

ONE MADISON

Group

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of One Madison Group LLC (“One Madison”, “the Adviser”, or “the Firm”). If you have any questions about the contents of this brochure, please contact us at (212) 655-7197. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

One Madison is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about One Madison is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This is One Madison Group LLC's ("One Madison", the "Adviser" or the "Firm") Annual Updating Amendment to its Form ADV. This Annual Updating Amendment revises the Other-Than-Annual Amendment to the Form ADV filed on February 2, 2024. While this update to the Form ADV contains changes and updates to certain information, there are no material changes since the Other-Than-Annual Amendment.

Pursuant to SEC rules, the Adviser will ensure that its clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business fiscal year. The Adviser may further provide other ongoing disclosure information about material changes as necessary.

Currently, the Adviser's Brochure may be requested by contacting Mr. Daniel Naccarella, the Chief Compliance Officer at dnaccarella@onemadisongroup.com or (212) 655-7197.

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Item 4 - Advisory Business

- A. The Adviser is a Delaware limited liability company and has its principal place of business in New York, New York. The Adviser provides or expects to provide investment advisory services as an investment adviser or sub-adviser to (a) privately offered pooled investment vehicles (each a “Fund” and collectively, the “Funds”) that will be (i) exempt from registration under the U.S. Securities Act of 1933, as amended (together with the rules and regulations promulgated thereunder, the “Securities Act”) and (ii) exempt from registration as investment companies under the U.S. Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “1940 Act”) and (b) separately managed accounts, including with the Family Office (as defined below) and other large family offices (each, a “Separately Managed Account”). Each Separately Managed Account and each Fund are collectively referred to herein as the “Clients”. The Adviser was formed in 2016. Effective January 8, 2024, the Adviser’s principal owners are One Madison Holdings, LLC, SS1MG Member LLC, and JS Capital Management LLC (the “Family Office”).
- B. Pursuant to the terms of the LLC agreement of the Adviser, the Adviser is managed by a board of managers (the “Board of Managers”) consisting of Omar Asali, Salil Seshadri, and Jonathan Soros (each, a “Founder”). The Adviser pursues its investment strategy through managing the Funds and Separately Managed Accounts and will have discretion with respect to investment decisions made on behalf of Clients, except as otherwise agreed. The Adviser will provide investment advisory services to Clients based on the investment objectives and strategies described in each Clients’ governing documents and/or investment advisory agreements (“Offering Documents”). The Adviser will provide investment advisory services to each Client by reviewing, negotiating and supervising trading and investment activity. Furthermore, the Adviser will provide advice and recommendations concerning the conversion and/or disposition of investments. The Adviser pursues a global investment strategy that may consider all investment types and geographies, consisting of four core strategies (each, a “Strategy” and together, the “Principal Strategy”):
1. *Operating Business Platform* – This strategy is the legacy Firm business and involves buying significant stakes in operating businesses and actively participating in assisting such businesses in growing, optimizing their operations and maximizing their profit potential.
 2. *Internally Managed Strategies* – This strategy involves investing in one or more liquid portfolios managed by the Adviser’s internal portfolio management team(s). Currently, Karan Sehgal is the sole portfolio manager operating under this strategy.
 3. *Externally Allocated Capital* – This strategy has two sub-strategies:
 - a. *Outside Hedge Fund Managers* – The Adviser seeks to allocate Client capital to third-party hedge funds pursuing strategies that are generally liquid (but for a portion of capital that may be “side pocketed” in an illiquid investment).
 - b. *Outside Private Equity and Venture Capital Managers* - The Adviser seeks to allocate Client capital to third-party private equity and venture capital funds.
 4. *Co-Investments and Direct Deals* - The Adviser seeks to allocate Client capital to co-investment and direct deal opportunities presented by third-party hedge fund, private equity and venture capital managers.
- C. The Adviser will follow the investment strategy described in each Client’s offering and governing documents. The Adviser provides investment management services to the Funds as pooled investment vehicles based on the specific investment objectives and strategies of the

Funds themselves and not individually to investors in the Funds (the “Investors”). Therefore, the Adviser does not tailor its advisory services to the individual needs of any of the Investors. The Investors generally may not impose additional restrictions on investing in certain securities or types of securities outside those restrictions set forth in the offering and governing documents of the Funds and any side letter with respect to a Fund agreed to by the general partner of the Fund. However, the owners of the Separately Managed Accounts may impose restrictions on investing in certain securities or types of securities.

- D. The Adviser does not participate in wrap fee programs.
- E. As of January 1, 2024, the Adviser manages approximately \$6,076,098,733 in discretionary regulatory assets under management and \$0 in non-discretionary regulatory assets under management.

Item 5 - Fees and Compensation

The Adviser or its affiliates generally receive performance-based fees (or allocations) in connection with the investment advisory services they provide to the Clients. The Adviser expects to offer Fund and Separately Managed Account products that will charge asset-based management fees. In addition, Investors in the Funds and other Clients also bear certain expenses. Specific details of such compensation, expenses and their methods of calculation are set out in the investment advisory agreements and/or underlying governing documents (including offering materials) of the relevant Client.

Management Fees, Performance Fees and Other Fees

Management fees and performance fees (or allocations) payable to the Adviser are generally established by the Adviser at the time of the establishment of a Fund or advisory relationship with a Client and may vary among each Fund and Separately Managed Account.

Performance allocations for each Fund are typically received following realization of the Fund's underlying investments and generally represent a share of distributions made by such Fund in excess of an Investor's invested capital and allocable share of fees and expenses. Performance fees (or allocations) for Separately Managed Accounts are generally calculated on an annual basis and represent a percentage of the realized and unrealized net capital appreciation of such Separately Managed Account with respect to such year, and performance fees (or allocations) for Separately Managed Accounts are generally subject to loss carryforward provisions whereby the performance-based fee (or allocation) may be reduced until prior losses are recouped or may be payable only after recoupment of prior losses. Because Separately Managed Accounts have customized mandates, performance and management fee calculations are not standardized and may vary.

With respect to a Client that bears management fees, the Adviser expects to charge management fees quarterly in advance. Management fees with respect a Client will generally be calculated as a percentage of the net asset value of the Client's assets (or other asset-based metric) at the time of calculation. The Adviser will refund any management fee paid in advance for periods during which the Adviser does not provide advisory services to a Client (e.g., in the event a Separately Managed Account is terminated prior to the end of a quarter during which management fees were already paid). Annual management fees for the Family Office are currently calculated, generally speaking, as an amount equal to the annual budget of the Firm, with a reduction for certain management fees received from other Clients and a further proportionate reduction based on Family Office assets under management relative to other Client assets under management.

The Adviser is permitted to waive, reduce or calculate differently the management fee or performance fee (or allocation) applicable to any Investor in a Fund or Client without the consent of, or notice to, any other Investor or Client. Management fees and performance fees (or allocations) are typically deducted from each Client's assets and are not billed separately.

Performance fees (and allocations) are further discussed in Item 6.

As set forth in greater detail in the applicable Client governing documents, certain personnel of One Madison, including one or more of the Founders, serve on the board of directors of one or more companies, including portfolio companies, and receive directors' fees in connection therewith.

