Brochure, please contact us at 214-780-0857. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

Align Capital Partners, LP and Align Collaborate Management, LP are investment advisers registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **ITEM 2 - MATERIAL CHANGES**

Align Capital Partners, LP is filing this other than annual amendment to update the date of the RAUM. Since its last Annual Amendment filed on March 27, 2024, there have been no material changes to this brochure.

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#### ITEM 4 - ADVISORY BUSINESS

The Filing Adviser, Align, Capital Partners, LP and the Relying Adviser Align Collaborate Management, LP (“**Align or “Adviser”**”), a Delaware Limited Partnership, formed on **October 23, 2023**, by Christopher K. Jones and Robert A. Langley (collectively, the “**Principals**”). The Advisers’ principal place of business is in Shaker Heights, Ohio with another office in Dallas, Texas. The Filing Adviser and the Relying Adviser together have filed a single form ADV in reliance on the umbrella registration provisions provided in SEC Release No. IA-4509 (August 25, 2016). References herein to the Filing Adviser or the Relying Adviser include affiliated management companies of the Filing Adviser and the Relying Adviser, and references herein to the (“**Adviser**”) means the applicable Adviser(s) for a particular Fund and its affiliated management companies, and “Advisers” include the Filing Adviser, the Relying Adviser and their affiliated management companies.

The Adviser provides advisory services on a discretionary basis to privately pooled investment vehicles, (the “**Funds**”) Aligns’ Funds are exempt from registration under the Investment Company Act of 1940, as amended (“1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (“Securities Act”).

Align Capital Partners GP I, LP, Align Capital Partners GP II, LP, Align Capital Partners GP III, LP, Align Collaborate GP I, LP, and ES EV Fund GP, LP are general partner entities affiliated with the Advisers (collectively the “**General Partner**” and together with the Advisers, (“**Align**”). The General Partner is registered under the Advisers Act pursuant to Aligns’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partner, which operates as a single advisory business together with the Advisers.

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

Align advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investors in the Funds participate in the overall investment program for the applicable Fund but may be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partner generally expect to enter into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

Additionally, from time to time and as permitted by the relevant Partnership Agreement, the Advisers expect to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, Align personnel and/or certain other persons

associated with Align. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund(s) making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer).

As of December 31, 2023, Align manages approximately \$1.5 billion in client assets on a discretionary basis.

## **ITEM 5 - FEES AND COMPENSATION**

All fee arrangements are disclosed in the relevant Fund offering documents. All investors should read the offering documents thoroughly before participating in an offering.

In general, Align receives a management fee and a carried interest in connection with advisory services. The Advisers or other Align entities or affiliates expect to receive additional compensation in connection with management and other services performed for portfolio companies of Funds and such additional compensation as applicable will offset in whole or in part the management fees otherwise payable to the Advisers. Investors in the Fund(s) also bear certain expenses.

### **Management Fees**

For its services to each Fund, the Adviser receives a management fee (the “Management Fee”) which is based on a percentage of capital invested or a percentage of capital commitments. With respect to the Funds, prior to the end of the investment period for each Fund, the Adviser receives a Management Fee based on a percentage of total capital commitments to the Funds. Either after the investment period or when a successor fund with objectives similar to the predecessor fund first receives or begins to accrue management fees, the Management Fee with respect to the Funds is based on percentage of capital invested. Management Fees paid by each Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain organizational or other expenses borne by such Fund, as described in more detail below. Management Fees paid by each Fund are indirectly borne by investors in such Fund.

The precise amount of, and the manner and calculation of, the Management Fees for each Fund are established by the Adviser and are set forth in such Fund’s offering documents received by each investor prior to making investment in such Fund. The Management Fees and other fees and distributions described herein are generally subject to modification, waiver, or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which may not be disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees differ from one Fund to another, as well as among investors in the same Fund. The Adviser retains flexibility to structure its compensation from investors.

From time to time, additional compensation in connection with management and other services performed for portfolio companies of Funds may be offset in whole or in part the management fees otherwise payable to the Advisers. While terms differ from one Fund to another, “**Transaction Fees**” generally include (but are not limited to and have variations across the different funds): (i) directors’ fees, consulting fees or advisory fees paid to the General Partner with respect to any Fund investment; (ii) transaction fees paid to the General Partner with respect to any Fund investment; and (iii) breakup fees with respect to Fund transactions not completed that are paid to the General Partner, in each case net of certain expenses (including those described below) as set forth in the relevant Partnership Agreement; but not including, in any event, any amount received by the General Partner, the Align Operations Group (formerly

named the External Operations Group) (as defined below) or other person from a portfolio company (A) as reimbursement for expenses directly related to such portfolio company, (B) as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business, (C) as compensation for services provided by the General Partner or other person as an employee of or in a similar capacity for such portfolio company or (D) as compensation, including fees, incentive equity or other stock awards, for services rendered by the Align Operations Group (or a member thereof) to a portfolio company or prospective portfolio company.

As noted above the External Operations Group, which was exclusively comprised of external members, was reorganized as the Align Operations Group ("**Operations Group**") with the launch of the Third Fund and is comprised of both internal and external members. The reimbursements referenced above have changed with the reconfiguration of the group, which is specified in the Offering Documents.

Various costs and expenses will reduce Transaction Fees (and therefore such amounts will not reduce the Management Fee), including out-of-pocket costs and expenses (including travel expenses) incurred by the General Partner in connection with any consummated or unconsummated transaction or in connection with generating any such Transaction Fees.