Expenses

In addition to management fees and performance fees (or allocations), Investors in a Fund bear fees, costs and expenses incurred by such Fund associated with the investments (or prospective investments), operations and activities of such Fund. For a Fund that holds a single portfolio company, these fees, costs and expenses include all fees, costs, expenses and obligations of the Fund or amounts incurred by the Adviser or its affiliates for the benefit of the Fund in connection with the business, operations or affairs of the Fund, the Offering Documents of such Fund or the transactions contemplated thereby, whether incurred prior to, on or after the date of this the Offering Documents (in each case, other than any expenses reimbursed to the Fund by the underlying portfolio company), including but not limited to (i) all expenses in connection with organizing the Fund, including any legal expenses associated with the formation of the Fund, the drafting of the Fund's Offering Documents and any related discussions or negotiations, (ii) all expenses directly attributable to the Fund's investment in the underlying portfolio company, including all expenses incurred in connection with the making, holding, refinancing, pledging, sale or other disposition or proposed refinancing, pledging, sale or other disposition of all or any portion of such investment, (iii) all expenses incurred in connection with an Additional Investment, whether or not such Additional Investment is ultimately consummated, (iv) all expenses of the Fund incurred in connection with the ongoing operation of the Fund not otherwise described above, including an allocable portion of expenses incurred by the Adviser or its affiliates for the benefit of the Fund and other Funds managed by the Adviser, (v) except as otherwise addressed herein, any taxes imposed on the Fund, including any taxes imposed on the Fund in the capacity of withholding agent with respect to a Fund investor and any taxes that are otherwise attributable to a Fund investor (and any interest, penalties or expenses relating to any such taxes) and any expenses incurred in connection with a tax proceeding, (vi) all expenses of the Fund incurred in connection with the reporting obligations set forth in the Fund's Offering Documents (e.g., tax, audit, distribution of reports from the underlying portfolio company, and any other information requested by a Fund investor), (vii) all extraordinary expenses of the Fund, including any litigation expense, indemnification obligation and any other indemnity, contribution or reimbursement obligation of the Fund and (viii) up to 50% of the expenses incurred by One Madison or its affiliates in connection with the establishment of the One Madison investment platform. Fund expenses are borne by all Investors pro rata in proportion to their respective interests in the Fund provided that (i) any expenses directly attributable to an additional investment in a Fund's underlying portfolio company (an "Additional Investment") shall be borne only by those Investors who are participating in such Additional Investment pro rata in proportion to their participation in such Additional Investment and (ii) in limited circumstances any expense may be borne by the Investors on a basis other than their respective interests in the Fund if the Fund's manager reasonably determines in its discretion that such other basis is clearly more equitable, including if such expense is specifically attributable to an Investor's transfer of its Interest or an Investor's request for information in addition to the information required to be provided by the Fund.

A Client pursuing the Principal Strategy, including any Separately Managed Account Client and/or Fund pursuing such strategy shall be responsible for all fees, costs and expenses associated with the investments (or prospective investments) and activities of such account (collectively, the "Account Expenses"), including, without limitation: the Client's share, in its capacity as limited partner (or equivalent equityholder), of any fees, costs, expenses and other amounts payable in respect of a third party fund in which the Client holds an investment (each, an "Underlying Fund") pursuant to the governing documents of such Underlying Fund, including, without limitation, the Client's share, in its capacity as limited partner (or equivalent equityholder), of performance fees (or allocations) paid (or allocable) to the general partner or investment adviser of the Underlying Fund, investment advisory fees paid by such Underlying Fund to the investment advisor of such Underlying Fund, the organizational expenses of such Underlying Fund, the partnership expenses of such Underlying Fund and any indemnification expenses incurred by such Underlying Fund; fees, costs and expenses related to structuring, restructuring, purchasing, trading, rating, settling, selling, originating, disposing,

maintaining, liquidating and valuing the assets of such account, whether investments are consummated or unconsummated (including, but not limited to, fees, costs and expenses attributable to execution and/or settlement of trades, custodial fees, brokerage commissions (which may be in excess of the lowest rates available and which are paid to brokers who execute transactions for such account and who supply or pay for the cost of research and execution services in accordance with the parameters of Section 28(e) of the Exchange Act), clearing fees and margin account fees, fees, costs and expenses attributable to any borrowings, if any, including repayment of principal and interest thereon); bank service fees, income, withholding or transfer taxes incurred in connection with trading for such account; fees, costs and expenses incurred in connection with transfers of assets from such account (including any transfer that is not ultimately consummated) that are not otherwise borne by the applicable transferor or transferee; expenses related to regulatory compliance or filings of such account or assets of such account (including filing and license fees and preparation and submission of filings and licenses, including without limitation, filing fees in connection with specific investments of such account, any issue or transfer taxes chargeable in connection with any securities transactions, and any entity level taxes, in each case to the extent incurred as a result of the relationship between the Adviser and the Client); accounting, tax preparation, consulting or other professional fees incurred in connection with any audit (actual or threatened) and any reporting related to such account; fees, costs and expenses associated with monitoring compliance with the Offering Documents between the Adviser and such Client (including but not limited to compliance with any investment limitations and/or restrictions pursuant to such agreement); fees, costs and expenses incurred in connection with communications and meetings with the Client, including fees, costs and expenses incurred in connection with preparation of meeting materials, responding to requests, requirements or inquiries from the Client, including due diligence requests, questionnaires or checklists, irrespective of whether such communications or responses to such requests are mandated or contemplated by the Offering Documents between the Adviser and such Client; expenses relating to software tools, programs or other technology utilized in managing such Client account (including without limitation, third-party software licensing, implementation, data management and recovery services and custom development costs); insurance expenses (including, without limitation, liability insurance, errors and omissions insurance, cyber insurance, representation and warranty insurance or other insurance policies, or fidelity bonds (including commissions, premiums, deductibles, escrow fees and seller's representative fees, costs and expenses incurred in connection with any of the foregoing)); litigation-related and indemnification expenses, including but not limited to those incurred in connection with any investment; extraordinary expenses; costs and expenses relating to research and due diligence (including research-related products, research access systems, travel and business entertainment expenses, expert network calls and Bloomberg and similar subscriptions and data services); fees, costs and expenses incurred in connection with forming, managing, maintaining and disposing of any special purpose vehicles formed for the purpose of holding investments held by such Client account; investment-specific investment banking, brokerage, underwriter (whether in the form of commissions or discounts), syndication, hedging, valuation, appraisal, due diligence, custodial, trustee, record keeping, lending, legal, attorney, accounting, auditing, administrator, tax, advisory, compliance and consulting services; fees, costs and expenses associated with termination of the Offering Documents between the Adviser and such Client, including but not limited to, transitioning management of all or a portion of such Client account to another investment manager; and costs and expenses incurred in hedging or otherwise attempting to protect or enhance the value of the assets in such Client account.

Item 6 - Performance-Based Fees and Side-By-Side Management

As stated in Item 5 above, the Adviser provides investment advisory services to Clients and generally receives performance fees (or allocations) related to such services. Specific details of such compensation and its method of calculation are set out in the investment advisory agreements and/or underlying governing documents (including offering materials) of the relevant Client. Any such performance-based allocations will be made in accordance with Rule 205-3 under the Advisers Act.

Performance allocations for the Funds generally represent a share of distributions made by a Fund in excess of an Investor's invested capital and allocable share of fees and expenses. Performance fees (or allocations) for Separately Managed Accounts are generally calculated on an annual basis and represent a percentage of the realized and unrealized net capital appreciation of such Separately Managed Account with respect to such year, and performance fees (or allocations) for Separately Managed Accounts are generally subject to loss carryforward provisions whereby the performance-based fee (or allocation) may be reduced until prior losses are recouped or may be payable only after recoupment of prior losses. Because Separately Managed Accounts have customized mandates, performance and management fee calculations are not standardized and may vary.

The Adviser is permitted to waive, reduce or calculate differently the performance fee (or allocation) applicable to any Investor in a Fund or Client without the consent of, or notice to, any other Investor or Client.

Performance-based compensation arrangements give rise to potential conflicts of interest, including those discussed further below, and are appropriate only for sophisticated Clients and Investors.

Performance-based allocation arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. Further, the Adviser and its affiliates have significant investments in certain Funds. As a result, the Adviser may have an incentive to favor Clients in which the Adviser has a more significant proprietary interest, including in the allocation of investment time and attention. In making determinations regarding the timing of placement of trades for Clients, the Adviser may prioritize certain strategies which are pursued by some but not all of the Clients. This prioritization may have the effect of impacting (either adversely or positively) the performance of such Clients.

The Adviser could face a conflict of interest to the extent that it provides services to a Client at the same time as it manages one or more other Clients for which it receives a different performance fee (or allocation). The Adviser may have an incentive to favor Clients, including by providing them with preferential investment allocations, or take increased investment risk on behalf of Clients for which it receives a larger performance fee (or allocation) because it could receive greater compensation from such Client.

The Adviser has implemented policies and procedures to mitigate the risk of these conflicts of interest by allocating trades and securities to its Clients in a fair and equitable manner at all times. The Adviser will not, in making allocation determinations, favor Clients on the basis of the fee structure applicable to their accounts.

Item 7 - Types of Clients

As described in Item 4, the Adviser provides or expects to provide investment advisory services as an investment adviser or sub-adviser to (a) Funds that will be (i) exempt from registration under the Securities Act and (ii) exempt from registration as investment companies under the 1940 Act, and (b) Separately Managed Accounts, including with the Family Office and other large family offices.

Any Fund interests are generally offered and sold solely to Investors who are accredited investors as defined in the Securities Act and, to the extent applicable, qualified purchasers as defined in the 1940 Act and/or qualified clients as defined in the Advisers Act of 1940, as amended (the “Advisers Act”).

The Family Office and its affiliated entities are anchor investors in the Firm, and the Family Office (and/or affiliated entities) is and will likely in the future be an anchor investor in other Funds and/or operating companies advised and/or operated by the Adviser, including Funds that were created by the Family Office, over which the Family Office will delegate investment management authority to the Adviser (such Funds, the “Family Office Investments”).

To the extent that there are prescribed minimum investment amounts for any Clients, such amounts are set forth in the relevant governing documents for the particular Client.

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

A. The Firm is building a multi-strategy, multi-asset class investment platform. The investment strategy of a particular Client will generally be set forth in the applicable governing documents. The Firm provides or expects to provide investment advice to Clients related to a variety of investment strategies, including, but not limited to, private equity, public equities, fund-of-funds and co-investments. The Client documents for each Client describe in more detail the specific investment strategies and guidelines for, and risks associated with, those Client accounts. The Principal Strategy of the Firm is as follows:

1. *Operating Business Platform* – This strategy is the legacy Firm business and involves buying significant stakes in operating businesses and actively participating in assisting such businesses in growing, optimizing their operations and maximizing their profit potential.
2. *Internally Managed Strategies* – This strategy involves investing in one or more liquid portfolios managed by the Adviser’s internal portfolio management team(s). Currently, Karan Sehgal is the sole portfolio manager operating under this strategy.
3. *Externally Allocated Capital* – This strategy has two sub-strategies:
 - i. *Outside Hedge Fund Managers* – The Adviser seeks to allocate Client capital to third-party hedge funds pursuing strategies that are generally liquid (but for a portion of capital that may be “side pocketed” in an illiquid investment).
 - ii. *Outside Private Equity and Venture Capital Managers* – The Adviser seeks to allocate Client capital to third-party private equity and venture capital funds.
4. *Co-Investments and Direct Deals* – The Adviser seeks to allocate Client capital to co-investment and direct deal opportunities presented by third-party hedge fund, private equity and venture capital managers.

B. The below discussion includes and is based upon numerous assumptions and opinions of the Adviser, the accuracy of which cannot be assured. There can be no assurance that a Client’s investment program will achieve profitable results or that a Client will not incur substantial or total losses. Any investment involves significant risks and other considerations and, therefore, should be undertaken only by sophisticated investors capable of evaluating and bearing such risks. Client returns may be unpredictable and, accordingly, a Client’s investment program is not suitable as the sole investment vehicle for an investor. An individual investor in a Client (each, an “Investor”) should only invest with the Firm as part of a broad overall investment strategy, and only if the prospective investor is able to withstand both extended periods of illiquidity and a total loss of its investment. Prospective investors should carefully consider, among other factors, the matters described below each of which could have an adverse effect on the value of Client assets. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that a Client’s investment program will meet its investment objectives or otherwise be able to successfully carry out its investment program. The following list is not a complete list of all risks and other considerations involved in connection with an investment. Prospective investors should make their own inquiries and investigation of the investment described herein, including the merits and risks involved and the legality and tax consequences of such an investment, and consult their own advisors as to the legal, tax and related matters concerning an investment. Additional risks specific to a Client’s investment program can be found in the relevant offering and governing documents of such Client.

No Assurance of Investment Return

There is no assurance that the Firm will be able to invest a Client’s capital with attractive terms or generate returns for investors. While the Adviser seeks to manage Client accounts so that the risks are appropriate to the return potential for the strategy of such accounts, it is often not possible or desirable to mitigate fully all possible risks. Any investment includes the risk of loss, and there can be no

guarantee that a particular level of return will be achieved. Investors should understand that they could lose some or all of their investments and should be prepared to bear the risk of such potential loss. Investors should be aware that, investment mandates for Clients could be limited to certain types of investments (e.g., private equity) and therefore not be diversified. Investors are responsible for appropriately diversifying their assets to reduce the risk of loss. Past performance is not necessarily indicative of future results, and all investors should be prepared to lose the value of their investments.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. The Clients expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers and other financial investors investing directly or through affiliates. Competition for appropriate investment opportunities will reduce the number of investment opportunities available to Clients and adversely affect the terms upon which investments can be made. Such competition may be particularly acute with respect to participation by Clients in auction proceedings and, specifically, those conducted pursuant to Section 363 of Title 11 of the United States Code, as amended (the “Bankruptcy Code”) where Clients compete with other prospective bidders to acquire the assets of a distressed company through a bankruptcy court-supervised auction.

Moreover, over the past several years, an ever-increasing number of investment funds with objectives similar to those of Clients have been formed. Additional funds with similar investment objectives are likely to be formed in the future by other parties. Some of these competitors could have more relevant experience, greater financial resources and more personnel than Clients and the Adviser and its affiliates. It is possible that competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to Clients and adversely affecting the terms upon which portfolio investments can be made.

Based on the foregoing, there can be no assurance that the Adviser will be able to identify or acquire portfolio investments satisfying Clients’ investment objectives. The success of Clients will depend on the Adviser’s and its affiliates’ ability to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of such portfolio investments. There can be no assurance that Clients will be able to realize attractive valuations for its portfolio investments or that they will be able to invest its capital commitments. To the extent that Clients encounter competition for investments, returns to investors are likely to decrease.

Operating and Financial Risks of Portfolio Companies

Portfolio companies in which a Client invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, portfolio companies that a Client expected to be stable could operate at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or to maintain their competitive positions, or could otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of a Client’s investment strategy and approach will depend, in part, on the ability of the Adviser to effect improvements in the operations of a portfolio company and/or recapitalize its balance sheet. The activity of identifying and implementing operating improvements and/or recapitalization programs at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Adviser will be able to successfully identify and implement such operating improvements and/or recapitalization programs.