As further described below and in the applicable Memorandum and/or Partnership Agreement (together "Offering Documents") of each Fund, the Advisers have the right to retain certain operating professionals (including persons with whom the Principals may have prior professional relationships) to provide services to (or with respect to) current or prospective portfolio companies in which one or more Funds invest. The Operations Group is comprised of both external and internal members. The Operations Group members would be expected to provide services to portfolio companies, which may include serving in management or policy-making positions for such portfolio companies. Such Operations Group members are expected to receive compensation, including but not limited to transaction consulting fees, and no such compensation will result in additional offsets to the Management Fee.

## **Carried Interest**

Align will receive a performance fee (sometimes referred to as "carried interest") based on net profits. The Carried Interest for each Client is specific in the Offering Documents of such Client. The Carried Interest will be calculated and billed or allocated periodically. With respect to the Funds, the General Partner of each Fund is entitled to receive an allocation of net profits subject to limited partners receiving all capital contributions, a stated preferred return, and in accordance with other provisions applicable in the relevant Offering Documents. Lower fees for comparable services may be available from other sources.

## **Other Information**

The Advisers are permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Align and any other person designated by the General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by the Advisers and/or its affiliates, or through other Funds that co-invest with the Fund.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant Partnership Agreement, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former employees of Align generally are expected to receive a portion of the Management Fee, carried interest or other compensation received by Align or its affiliates.

In addition to the Management Fee and carried interest payable to Align, each Fund bears certain expenses. As set forth more fully in the applicable Memorandum and/or Partnership Agreement of each Fund

In certain circumstances, the General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Align related policies and the relevant Partnership Agreement(s) and/or Side Letter(s). Where a co-invest vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction generally would be borne by the Fund and not by any potential co-investors that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

Align and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Align and/or its affiliates on the other hand.

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

As described under “Fees and Compensation,” Align receives a carried interest allocation on certain profits in the Funds. Align does not expect to advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners (whether directly or through the use of an executive Fund) as described under “Fees and Compensation.”

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Align generally considers performance-based compensation to better align its interests with those of its investors.

#### **ITEM 7 - TYPES OF CLIENTS**

Align provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds may include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, principals or other employees of Align and its affiliates and members of their families, Operations Group members or other service providers retained by Align.

The Funds generally have a minimum investment amount of between \$2 million and \$5 million (specific to each of the Funds Offering Documents), for third-party investors, and interests are offered and sold solely to qualified purchasers and accredited investors that are also qualified clients (or qualified knowledgeable Align personnel). Such minimum investment amount may be waived by Align.

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

### General

Align is a private investment firm focused on leveraged buyouts, equity, debt and other investments in companies believed to benefit from Align in-house operating professionals and experience. Align investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly of non-public companies although investments in public companies are permitted in certain circumstances.

Aligns investment strategy for the Funds focuses on the acquisition of controlling interests in companies that are founder-owned and where Align is the first institutional investor. As a result of the above factors, Align aims to purchase for the Funds good quality businesses at valuations Align believes to be low relative to underlying potential. Align focuses on investments that require equity capital of approximately \$15 million to \$60 million, although the required capital may be greater or less than such amounts.

Once an investment opportunity has been identified, Align seeks to implement an effective operating strategy to improve the performance of the acquired company through (i) operational improvements, (ii) talent upgrades and (iii) accretive add-on acquisitions.

There can be no assurance that Align will achieve the investment objectives of any Fund and a loss of investment is possible.

### Investment and Operating Strategies

*Deal Sourcing and Due Diligence.* Align uses a structured, process-driven sourcing model that utilizes its broad network of bankers, brokers and intermediaries. The firm maintains multiple offices, providing access to regional opportunities, and it upholds a focus on high quality investments over volume alone. Align utilizes a three-step deal scrutiny model, beginning with an initial approval by the Principals, followed by a mid-course review and ending with a final approval by majority consent among the Principals. This process is aided by Align diligence templates, investment filters and industry scorecards, all of which contribute to a consistently rigorous investment evaluation process. In addition, Align deploys a modern and sophisticated CRM system to efficiently facilitate and effectively manage its relationships and source high quality investment opportunities. Align also utilizes industry-oriented senior leadership, outside board members, and advisers to help screen deals, assist in due diligence, and drive growth and create value across its portfolio.

*Portfolio Management and Value Creation.* With a focus on becoming the first institutional investor in founder-owned businesses, Align formulates strategic growth plans, makes operational improvements and executes accretive add-on acquisitions for the Funds' portfolio companies. These efforts are designed to culminate in the sale of larger and more profitable portfolio companies in more efficient sale processes.

*Dedicated Operating Personnel.* Align hires and oversees operating professionals and resources, which it guides into a coordinated approach for each portfolio company. In some cases, Align expects to engage seasoned operating personnel, relevant third-party consultants and senior advisers to work with portfolio companies. In addition, one of the Principals typically serves as chairman of the board of directors for each portfolio company, where they typically will be joined by one of Align operating partners and/or another investment team member, fostering intimate involvement by Align at each portfolio company.