Additional Capital; Follow-On Investments

Certain of the portfolio companies in which Clients invest, especially those in a development phase, could require additional financing to satisfy their working capital requirements. The amount of the

additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from Clients or other investors) is typically intended to provide a company with enough capital to reach its next major corporate milestone. If the funds provided are not sufficient, then a company could have to raise additional capital at a price unfavorable to its existing investors, including Clients. In addition, Clients could make additional debt and equity investments, exercise rights under preemptive rights, warrants or options, exercise conversion rights under convertible securities that were issued in connection with an existing investment in such portfolio company, in each case in order to, among other things, preserve a Client's proportionate ownership when a subsequent equity or debt financing is planned, protect a Client's portfolio investments when, for example, such portfolio company's performance does not meet expectations, enhance the value of an existing portfolio investment or in anticipation of disposition, refinancing, recapitalization or other transactions.

The availability of capital is generally a function of capital market conditions that are beyond the control of Clients or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately future capital requirements necessary for success or that additional funds will be available from any source. A Client could be called upon to provide follow-on funding for its investments or have the opportunity to increase its investment in such a portfolio company ("Follow-On Investments"). There can be no assurance that a Client will make Follow-On Investments or that it will have sufficient funds or the ability to do so. Any decision by a Client not to make a Follow-On Investment or its inability to make such an investment could have a substantial negative impact on a portfolio company in need of such an investment or could diminish a Client's ability to influence the portfolio company's future development.

Investment Expenses / Broken Deal Expenses

Clients' investments will require extensive due diligence, legal, and other costs prior to their consummation and will result in Clients bearing broken deal expenses if they are not consummated. A Client will pay any fees, costs, and expenses incurred in discovering, developing, negotiating, evaluating, acquiring and structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by a Client prior to the initial closing that are intended to become portfolio investments. Additionally, Clients are permitted to enter into agreements that involve payments, such as "reverse termination" and "reverse" break-up fees, by a Client if it does not consummate the transaction. These expenses can be significant and are likely to be material to Clients. A Client could incur, either directly or pursuant to its obligation to reimburse the Adviser for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

Investments Longer than Term

A Client could acquire investments that are not advantageously disposed of (or disposed of at all) prior to the date that a Client will be dissolved, either by expiration of a Client's term or otherwise. Although the Adviser expects that investments will either be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, a Client could be required to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Distributions in Kind

Although under normal circumstances Clients expect to make distributions in cash, it is possible that under certain circumstances (including the liquidation of a Client) distributions could be made in kind and could consist of securities or other investments for which there is no readily available public market.

Investments in Less Established Companies

Certain Clients could be permitted to invest a portion of their assets in the securities of less established companies, or early stage companies. Investments in such early-stage companies involve greater risks than those generally associated with investments in more established companies. For instance, less established companies tend to have smaller capitalizations and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies typically do not have significant or any operating revenues. In addition, less mature companies are more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by a Client, securities of less established companies tend to be subject to more abrupt and erratic market price movements than those of larger, more established companies.

To the extent that a Client invests in the securities of less established companies, such investments would be considered highly speculative and could result in the loss of a Client's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on such Client's other investments.

Middle-Market Companies

Certain Clients could be permitted to invest in lower-middle market and middle-market companies. Although investments in middle-market companies can present greater opportunities for growth, such investments also entail larger risks than are customarily associated with investments in larger companies. Middle-market companies tend to have relatively limited product lines, markets, and financial and other resources. As a result, such companies tend to be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth could depend on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of securities in smaller, private companies, which tends to make realizations of investments in such companies more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle-market companies, could make it difficult for a Client to react quickly to negative economic or political developments.

Financial and Other Fraud

Instances of fraud and other deceptive practices committed by senior management or owners of portfolio companies in which a Client invests will undermine a Client's due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of a Client's portfolio investments. In addition, when discovered, financial fraud could contribute to overall market volatility that can negatively impact a Client's investment program. In the event of fraud by any portfolio company in which a Client invests, a Client could suffer a partial or total loss of capital invested in that company, and investors must be prepared to bear such capital losses.

Debt Investments

Certain Clients are permitted (but not required) to invest in debt investments. Such debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bearing floating interest rates. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for debt investments. Other factors could materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Debt investments will also entail normal credit risks (*i.e.*, the risk of non-payment of interest and principal). Moreover, a debt investment bearing “paid-in-kind” interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. In addition, a debt investment could be subject to repayment or redemption at the option of the issuer. If a debt investment held by a Client is called for repayment or redemption, such Client will be required to permit the issuer to redeem such investment, which could have an adverse effect on the Client’s ability to achieve its investment objective.

Expedited Transactions

In many cases, investment analyses and decisions by the Adviser will be undertaken on an expedited basis in order for a Client to take advantage of available investment opportunities or meet deadlines. In such cases, the information available to the Adviser at the time of an investment decision is likely to be limited, and the Adviser is unlikely to have access to the detailed information necessary for a full evaluation of the investment opportunity. Further, the Adviser and Clients are likely to conduct its due diligence activities in a very brief period (with limited or incomplete information) and would therefore assume the risks of obtaining certain consents or waivers under contractual obligations.

Market Conditions

A Client’s strategy in some portfolio investments is based, in part, on the premise that appropriate businesses and assets will be available for purchase by a Client at prices that the Adviser considers favorable. Further, a Client’s strategy relies, in part, on the existence of market conditions conducive to generating favorable prices during the term of such Client. No assurance can be given, however, that appropriate businesses and assets can be acquired at favorable prices as this will depend, in part, on events and factors outside the control of the Adviser.

Financial Leverage

The Adviser expects that certain of its portfolio companies will maintain financial leverage, and the Adviser could lever a portfolio investment in order to achieve this goal. Such leverage could be substantial. Utilization of leverage will result in fees, costs and expenses, including interest expense, to a Client or its portfolio companies. If the portfolio company is unable to refinance in order to maintain the desired amount of financial leverage, then a Client could realize lower than expected returns from the relevant portfolio investment and hold a larger than expected investment therein. The leveraged capital structure of such portfolio companies and portfolio investments could significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy or deterioration in the condition of such portfolio companies or portfolio investments or their respective industries. If a portfolio company cannot generate adequate cash flow to meet debt obligations, for example, then a Client could suffer a partial or total loss of capital invested in the portfolio company.

A Client’s assets, including any portfolio investments acquired by a Client and any capital held by a Client, will be available to satisfy all liabilities and other obligations of a Client. If a Client or a portfolio company defaults on secured indebtedness, for example, the lender could foreclose and a Client could

lose its entire investment in the security for such loan. If a Client itself becomes subject to a liability, then parties seeking to have the liability satisfied could have recourse to a Client's assets generally and they would therefore not be limited to any particular asset, such as the portfolio investment giving rise to the liability. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the existence of a Client or when due for refinancing such that the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized.

Use of Credit Facilities

Subject to certain restrictions set forth in the relevant governing documents, the Adviser could have the ability to cause a Client to borrow money from any person, or to guarantee loans or other financings or enter into (as borrower, issuer or similar capacity) other extensions of credit, including causing such Client to engage in any of the foregoing on a joint and several or cross-collateralized basis with any parallel partnership, alternative investment vehicle, special purpose vehicle or portfolio company, in each case, (i) for purposes of facilitating loans, other financings or other extensions of credit made to any current or prospective portfolio company (or to any subsidiary thereof) or any vehicle formed to effect the acquisition thereof; (ii) for the purpose of covering organization expenses, partnership expenses or the management fee; or (iii) to provide financing to the extent necessary or desirable to consummate the purchase of portfolio investments or any financing or refinancing of the purchase price thereof or investment therein (including any "back-leverage", asset-based or similar financing of or with respect to one or more portfolio investments) (as applicable). The Adviser could have the right at its option to pledge, grant a lien on, secure an interest in or make a collateral assignment of the obligations of one or more of the partners to make capital contributions or direct payments to a lender or other credit party of a Client or any portfolio investment or other asset or property of such Fund (including equity interests of any entity that holds one or more portfolio investments, including a subsidiary vehicle). This will limit an Investor's ability to use their interests in a Client as collateral for other indebtedness (which in any case would be subject to the consent of the Adviser in its sole discretion). In addition, the inability of a Client to repay such borrowings could enable a lender to take action against any Investor to the extent of its then unfunded commitment in a Client.

Investments in Restructurings or Underperforming Companies

A Client could acquire portfolio investments in portfolio companies that are experiencing or are expected to experience financial difficulties, from which such companies never recover. Such portfolio investments could, in certain circumstances, subject a Client to additional potential liabilities, which could exceed the value of such Client's original investment therein. Such portfolio investments of a Client could also be subject to U.S. federal bankruptcy laws and U.S. state fraudulent transfer laws, which vary from state to state, if the securities relating to such portfolio investments were issued with the intent of hindering, delaying or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such portfolio investments constitute debt and such debt is used for a buyout of shareholders, then this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. If a court were to find that the issuance of the securities was a fraudulent transfer or conveyance, then the court could void the payment obligations under the securities, further subordinate the securities to other existing and future indebtedness of the issuer or require a Client to repay any amounts received by it with respect to the securities. In the event of a finding that a fraudulent transfer or conveyance occurred, it is possible that a Client will not receive any repayment on the securities.

Under the Bankruptcy Code, a lender that has inappropriately exercised control of the management and policies of a company could have its claims against the company subordinated or disallowed or could be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Client and distributions by a Client to investors could be reclaimed if any

such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Such debt could also be disallowed or subordinated to the claims of other creditors if a Client is found to have engaged in other inequitable conduct resulting in harm to other parties. A Client's investment could be treated as equity if it is deemed to be a contribution to capital, or if a Client attempts to control the outcome of the business affairs of a company prior to its filing under the Bankruptcy Code. While a Client will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that a Client will be able to defend against them successfully.

Contingent Liabilities on Disposition of Investments

In connection with the disposition of a portfolio investment in a portfolio company, Clients will generally be required to make representations and warranties about the business and financial affairs of such portfolio company typical of those made in connection with the sale of any business and therefore could be responsible for the content of disclosure documents. A Client could also be required to indemnify the purchasers of such investment or underwriters regarding certain matters, including the accuracy of any such representations, warranties or disclosure documents. These arrangements could result in the incurrence of contingent liabilities, which would be borne by a Client and for which such Client will generally establish reserves or escrow accounts.

Control Position Risk

The Adviser also intends to make investments that allow Clients to acquire control or exercise influence over management and the strategic direction of a portfolio investment. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management and other types of liability in which the limited liability characteristic of business operations could be ignored. The exercise of control over a portfolio investment could expose the assets of a Client to claims by the portfolio companies underlying such investments, its security holders and its creditors. While the Adviser intends to manage the Clients to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Portfolio Company Management

In the case of control investments by Clients, the success of a portfolio company will depend in part on the ability and expertise of the Adviser and its affiliates to identify, attract and retain highly qualified personnel to manage and seek to improve the operating performance of such portfolio company.

Competition for highly qualified personnel is intense. In recent years, recruiting, hiring and retaining employees with relevant expertise has become increasingly difficult as the so-called "great resignation" has led potential employees to seek alternate forms of employment. The Adviser and its affiliates have from time to time experienced, and expect to continue to experience, difficulty in hiring and retaining portfolio company employees with appropriate qualifications.

Many of the companies with which the Firm's portfolio companies will compete for experienced personnel have greater resources than such portfolio companies, the Adviser and its affiliates. If a portfolio company hires employees from the portfolio company's competitors or other companies, their former employers may attempt to assert that these employees, the portfolio company or the Adviser and its affiliates have breached certain legal obligations, resulting in a diversion of the Adviser's and its affiliates' time and resources.

In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. To the extent a portfolio company seeks to hire employees from other companies, and the relevant employees would lose or forfeit a substantial amount of their existing equity awards at such other companies as a result of accepting employment with the portfolio company, such employees would be disincentivized to join the portfolio company unless they are

compensated for such losses. In such instances, the portfolio company could, in order to attract and retain such employees, grant substantial equity awards or other compensation, which could dilute a Client's interest in the portfolio company. On the other hand, to the extent any employees of a portfolio company are granted substantial equity awards and become vested in such equity awards, they may achieve a substantial amount of personal wealth. This could make it more difficult for the relevant portfolio company to retain and motivate these employees, and any such personal wealth could affect employees' decisions about whether or not they continue to work for the portfolio company.

Any failure to successfully attract, integrate or retain qualified personnel to fulfill a portfolio company's current or future needs could adversely affect such portfolio company's business, results of operations and financial condition, and in turn, could adversely affect Clients' returns.

Non-United States Investments; Inflation

Certain Clients are permitted to invest in companies domiciled outside of the United States. Portfolio investments in non-U.S. securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Client's non-U.S. portfolio investments are denominated, and costs associated with the conversion of investment principal and income from one currency into another; (ii) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (iii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iv) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability and the possibility of confiscatory taxation or expropriation; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; and (vi) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors. To the extent a Client invests in companies domiciled outside of the United States, no assurance can be given that a political or economic climate, or that particular legal or regulatory risks might not adversely affect a portfolio investment by a Client.

In addition, if a Client were to invest in companies domiciled outside of the United States, then the scope and nature of a Client's due diligence activities in connection with portfolio investments outside of the United States could be more limited than due diligence reviews conducted in the United States because reliable information is often unavailable or prohibitively costly to obtain in certain non-U.S. countries. The lower standards of due diligence and financial controls in investments in certain countries increase the likelihood of material losses on such investments. Furthermore, a Client might not be in a position to take legal or management control of its portfolio investments in certain countries. It may also not have legal recourse in the event of a dispute, and remedies might have to be pursued in the courts of the country in question where it could be difficult to obtain and enforce a judgment.

Furthermore, certain non-U.S. countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which investment opportunities exist. If a Client were to invest in companies domiciled outside of the United States, then there can be no assurance that high rates of inflation outside of the United States would not have a material adverse effect on the portfolio investments of a Client.

Minority Interests in Asset Management Firms.

The Adviser is permitted to make investments on behalf of certain Clients in minority, non-controlling, equity interests of investment management companies ("Portfolio Firms"). As a result, any such Client

(and the Firm as a whole) typically will have a limited ability to exert influence over the Portfolio Firms in which Clients invest, will not have the opportunity to evaluate or select the specific underlying investments made by any Portfolio Firm and will not be responsible for the results of pooled investment vehicles sponsored by such Portfolio Firms. The Adviser expects that the existing managers of the Portfolio Firms will retain autonomy over the day-to-day operations of their investment management companies and will generally retain a majority stake in them. In such cases, Clients will rely on the existing management and board of directors or similar body of such entities, which may include representation of other investors with whom neither the Adviser nor the Client is affiliated and whose interests may conflict with the interests of the Clients. In holding noncontrolling interests, the Adviser (on behalf of its Clients) will have a limited ability to create additional value in the entities in which it invests by effecting changes in the strategy and operations of these entities or to protect its positions in such entities or to create or take advantage of exit opportunities. The Adviser's (on behalf of its Clients) inability to control the timing of the making, restructuring, refinancing and exiting of investments made by such Portfolio Firms may adversely affect performance. The timing and extent to which a Client realizes proceeds from any disposition or other liquidity event with respect to any investment may depend on the decisions and actions of Portfolio Firms. The management of Portfolio Firms may make business, financial or management decisions with which the Adviser does not agree or such management may take risks or otherwise act in a manner that does not serve the Clients' interests. There can be no assurance that all third parties will similarly conclude that such investments are non-control investments or that, due to the provisions of the relevant governing documents or the interpretation of applicable law or regulations, investments by Clients will not be deemed to have control elements for certain contractual, regulatory or other purposes.