*Develop Restructuring and Operating Plan.* Senior members of the professional and operating staff of Align and its affiliates develop a restructuring and operating plan prior to the close of each transaction focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

*Build Management Team.* Align may supplement or replace the management team at a new portfolio company or advise the existing management team on ways to improve performance. Align and its affiliates search for highly qualified senior managers and strive to identify qualified candidates early on in the investment process. In certain instances, operating professionals of Align or its affiliates may fill key management roles (including chief executive officer or chief financial officer) on an interim basis immediately following closing until a professional management team can be assembled.

*Maintain Active Involvement in Portfolio Companies.* Align aims to act decisively with respect to newly acquired portfolio companies and endeavors to make significant changes to the company within the initial period after acquisition. Thereafter, through weekly calls with portfolio company executives, monthly operating and financial reviews and quarterly board meetings, Align closely monitors strategic and tactical objectives, constantly pushing for progress on agreed-upon priorities.

*Internal Growth and Add-on Acquisitions.* Once the above strategies have been implemented, Align will often seek to utilize the portfolio company's cash flow, equity value and borrowing capacity to accelerate growth through new product and market opportunities and add-on acquisitions.

*Exit Strategy.* Align takes a disciplined and holistic approach to formulating appropriate exit strategies, including consideration of each fund's dynamics and a company's potential. Align further seeks to enhance a company's exit process through initiatives including developing pre-sale diligence programs, instituting management presentation skills training, helping to create marketing strategies, standardizing the exit model (flow of funds), and bringing rigorous project management skills to all exits.

## **Risks of Investment**

Each Fund and its respective investors bear the risk of loss that Align investment strategy entails. The risks involved with Align investment strategy and an investment in the Fund(s) include, but are not limited to:

*Business Risks.* Each Fund's investment portfolio may consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Future and Past Performance.* The performance of the Principals' prior investments is not necessarily indicative of a Fund's future results. While the General Partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

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

*Concentration of Investments.* The Fund(s) will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, the Fund(s)' investment portfolio could become highly concentrated, and the performance

of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, the Fund(s) may invest in fewer portfolio companies and thus be less diversified.

*Lack of Sufficient Investment Opportunities.* The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that the Fund(s) will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners will be required to bear Management Fees through the Fund(s) during the investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the relevant Partnership Agreement.

*Dynamic Investment Strategy.* While Align generally intends to seek attractive returns for the Fund(s) primarily through making private equity investments as described herein, Align may pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. Align may pursue investments outside of the industries and sectors in which the Principals have previously made investments.

*Illiquidity; Lack of Current Distributions.* An investment in the Fund(s) should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating the Fund(s) (including the Management Fee) may exceed its income, thereby requiring that the difference be paid from the Fund(s)' capital, including unfunded Commitments.

*Impact of Government Regulation Reimbursement and Reform.* Certain industry segments in which the Fund(s) intends to invest are (or may become) (i) highly regulated at both the federal and state levels in the U.S. and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund(s) intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund(s) invests.

Additionally, the U.S. Securities and Exchange Commission (the "SEC") has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Align and the Fund(s). In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Align and its affiliates, the Fund(s) and/or its investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Fund(s).

*Leveraged Investments.* The Fund(s) may make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both the Fund(s)' opportunities for

gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the Fund(s)' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund(s)' investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Fund(s) may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund(s). Furthermore, should the credit markets be limited or costly at the time the Fund(s) determines that it is desirable to sell all or a part of a portfolio company, the Fund(s) may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund(s) will invest generally will not be rated by a credit rating agency. The Fund(s) may also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by the Fund(s) also will result in interest expense and other costs to the Fund(s) that may not be covered by distributions made to the Fund(s) or appreciation of its investments. The Fund(s) may incur leverage on a joint and several basis with one or more other investment funds and entities managed by Align or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent Fund(s) incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund(s)' investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund(s).

*Limited Transferability of Fund Interests.* There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the relevant Partnership Agreement and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for the Fund(s) investments, and hence, most of the Fund(s)' investments will be difficult to value. Certain investments may be distributed in kind to the partners, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the relevant Partnership Agreement, including the value used to determine the amount of carried interest available to Align with respect to such investment.

*Reliance on Align and Portfolio Company Management.* Control over the operation of the Fund(s) will be vested with the General Partner, and the Fund(s)' future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Fund(s)' ability to realize its investment objectives. In addition, the Principals may in the future, manage or advise other investment funds besides the Funds and the Principals may need to devote substantial amounts of their time to the investment activities of such other funds, which may pose conflicts of interest in the allocation of the time of the Principals. Limited partners generally have no right or power to take part in the management of the Fund(s), and as a result, the investment performance of the Fund(s) will depend on the actions of the General Partner. In addition, certain changes in Align or circumstances relating to Align may have an adverse effect on the Fund(s) or one or more of its portfolio companies including potential acceleration of debt facilities.

Although Align will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although Align generally intends to invest the Fund(s)' assets in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Fund(s)' objectives.

*Absence of Operating History.* The Fund(s) have no operating history and will be entirely dependent on Align. While the Principals have previous experience making and managing investments similar to those contemplated by the Fund(s), the Principals have limited experience managing and investing a committed pool of funds. Furthermore, there can be no assurance that a Fund(s)' investments will achieve results similar to those attained by previous investments of the Principals. In addition, the Fund(s)' investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

*Projections.* Projected operating results of a company in which the Fund(s) invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Align in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

*Conflicting Investor Interests.* Limited partners may have conflicting investment, tax, and other interests with respect to their investments in the Fund(s), including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by Align regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, Align generally will consider the investment and tax objectives of the Fund(s) and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund(s)' activities, including the ability of the Fund(s) to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Fund(s)' efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Fund(s) may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund(s) (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law is treated as an allocation of

the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of the Fund(s), could adversely affect the ability of the Principals, employees or other individuals associated with such Fund(s) or Align who were or may in the future be granted direct or indirect interests in the General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from the Fund(s) and the General Partner, which could make it more difficult for Align and its affiliates to incentivize, attract and retain individuals to perform services for such Fund(s). These same issues may also apply to officers, directors and employees of the Fund(s)' portfolio companies if such persons receive a profits interest in such companies.

*Privacy Data Protection and Information Security Compliance Risk.* The General Partner, the Fund(s) and its portfolio companies, and each of their affiliates, may be subject to laws and regulations related to privacy, data protection and information security in the jurisdictions in which they do business, including such laws and regulations as enacted, implemented and amended in the United States, European Union (and its member states), and United Kingdom (regardless of where the General Partner, the Fund(s) and its portfolio companies, and their affiliates have establishments) from time to time, including (but not limited to) the General Data Protection Regulation (EU 2016/679) (the "GDPR"), the California Consumer Privacy Act of 2018 (collectively, the "Privacy Laws").

Compliance with the applicable Privacy Laws may require adhering to stringent legal and operational obligations and therefore the dedication of substantial time and financial resources by the General Partner, the Fund(s) and its portfolio companies, and/or each of their affiliates, which may increase over time (in particular in relation to any transfers of relevant personal data to third parties located in certain jurisdictions).

*Alternative Investment Fund Managers Directive.* The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) a Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in a Fund incurring additional costs and expenses; (ii) a Fund and/or Align may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in a Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund(s); (iii) Align may be required to make detailed information relating to a Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of a Fund in relation to EEA portfolio companies including, in some circumstances, a Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

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

opportunity for the Fund(s) to increase its participation in a successful portfolio company or the dilution of the Fund(s)' ownership in a portfolio company if a third party invests in such portfolio company.

*Non-U.S. Investments.* Although not part of the Fund(s)' anticipated strategy, the Fund(s) may invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund(s)), the application of complex U.S. and non U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund(s) and/or its partners with respect to the Fund(s)'s income, and possible non-U.S. tax return filing requirements for the Fund(s) and/or its partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

*Hedging Arrangements.* Align may (but is not obligated to) endeavor to manage the Fund(s)' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Fund(s) may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the Fund(s) to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund(s) to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption.

*Dilution.* Limited partners admitted or that increase their respective commitments to the Fund(s) at subsequent closings generally will participate in then-existing investments of the Fund(s), thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund(s)'s existing investments at the time of such contributions.

*General Partner's Carried Interest.* The fact that the General Partner's carried interest is based on a percentage of net profits may create an incentive for Align to cause the Fund(s) to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

*Public Company Holdings.* The Fund(s)' investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund(s) to risks that differ in type or

degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund(s) to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals, and increased costs associated with each of the aforementioned risks.

*Significant Adverse Consequences for Default.* The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to reductions in its capital account balance, preclusion from further investment in the Fund(s) and losing its right to potential distributions from the Fund(s), a defaulting Limited Partner may be forced to transfer its interest in the Fund(s) for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. The General Partner retains sole discretion in whether to exercise the remedies against a defaulting Limited Partner and which remedy to pursue, and the General Partner may require the non-defaulting Limited Partners to contribute capital to make up for the shortfall created by a defaulting Limited Partner.

*Fees and Expenses.* The Fund(s) will pay and bear all expenses related to its operations, including Management Fees and the costs of acquiring, holding, monitoring, maintaining and disposing of portfolio companies, including investment banking fees and consulting fees, whether or not the Fund(s) makes any profits. While it is difficult to predict the future expenses of the Fund(s), such expenses are expected to be substantial and may surpass the Fund(s)' operating income. The amount of these Fund expenses will reduce the actual returns realized by Limited Partners on their investment in the Fund(s) (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund(s) for investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of the Fund(s) expenses ultimately called or called at any one time may exceed expectations.

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

*Non-controlling Investments.* Although not part of the Fund(s)' anticipated strategy, the Fund(s) may hold meaningful minority stakes in privately held companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund(s) at times may hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that the Fund(s) may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund(s) holds a minority stake, it may be more difficult for the Fund(s) to liquidate its interests than it would be had such Fund owned a controlling interest in such company. Even if the Fund(s) has contractual rights to seek liquidity of the Fund(s)' minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund(s), especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

*Director Liability.* The Fund(s) will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund(s), to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund(s)'s investment activities.

*Liability of Limited Partners.* Generally, a Limited Partner should not be personally liable for the debts of the Fund(s) except that, in the event the Fund(s) is otherwise unable to meet its obligations, the Limited Partners may, under applicable law, be obligated to repay amounts previously received by them to the extent such amounts are deemed to have been wrongfully distributed to them, subject to certain limitations set forth in the Partnership Agreement.

*Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Expedited Transactions.* Before making investments, the General Partner will typically conduct such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each potential investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are expected to be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and the General Partner reserves the right to rely on the advice received from such third parties. Investment analyses and decisions by the General Partner are often done on an expedited basis for the Fund(s) to take advantage of investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of the investment opportunity. The due diligence investigation carried out with respect to any investment opportunity will not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily be indicative that an investment will be successful or that the Fund(s) will realize a return on its invested capital.