Volatility

The prices of a Client's investments, including common equity and related equity derivative instruments, can be highly volatile. A Client's long-focused strategy may result in a greater level of volatility in comparison to hedge funds that pursue other investment strategies.

Exchange Rate Risk

A Client may invest directly in non-dollar denominated securities of non-U.S. issuers or in contracts denominated in currencies other than in U.S. dollars. To the extent investments in securities or contracts are denominated in other than U.S. dollars, the value of these instruments may be affected favorably or unfavorably by changes in currency rates, exchange control regulations and/or transaction costs. While a Client may utilize hedging techniques to mitigate risks arising from fluctuations in exchange rates, there is no guarantee that these hedging strategies will achieve their desired results or that a Client will be able to fully hedge against losses caused by such fluctuations.

Because non-U.S. entities are not subject to uniform accounting, auditing, and financial reporting standards, practices and requirement comparable with those applicable to U.S. companies, there may be different types of, and lower quality information available about a non-U.S. company than a U.S. company. With respect to certain countries there may be the possibility of expropriation or confiscatory taxation, political, economic or social instability, limitation on the removal of funds or other assets or the repatriation of profits, restrictions on investment opportunities, the imposition of trading controls, withholding or other taxes on interest, dividends, capital gain or other income, import duties or other protectionist measures, various laws enacted for the protection of creditors, greater risks of nationalization or diplomatic developments, which could adversely affect a Client's investments in those countries.

Income and gains derived by a Client may be subject to withholding and other taxes imposed by non-U.S. jurisdictions. A limited partner's share of these non-U.S. taxes may not be fully creditable against the limited partner's U.S. federal income tax liability, given the complex set of limitations on the use of foreign tax credits. In some circumstances, a limited partner may be able to claim a reduced rate, or

a refund of, non-U.S. tax under an applicable income tax treaty, but there can be no assurance in this regard.

There is less regulation, generally, of the securities markets in non-U.S. countries than there is in the U.S. Some non-U.S. securities markets have a higher potential for price volatility and relative illiquidity compared to the U.S. securities markets.

Counterparty Risk

Some of the markets in which a Client may effect its transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. To the extent a Client invests in swaps, derivative or synthetic instruments, or other over-the-counter transactions, on these markets, such Client may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. Such transactions expose a Client to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem. In such events, a Client may bear a loss in connection with the relevant transaction. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where a Client has concentrated its transactions with a single or small group of counterparties. A Client is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of a Client to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties’ financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by such Client.

Systems Risks

Clients depend on the Adviser to develop and implement appropriate systems for their activities. Clients rely extensively on computer programs and systems to evaluate certain securities based on real-time trading information, to monitor their portfolio and to generate risk management and other reports that are critical to oversight of Client activities. In addition, certain of the operations of the Adviser interface with or depend on systems operated by third parties, including market counterparties and other service providers, and the Adviser may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures, or interruptions, including, but not limited to, those caused by worms, viruses, and power failures. Any such defect or failure could have a material adverse effect on Clients. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording, or processing of trades, and cause inaccurate reports, which may affect a Client’s ability to monitor its investment portfolio and its risks. In addition, despite the security measures established by the Adviser and third parties to safeguard its and their respective systems, including the information therein, such systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise these systems and result in the theft, loss or public dissemination of the information stored therein and could have a material adverse effect on the Adviser and Clients.

Trade Execution Risk

A Client’s investment and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Adviser. A Client’s trading orders may not be executed in a timely and efficient manner due to various circumstances, including,

without limitation, trading volume surges or systems failures attributable to a Client, the Adviser, a Client's counterparties, brokers, dealers, agents, or other market participants. In such event, a Client might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, a Client might not be able to make such adjustment. As a result, such Client would not be able to achieve the market position selected by the Adviser, which may result in a loss.

Cash Equivalent Investments

Although the Adviser expects that all or substantially all of a Client's assets will be deployed in investments under typical market conditions, the Adviser may, in its discretion, cause a Client to hold in reserve such cash, cash equivalents, and other liquid investments as the Adviser considers appropriate to provide for anticipated obligations. Such reserves may reduce the returns of such Client.

Derivative Instruments

Derivative instruments, or "derivatives," include instruments and contracts, which are derived from and are valued in relation to one or more underlying securities, financial benchmarks or indices. Derivatives typically allow an investor to speculate upon the price movements of a particular security, financial benchmark or index at a fraction of the cost of acquiring the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of additional risks associated with derivatives trading.

Derivatives Regulation

Through its comprehensive regulatory regime for derivatives, the Dodd-Frank Act imposes mandatory clearing, exchange-trading and margin requirements on many derivatives transactions (unregulated OTC derivatives) in which a Client may engage. Market participants may be required to register and be regulated as "swap dealers," "security-based swap dealers," "major swap participants," and "major security-based swap participants" which are subject to significant capital, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements. While Clients are not directly subject to most of these requirements, their derivatives counterparties may be.

The Dodd-Frank Act has generally had the effect of increasing overall costs of entering into derivatives transactions. In particular, clearing requirements, margin requirements, position limits and capital charges, even if not directly applicable to a Client, likely have the effect of increasing the pricing of derivatives transactions sold by market participants to whom such requirements apply. Administrative costs due to requirements, such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to a Client, are also reflected in higher pricing of derivatives. Exchange-trading and trade reporting requirements may lead to reductions in the liquidity of derivative transactions, cause adverse pricing or reduced availability of certain derivatives, or the reduction of opportunities for a Client, adversely affecting the performance of certain of such Client's trading strategies.

In parallel with the Dodd-Frank Act and other U.S. initiatives, steps have also been taken to regulate over-the-counter derivatives in the European Union and the United Kingdom. European Union Regulation No. 648/2012 (also known as the European Market Infrastructure Regulation or "EMIR") requires certain "eligible" over-the-counter derivative contracts to be submitted for clearing to regulated central clearing counterparties and mandates the reporting of certain details of derivative contracts to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor, and mitigate operational counterparty credit risk in respect of over-the-counter derivative contracts not subject to mandatory clearing. These requirements include the posting and segregation of collateral by certain financial market participants in relation to certain uncleared derivative contracts (referred to as the "EMIR margin requirements"). These clearing requirements and the EMIR margin requirements will likely increase a Client's overall costs of entering

into derivatives transactions with an EU bank counterparty. Regulatory changes arising from EMIR may in due course adversely affect the counterparties with which a Client transacts or a Client's ability to achieve its investment objectives.

Inherent Leverage

Trading in derivative instruments can result in large amounts of inherent leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by a Client and could cause a Client's net asset value to be subject to wider fluctuations than would be the case if such Client did not use the leverage feature of derivative instruments.

Short Sales

A short sale will result in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. A short sale will result in a loss if the price of the securities sold short increases. Any gain will be decreased, and any loss will be increased, by the amount of any payment, dividend or interest that a Client may be required to pay with respect to the borrowed securities, offset (wholly or partly) or (in very low interest rate environments) exacerbated by short interest credits. In a generally rising market, short positions may be more likely to result in losses because the securities sold short may increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase.