*Limitation of Recourse and Indemnification.* The Fund(s)' Partnership Agreement will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund(s). As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant Partnership Agreement will provide that a Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of a Fund. Such indemnification obligations could materially impact the returns to limited partners.

*Litigation.* In the ordinary course of its business, the Fund(s) may be subject to litigation from time to time. The outcome of such proceedings may materially adversely affect the value of the Fund(s) and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Align and the Principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Advisory Board.* Align will appoint one or more limited partner representatives to the advisory board. The relevant Partnership Agreement may provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to the relevant Fund or any other partner. In addition, representatives of the advisory board may have various business and other relationships



with Align and its partners, employees and affiliates. These relationships may influence their decisions as members of the advisory board.

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

*Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues.* The Investment Manager's business activities as well as the activities of the Fund(s) and the activities and operations of the Portfolio Investments could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues. In particular, novel coronavirus, or COVID-19, has spread and is currently spreading rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of the Fund(s). Should these or other major public health issues, including pandemics, arise or spread farther (or continue to worsen), the Fund(s) could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on the Fund(s)' operations or business and governmental actions limiting the movement of people and goods between regions and other activities or operations.

*Market Conditions.* The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund(s) and may affect the Fund(s)' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund(s)' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The Fund(s)' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings

multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and the Fund(s)' performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund(s) to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of the Fund(s) to pay break-up, termination or other fees and expenses in the event the Fund(s) is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund(s) to dispose of investments at prices that Align believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund(s)' ability to raise funding to support its investment objective.

*Conflict of Interest* - Until such time as Align is permitted under the Partnership Agreement to raise a successor investment Fund to an existing Fund still in its investment period "Existing Fund", the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the Existing Fund(s) principally for the benefit of the Existing Fund(s), subject to certain exceptions set forth in the Partnership Agreement. However, Align currently manage, and expects in the future to manage, several other investment funds besides the Existing Fund(s) and investments similar to those in which the Existing Fund will be investing and expect to direct certain relevant investment opportunities or resources to those investment funds and investments. The Principals and Aligns' investment staff will continue to manage and monitor such investment funds and investments. Such other investment funds and investments that Align expects from time to time to control or manage generally have the potential to compete with the Existing Fund(s) or companies acquired by the Existing Fund(s). Over time, certain investment opportunities suitable for the existing Fund(s) are likely also to be suitable for investment funds sponsored by Align or its affiliates. Certain investments are permitted to be allocated between the existing Fund(s) and any successor or predecessor Fund in a manner as set forth in the Partnership Agreement. In determining which investment Funds should participate in such investment opportunities, subject to the Partnership Agreement, Align, the Principals and their affiliates are subject to potential conflicts of interest among the investors in the Fund and investors in the other investment Funds sponsored by Align and the Principals. To determine whether the Existing Fund or other investment Funds sponsored by Align or its affiliates will participate in the relevant investment opportunity, Align generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's limited partnership agreement, as well as factors including, but not limited to: each Fund's investment restrictions and objectives (including those set forth in the relevant fund's partnership agreements, where applicable), strategy, capital structure, risk profile, time horizon, investment size, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure. The Funds are generally permitted to invest together with other Funds advised by an affiliated adviser of Align in the manner set forth in the relevant partnership agreements and Aligns' Allocation Policy. Align will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to the existing Fund(s) under the circumstances over time and consistent with Aligns' obligations and reserves the right to take into consideration factors such as those set forth above. If the available amount of an investment opportunity in which the existing Fund(s) will invest exceeds an amount appropriate for the existing Fund(s), Align reserves the right to offer such excess to one or more potential co-investors .

*Conflicts of interest - Acquisition of interests Held by an Other Align Fund or Other Align Funds.* The Fund(s) are permitted to acquire certain interests in a portfolio company held by another Align Fund under certain circumstances as specified in the governing documents, where at least a majority of the outstanding equity held by the Funds is being purchased by an independent and unaffiliated third-party investor.

Additionally, the Funds intend to sell interests in portfolio companies to another Align Fund under certain circumstances and in accordance with the terms of the Fund(s) governing documents. In such transactions, the Fund is authorized to sell to another Align Fund all or any portion of its remaining interest in a portfolio company held by the Fund, as permitted by the Fund(s) governing documents. The affiliated Align entities are subject to potential conflicts of interest in such transactions, including, but not limited to, as a result of Aligns' economic interests in the Funds, on the one hand, and such other Align Fund(s), on the other hand. Align is also subject to potential conflicts of interest relating to the selection of a third-party purchaser, which in certain circumstances is expected to be influenced by factors other than pricing (e.g., if Align believes that a third-party purchaser will be more likely to permit participation in a transaction by one fund over another).

To address certain of these conflicts, the governing documents specify certain circumstances and conditions under which interests in a portfolio company can be purchased from or sold to other Align Fund(s), including where: (i) one or more third parties unaffiliated with any Align affiliates are purchasing in a proposed transaction at least a majority of the outstanding equity interests in the portfolio company that are held by the Fund(s) or such other Align Fund(s) and (ii) the sale price of such portfolio company is determined by such third-party purchaser. While these terms are intended to mitigate potential conflicts, there can be no assurance that any particular conflicts will be handled and resolved in a manner that is most favorable to, or in the best interests of, to all involved Funds equally. However, Align typically will participate in negotiating the sale of the portfolio company on behalf of the selling fund. Accordingly, there can be no assurance that such measures will fully address or resolve this conflict (or other related conflicts) on behalf of all participating parties.

Limited Partners are expected, from time to time, to have conflicting investment, tax, and other interests with respect to their investments in the Fund(s), including conflicts relating to the structuring and timing of investment acquisitions and dispositions. As a consequence, potential conflicts of interest have the potential to arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment, tax and other relevant objectives of the Fund and its Partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

*Disclosure of Confidential Fund and Investor Information.* It is expected that certain Limited Partners will be subject to public disclosure requirements, including state public records or similar freedom of information laws which may compel public disclosure of confidential information regarding the Fund(s), its investments and its investors. There has been a recent increase in the number of requests under such laws for contracts (including partnership agreements, subscription agreements and side letters) that investors in private equity funds that are subject to such laws have in place with private equity funds. The Fund(s) may incur expenses in connection with responding to any such disclosure requests, even if the Fund(s) ultimately succeeds in asserting confidentiality for any requested documentation. Moreover, notwithstanding the obligation that the Limited Partners will have pursuant to the Partnership Agreement to maintain the confidentiality of the Fund(s) information, there can be no assurance that such information will not be disclosed either publicly or to regulators, law enforcement agencies or otherwise. The General Partner may also, in an effort to protect any such potential disclosure, withhold all or any part of the information otherwise to be provided to such a Limited Partner in certain circumstances, as more fully described in the Partnership Agreement. There can be no assurance that such information will not be disclosed by the Fund(s), the General Partner, the Management Company, their affiliates and personnel, portfolio companies or services providers to any of them including to comply with laws, regulations or policies to which they are or may become subject. Any public disclosure of the Fund(s) information could have an adverse effect on the Fund(s) and its investors, for example, by affecting the Fund(s)' competitive advantage in finding attractive investment opportunities.

*Material Non-Public Information.* As a result of the operations of the Management Company and its affiliates, the Management Company frequently comes into possession of confidential or material, non-public information. Therefore, the Management Company and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund(s). Consequently, the Fund(s) may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Management Company's internal policies. Due to these restrictions, the Fund(s) may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

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

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

*Unfunded Pension Liabilities of Portfolio Companies.* Recent court decisions have found that, where an investment fund owns 80% or more (or, under certain circumstances, less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. The Fund(s) may, from time to time, invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where a Fund may own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a Fund and the companies in which a Fund invests 80% or more of the equity. This discussion is based on current court decisions, statutes and regulations regarding ERISA control group liability as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by the Fund(s). When estimating fair value, Align will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by Align may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Co-Investments.* Align may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by Align in its sole discretion, may not be in the best interests of a Fund or any individual limited partner. In exercising its sole discretion in connection with such co-investment opportunities, Align may consider some or all of a wide range of factors, detailed in the Fund(s) Offering Documents, which may include the likelihood that an investor may invest in a future fund sponsored by Align or its affiliates. The Fund(s) may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, the Fund(s) may in certain circumstances be liable for actions of its third-party co-venturer or partner.

Align reserves the right, from time to time, to form a co-investment vehicle in connection with the consummation of a transaction and such entity generally will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the transaction, ultimately is not consummated, the full amount of any broken deal expenses and fees and expenses generated in the course of evaluating any such proposed transaction generally would be borne by the Fund(s) and not by any potential co-investors that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

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

*Cybersecurity Risk.* External cybersecurity breaches, including unauthorized access to systems, networks or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality, may occur. In addition, internal incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund(s), the General Partner, the Firm or other service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, such incidents could affect the Fund(s)’ portfolio companies, and thereby adversely affect the Fund(s)’ returns.

*Limited Access to Information.* Limited Partners’ rights to information regarding the Fund(s), the General Partner or the Management Company generally will be specified, and in many cases strictly limited,

by the Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to the Fund(s)' investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor the General Partner and its performance. Additionally, it is anticipated that Limited Partners that have representatives on the Advisory Board generally may, by virtue of such participation, have more or earlier information about the Fund(s) and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Fund(s) succeeds in asserting confidentiality for requested documents and other materials, and the General Partner reserves the right to withhold certain information from investors subject to such laws for reasons relating to the Management Company's or its affiliates' public reputation, business strategy or other reasons.

*Availability and Adequacy of Insurance; Availability of Insurance Against Certain Catastrophic Losses.* While the Fund(s) may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism can be difficult and expensive to insure against. Some insurers are excluding terrorism coverage from their all-risks policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against all potential causes of damage or loss. If a major uninsured loss occurs, the Fund(s) could lose both invested capital in and anticipated profits from the affected investments.

*Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* The ability of the Fund(s) and the portfolio companies to effectively execute their respective strategies will be dependent, in some respects, on the health of the U.S. and global credit markets. A widening of credit spreads, coupled with the deterioration of the subprime and global debt markets and/or a rise in interest rates, has historically dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms during such times. The Fund(s)' ability to generate attractive investment returns may be adversely affected to the extent the Fund(s) is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund(s) to realize its investments at favorable times or for favorable prices.

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, the Fund(s) and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the

applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by the Fund(s) and, ultimately, its investors.