Investors involved in short selling may be materially and adversely affected by so-called "short squeezes". A short squeeze may occur when a stock's price moves higher, for any reason, after the stock is heavily shorted, and short sellers must buy shares to exit their positions and mitigate losses. Those purchases further drive up prices and may prompt more short sellers to exit their short positions. As a result, stock price increases accelerate. The risk was highlighted by substantial losses to certain hedge funds and other short sellers in connection with short squeeze rallies caused by retail investors and social media activity involving companies such as Gamestop Corp. If a Client sells stocks short that become the target of a short squeeze, such Client could suffer significant losses as a result of being compelled to replace borrowed securities at extremely disadvantageous times.

Disposition of Private Investments

Many of Clients' portfolio investments will involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market. This lack of liquidity could result in selling such private securities at a discount. In connection with the disposition of a portfolio investment in private securities of a portfolio company, a Client could agree to purchase price adjustments and could be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. A Client could be obligated to fund additional capital pursuant to such purchase price adjustments and also could be required to indemnify the purchasers of such portfolio investment to the extent that any such representations turn out to be inaccurate. These transactions could ultimately yield funding obligations that must be satisfied by investors to the extent of their commitments or prior distributions made to such investors.

Nature of Structured Securities

Although secured or unsecured debt securities, senior or preferred equity securities or other similar instruments are typically senior to common stock or other equity securities, the secured or unsecured debt securities, senior or preferred equity securities or other similar instruments in which a Client will invest will generally be unsecured and subordinated to substantial amounts of senior debt, all or a significant portion of which could be secured. In addition, these securities are unlikely to be protected

by all of the financial covenants, such as limitations upon additional indebtedness, typically protecting such senior debt. Holders of subordinated debt generally are not entitled to receive any payments in bankruptcy or liquidation until senior creditors are paid in full. Holders of senior equity and junior debt securities are not entitled to payments until all creditors are paid. In addition, the remedies available to holders of subordinated debt are normally limited by restrictions benefitting senior creditors. In the event any portfolio company cannot generate adequate cash flow to meet senior debt service, a Client could suffer a partial or total loss of capital invested.

Preferred Securities

The Adviser expects certain Clients to invest in preferred securities that are rated in the lower rating categories by various credit rating agencies or, more commonly, in comparable non-rated securities. Securities in the lower rating categories and comparable non-rated securities are subject to greater risk of loss of principal and interest than higher rated and comparable non-rated securities and are generally considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They are also generally considered to be subject to greater risk than securities with higher ratings and comparable non-rated securities in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with the lower rated and comparable non-rated securities, the yields and prices of such securities are likely more volatile than those for higher rated and comparable non-rated securities. The market for lower rated and comparable non-rated securities is thinner, often less liquid and less active than that for higher rated and comparable non-rated securities, which can adversely affect the prices at which these securities can be sold and could even make it impracticable to sell such securities.

Equity Securities

Among other investments, The Adviser expects certain Clients to invest in common and preferred stock and other equity securities, including both public and private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities could be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities can cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting regularities. A Client could experience a substantial or complete loss on individual equity securities.

Common Stock and Warrants

Clients could invest in or could receive common stock, or warrants for the purchase of common stock, as part of a portfolio investment. The common stock or warrants that could be received or acquired by a Client are not likely to provide for liquidation preferences, governance rights or other contractual terms that are generally associated with the securities that will comprise the majority of a Client's portfolio.

Debt Investments

To the extent a Client acquires debt investments, debt investments could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which could be secured and bearing floating interest rates. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for debt investments. Other factors could materially and adversely affect the market price and yield of such debt investments, including, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Debt investments will also entail normal credit risks (i.e., the risk of non-payment of interest

and principal). Moreover, a debt investment bearing “paid-in-kind” interest will generally have a higher risk of non-payment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. In addition, a debt investment could be subject to repayment or redemption at the option of the issuer. If a debt investment held by a Client is called for repayment or redemption, the Client will be required to permit the issuer to redeem such investment, which could have an adverse effect on the Client’s ability to achieve its investment objective.

Subordination

The senior equity, junior debt securities or other similar instruments of a Client will typically be subordinated to the senior obligations of an issuer, either contractually, in the case of debt securities, or because of the nature of the security, in the case of preferred stock, or structurally, in the case of an investment at the holding company level. Such subordinated investments can be characterized by greater credit risks than those associated with the senior obligations of the same issuer. Adverse changes in the financial condition of an issuer, general economic conditions, or both can impair the ability of such issuer to make payments on the subordinated securities and result in defaults on such securities more quickly than in the case of the senior obligations of such issuer.

Credit Risks of Investments in Debt Investments

Any debt investments of a Client in a portfolio company are likely to be subject to credit risk, which is the likelihood that a company will default in the payment of principal and/or interest on its debt obligations, among other covenants and requirements. Financial strength and solvency of a company are key factors influencing credit risk. Portfolio companies are also likely to face intense competition, changing business and economic conditions or other developments that could adversely affect their performance and therefore increase credit risk. In addition, subordination, lack or inadequacy of collateral or credit enhancement for a debt instrument can affect its credit risk, which can change over the life of an investment. Such portfolio companies could contest enforcement of foreclosure or other remedies, seek bankruptcy protection against such enforcement and/or bring claims for lender liability in response to actions to enforce debt obligations.

In any event, the Adviser anticipates that Clients’ portfolio companies are expected to present a high degree of business and credit risk. Portfolio investments could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or economic and financial market downturns and dislocations. As a result, portfolio companies that a Client expected to be stable or improve could operate, or expect to operate, at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or maintain their competitive position, or might otherwise have a weak financial condition or be experiencing financial distress. If any of the above were to occur with respect to any of the portfolio companies in which a Client holds a debt investment, then the Client’s ability to make anticipated distributions to its investors could be delayed or otherwise adversely affected.

Impact of Bankruptcy and Other Proceedings on Debt Investments

When a company seeks relief under the Bankruptcy Code (or has a petition filed against it), with limited exceptions, an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors could be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be “adequately protected” during the proceedings. If the bankruptcy court’s assessment of adequate protection is inaccurate, then a creditor’s collateral could be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if a Client holds a secured claim, it should be assumed that it will be prevented from collecting the liquidation value of the collateral

securing its debt, unless relief from the automatic stay is granted by the court. If relief from stay is not granted, then the Client may not realize a distribution on account of its secured claim until a plan of reorganization or liquidation for the debtor is confirmed.

Bankruptcy proceedings can involve substantial legal, professional and administrative costs to a portfolio company and a Client, and during the process the investee company's competitive position could erode, key management personnel could depart and the company could lose its ability to invest adequately. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer's fundamental value. Such investments can result in a total loss of principal. Bankruptcy proceedings are also inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes, and are subject to unpredictable and lengthy delays. The equitable power of bankruptcy judges also can result in uncertainty as to the ultimate resolution of claims. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent with the interests of, a Client. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and/or functional operating control of a debtor.

Unsecured Loans and Collateral Impairment

In the event of a default by a borrower underlying a debt investment, a Client might not receive payments to which it is entitled and thereby could experience a decline in the value of its portfolio investments in the borrower. If a Client invests in debt that is not secured by collateral, in the event of such default, a Client will have only an unsecured claim against the borrower. In the case of loans that are secured by collateral, while the Adviser generally expects the value of the collateral to be greater than the value of such loans, the value of the collateral could actually be equal to or less than the value of such loans or could decline below the outstanding amount of such loans subsequent to a Client's investment. The ability of a Client to have access to the collateral could be limited by bankruptcy and other insolvency laws. Under certain circumstances, the collateral could be released with the consent of the lenders or pursuant to the terms of the underlying loan agreement with the borrower. There is no assurance that the liquidation of the collateral securing a loan would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal, or that the collateral could be readily liquidated. As a result, a Client might not receive full payment on a secured loan portfolio investment to which it is entitled and thereby could experience a decline in the value of, or a loss on, the portfolio investment.