*Financial Institution Risk; Distress Events.* An investment in the Fund(s) is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “Financial Institution”) of some or all of the Fund(s)’ (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Firm, any General Partner, the Fund(s) and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

## **Conflicts of Interest**

Align and its related entities are expected to engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, legal, management and other services to the Fund(s) and portfolio companies. Align and its Principals will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Fund(s) in an appropriate manner, as required by the relevant Partnership Agreement, although the Fund(s) and their respective investments will place varying levels of demand on these over time. In the ordinary course of Align conducting its activities, the interests of the Fund(s) may conflict with the interests of Align, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, Align will determine all matters relating to structuring transactions and fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of the Fund(s), all appropriate investment opportunities will be pursued by Align through such Fund, subject to certain limited exceptions. Without limitation, the Principals currently manage, and expect in the future to manage, several other investments similar to those in which the Fund(s) will be investing and may direct certain relevant investment opportunities to those investments. The Principals and Align investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Principals may control or manage may potentially compete with companies acquired by the Fund(s). Following the investment period of the Fund(s), the Principals may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund’s investments.

From time to time, Align will be presented with investment opportunities that would be suitable not only for a particular Fund, but also for other funds and other investment vehicles operated by advisory affiliates of Align. In determining which investment vehicles should participate in such investment opportunities, Align and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of Align in a portfolio company may also raise the risk of using assets of a client of Align to support positions taken by other clients of Align.

Align must first determine whether a Fund will, or is required to, participate in the relevant investment opportunity. Align generally assesses whether an investment opportunity is appropriate for a particular Fund based on such Fund's Partnership Agreement, investment objectives, strategies, life-cycle and structure. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested.

From time to time, Align has the right to cause the Fund(s) to purchase investments from another Fund, or to cause the Fund(s) to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, the Fund(s) would not necessarily receive the best price otherwise possible. The Adviser also has an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees. To address these conflicts of interest, in connection with effecting such transactions, the Adviser will follow the investment allocation requirements of the relevant Funds (e.g., the offering documents of certain Funds could provide for the rebalancing of investments at certain times and at a cost set forth in those offering documents so that these Funds' resulting ownership of investments is generally proportionate to the relative capital commitments of the Fund). Furthermore, any cross transaction must be reviewed and approved by the Adviser's Chief Compliance Officer.

To the extent such matters are not addressed in the Investment Allocation Requirements, the Adviser's Chief Compliance Officer will be responsible for confirming that the Adviser (i) considers its respective duties to each Fund, (ii) determines whether the purchase or sale price and other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms, and (iii) obtains any required approvals of the transaction's terms and conditions.

Align will determine if the amount of an investment opportunity in which the Fund(s) will invest exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investors, as determined by a Fund's Partnership Agreement, Side Letters and Align procedures regarding allocation. Align procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; Align perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Align ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; and whether Align believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Fund(s) or Align.



Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by Align or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Co-investment opportunities may, and typically will, be offered to some and not to other Align investors. When and to the extent that employees and related persons of Align and its affiliates make capital investments in or alongside certain Funds, Align and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Align allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others. While Align will allocate investment opportunities in a manner that it believes in good faith is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that the Fund(s)'s actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Align may be subject, discussed herein, did not exist.

Conflicts may arise when the Fund(s) makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. The Fund(s) may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Align and its affiliates may express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the relevant Partnership Agreement of the Fund(s), Align will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, Align may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by Align or its affiliates using their best judgment, considering such factors as they deem relevant, but in their sole discretion. The allocations of such expenses may not be proportional. Over time, various Funds may have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Align and/or its affiliates typically have the right to appoint portfolio company board members, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to Align and/or its affiliates. Such amounts will be in addition to any Management Fees or carried interest paid by the Fund(s) to Align.

Additionally, a portfolio company typically will reimburse Align or service providers retained at Align discretion for expenses (including, without limitation, travel expenses) incurred by Align or such service providers in connection with its performance of services for such portfolio company. This subjects Align and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Align determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, any fee paid or expense reimbursed to Align or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

Align generally exercises its discretion to recommend to the Fund(s) or to a portfolio company thereof that it contract for services with (i) Align or a related person of Align (which may include a portfolio company of such Fund), (ii) an entity with which Align or its affiliates or current or former members of their personnel has a relationship or from which Align or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, Align may be presented with opportunities to receive financing and/or other services in connection with the Fund(s)' investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects Align to conflicts of interest, because although Align selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Align may have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Align, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Align), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Align has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Align and/or its affiliates may also, from time to time, employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by Align and/or its affiliates; conversely, former personnel or executives of Align and/or its affiliates may serve in significant management roles at portfolio companies or service providers recommended by Align. Similarly, Align, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including managers of private funds, banks and brokers. Certain of these persons or entities will invest (or may be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Align and/or its affiliates, and/or the Funds or other investment vehicles they advise. Align may have a conflict of interest with the Fund(s) in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Align information about markets and industries in which Align operates (or is contemplating operations) or will provide other services that are beneficial to Align. Align may have a conflict of interest in making such recommendations, in that Align has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Fund(s), while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Fund(s).

Align, its affiliates, and equity holders, officers, principals and employees of Align and its affiliates may buy or sell securities or other instruments that Align has recommended to the Fund(s). In addition,

officers, principals and employees may buy securities in transactions offered to but rejected by the Fund(s). Such transactions are subject to the policies and procedures set forth in the Align Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Align are expected to have capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

Because certain expenses are paid for by the Fund(s) and/or its portfolio companies or, if incurred by Align, are reimbursed by the Fund(s) and/or its portfolio companies, Align will not necessarily seek out the lowest cost options when incurring (or causing the Fund(s) or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to Operations Group members and other consultants (including consultants introduced or arranged by Align and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset the Management Fee described herein. Operations Group members make use of Align resources or otherwise are associated with Align. Align and/or its affiliates may agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Operations Group compensation is expected to include cash fees, securities of a portfolio company and/or a share of proceeds upon sale of a portfolio company. Additionally, portfolio companies may provide opportunities for Operations Group members to invest in such portfolio company and reimburse costs and expenses incurred by Operations Group members. Operations Group members also may have a limited partner interest in the General Partner and/or one or more Funds, may receive remuneration from Align and/or its Funds or affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to an Operations Group member will not offset the Management Fee of any Fund as described herein. Although the use of the Operations Group and the allocation of compensation paid to them by Align, its affiliates and/or the portfolio companies subjects Align and/or its affiliates to potential conflicts of interest, Align believes that such potential conflicts may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operations Group is lower than market rates for the services provided and/or if the services of the Operations Group align with Align model for the portfolio company and improve portfolio company performance. Although Align seeks to retain Operations Group members with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Align also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Align believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Operations Group members and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because Align carried interest is based on a percentage of net realized profits, it may create an incentive for Align to cause the Fund(s) to make riskier or more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in the Fund(s) may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of the Fund(s), based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Align may not otherwise have done so.

Align and/or its affiliates may enter into Side Letters with certain investors in the Fund(s) providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

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

#### **ITEM 9 - DISCIPLINARY INFORMATION**

Align and its management persons and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

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

Align is affiliated with (i) Align GP I, LP; (ii) Align GP II, LP; (iii) Align GP III, LP; (iv) ES EV Fund GP, LP; and (v) Align Collaborate GP I, LP which are investment advisers registered with the SEC under the Advisers Act pursuant to Align registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Align and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Align has adopted the Align Code of Ethics and Securities Trading Policy and Procedures (the "Code"), which sets forth standards of conduct that are expected of Align principals and employees and addresses conflicts that arise from personal trading. The Code requires certain Align personnel to report their personal securities transactions, prohibits or requires pre-clearance for Align personnel from directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Align personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Align Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Maseel Mir, the Align Chief Compliance Officer, at [mmir@aligncp.com](mailto:mmir@aligncp.com). Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client-eligible investments.

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

A copy of Aligns' Code of Ethics is available to clients or investors and prospective clients or prospective investors upon their individual request.

## **ITEM 12 - BROKERAGE PRACTICES**

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

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

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

Consistent with Align seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although Align generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of Align Funds. However, each and every research service may not be used for the benefit of each and every Fund managed over time by Align, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Align and its affiliates.

Align currently does not engage in soft dollar transactions.

Align does not anticipate engaging in significant public securities transactions; however, to the extent that Align engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Align may also purchase or sell the same securities or instruments for several Funds simultaneously. From time to time, Align may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Align is

avored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

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

### **ITEM 13 - REVIEW OF ACCOUNTS**

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

Each Fund generally will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements for the first three quarters of each fiscal year, (ii) annual tax information necessary for each limited partner's tax return and (iii) annual reports providing a descriptive investment information for each portfolio company investment.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

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

From time to time, Align may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by Align indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). Align currently has retained Capstone Partners, LP to solicit Commitments from investors in exchange for certain fees and the reimbursement of certain expenses.

### **ITEM 15 - CUSTODY**

Align generally expects that it will be deemed to have "custody" (within the meaning of Advisers Act Rule 206(4)-2 (the "Custody Rule")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance. To comply with the Custody Rule, the Funds will undergo an annual GAAP financial statement audit by an independent public accountant, copies of which will be delivered to the Funds and their respective limited partners within 120 days of the fiscal year end. Investors are encouraged to carefully review such financial statements.

## **ITEM 16 - INVESTMENT DISCRETION**

Align has discretionary authority to manage investments on behalf of each Fund. As a general policy, Align does not allow clients to place limitations on this authority. Pursuant to the terms of the relevant Partnership Agreement, however, Align and/or its affiliates may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Align assumes this discretionary authority pursuant to the terms of the relevant Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

## **ITEM 17 - VOTING CLIENT SECURITIES**

Align has adopted the Align Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds' (and any Funds') portfolio investments. The Proxy Policy seeks to ensure that Align votes proxies (or similar instruments) in the best interest of the Fund(s), including where there may be material conflicts of interest in voting proxies. Align generally believes its interests are aligned with those of each Fund's investors, for example, through the Principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Align may address the conflict using several alternatives, including by seeking the approval or concurrence of the Fund(s)'s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, the Fund(s)'s advisory board may approve Align vote in a particular solicitation. Align does not consider service on portfolio company boards by Align personnel or Align receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Align when voting proxies on behalf of the Fund(s). If you would like a copy of Align complete Proxy Policy or information regarding how Align voted proxies for particular portfolio companies, please contact Maseel Mir, the Align Chief Compliance Officer, at [mmir@aligncp.com](mailto:mmir@aligncp.com), and it will be provided to you at no charge.

## **ITEM 18 - FINANCIAL INFORMATION**

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