Minority Investments

The Adviser expects certain Clients to make minority equity investments in portfolio companies where they could have more limited influence. In such a case, it will primarily be the responsibility of management teams and boards of directors of such companies, which could include representation by other investors whose interests could conflict with the interests of a Client, to operate the portfolio companies on a day-to-day basis. Such portfolio companies could have economic or business interests or goals that are inconsistent with those of a Client, and a Client may not be in a position to limit or otherwise protect the value of its portfolio investments in such portfolio companies. A Client's control over the investment policies of such portfolio companies could also be limited. This could result in a Client's portfolio investments being frozen in minority positions that incur substantial losses. In addition, if a Client takes a minority position in publicly-traded securities as a "toehold" investment, such publicly-traded-securities could fluctuate in value over the limited duration of the Client's portfolio investment in such securities, which could potentially reduce returns to the investors. Therefore, there can be no assurance that Clients will be able to realize the value of any such portfolio investments and distribute proceeds in a timely manner. In addition, although the Adviser plans to seek

board representation in connection with Clients' minority portfolio investments, there is no assurance that such representation, if sought, will be obtained. Further, a Client could have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management.

Possible Hedging Activities

Clients may use certain hedging strategies in connection with the acquisition, holding, financing, refinancing or disposition of one or more portfolio investments in order to minimize the risk of a decrease in the value of such portfolio investment(s), and portfolio companies themselves will also utilize hedging techniques in order to enhance returns. The use of hedging strategies is a highly specialized activity and there can be no assurance that their use will achieve the intended result. These hedging strategies could limit the ability of a Client to profit from the increase in the value of a portfolio investment above a certain price. While such hedging transactions can reduce certain risks, such transactions themselves could entail certain other risks, including (but not limited to) counterparty credit risk, bankruptcy or insolvency, convergence and other risks related to derivative investments. Changes in liquidity could result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while a Client and portfolio companies can benefit from the use of hedging instruments, unanticipated changes in interest rates, securities prices, commodity prices, currency exchange rates and/or other events relating to such hedging transactions could result in a poorer overall performance for a Client and the portfolio companies than if they had not used those hedging instruments. In addition, if judgments made with respect to future stock prices, exchange rates, market conditions or trends are not correct, these hedging strategies could result in losses to a Client. A Client's hedging activities will be subject to any limitation imposed by the de minimis exemption under CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act of 1936, as amended (the "Commodity Exchange Act") applicable to a Client at the applicable time.

Co-Investments with Third Parties

Clients could from time to time co-invest with third parties through jointly owned acquisition vehicles, partnerships, joint ventures or other structures. A Client could be a minority investor in an underlying portfolio company these circumstances. In such cases, a Client would be significantly reliant on such third parties or the existing management or the board of directors of such companies, which could include representation of other financial investors with whom the Client is not affiliated and whose interests could conflict with the interests of the Client. Furthermore, a Client's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such third-party co-venturers or partners and the Client's relative ownership stake in such investments. In addition, such arrangements could restrict the Client's ability to dispose of its investments for potentially significant periods of time. Such investments will involve risks not present in investments where a third party is not involved. A third-party co-venturer or partner with a Client could have financial difficulties resulting in a negative impact on such investment, could have economic or business interests or goals which are inconsistent with those of the Client or could be in a position to take (or block) action inconsistent with the Client's investment objectives. A Client could be liable for the actions of its third-party co-venturers or partners. Co-investments could also involve higher costs than other investments, such as management fees, performance fees, carried interest, incentive allocation or reimbursements for fees, costs and expenses payable to or liabilities or other obligations to such third-party co-venturers or partners. Third-party co-venturers or partners potentially could include investors in a Client. Although a Client may not have control over these investments and, therefore, could have a limited ability to protect its position therein, the Adviser generally expects that appropriate minority investor rights will be obtained to protect a Client's interests to the extent possible. There can be no assurance, however, that such minority investor rights will be available or that such rights will provide sufficient protection of a Client's interests or that such rights will be controlled by a Client.

Fund-of-Funds Investment Risks

Clients could make investments in funds (including, but not limited to, co-investment vehicles) which are managed by third-party managers (each such fund or co-investment vehicle, an “Underlying Fund”, and the third-party managers of the Underlying Funds, the “Underlying Fund Managers”). The following are potential risks associated with such investments.

The Adviser Does Not Participate in the Management of the Underlying Funds

The Adviser will generally have no or limited rights and ability to participate in the management or control of the business of the Underlying Funds and thus must rely substantially upon the ability of the Underlying Fund Managers with respect thereto and with respect to making and monitoring investments. There is no guarantee that the Underlying Fund Managers will act in accordance with any disclosure documents or descriptive materials given by them to the Adviser. In addition, the Adviser will generally not have an opportunity to evaluate the specific investments made by the Underlying Fund Managers or the terms of such investments.

Multiple Levels of Expense

Clients bear their direct expenses and management costs, as well as their pro rata share of the expenses and management costs incurred by the Underlying Funds in which they invest. It is expected that the Underlying Funds will charge management fees and incentive fees or allocations or carried interest to their investors, a portion of which will be paid, directly or indirectly, by the Clients.

Payment of Performance Fees and Allocations to the Underlying Fund Manager

The Underlying Fund Managers will receive any performance-based fees and allocations to which it is entitled, irrespective of the performance of individual investments made by Clients. The Underlying Fund Managers with positive performance may receive a performance-based fee or allocation indirectly from a Client and its investors, even if the Adviser would not be eligible to receive carried interest due to terms of the distribution waterfall of a Client.

Lack of Coordination Among Investments

No assurance can be given that the collective performance of the investments will result in profitable returns for a Client. The good performance achieved by one or more investments may be neutralized by the poor performance experienced by other investments.

Reliance on Third-Party Fund Management

Clients invest in the Underlying Funds managed by the Underlying Fund Managers which are unrelated to the Adviser and its affiliates and, directly or indirectly, in investments selected by such unrelated Underlying Fund Managers. The success of a Client depends upon the ability of the Underlying Fund Managers to develop and implement strategies that achieve a Client’s investment objective. Although the Adviser will attempt to evaluate the Underlying Funds based on criteria such as its investment strategy and past performance as well as past performance of its Underlying Fund Managers with respect to other investment products, past performance may not be a reliable indicator of future results. None of the Adviser or its affiliates will have an active role in the day-to-day management of the Underlying Funds in which a Client invests. Moreover, the Adviser will generally not have the opportunity to evaluate the specific investments made by the unaffiliated Underlying Fund Managers before they are made, and may not be able to dispose of an investment in the Underlying Funds if the Adviser is dissatisfied with such Underlying Fund’s performance. Accordingly, the returns of a Client will depend on and could be substantially adversely affected by the performance of the unrelated Underlying Fund Managers.

Limited Liquidity

Clients generally may not sell, transfer, exchange, assign, pledge, hypothecate or otherwise dispose of its interest (or any portion thereof) in the Underlying Funds without the consent of the applicable general partner or manager. In addition, the Underlying Funds may have “lock-up” periods, side pockets or other limits on liquidity where the ability of a Client to make withdrawals from the Underlying Funds will be restricted. It is possible that a Client will not return any of an investor’s capital, and prospective investors should not subscribe unless they can readily bear the consequences of such a loss.

Temporary Investments

Clients may make additional investments in, or withdrawals from the Underlying Funds only at certain times specified in the governing documents of such Underlying Fund. From time to time, a Client may have to invest some of its assets temporarily in fixed income securities and money market instruments or may hold cash or cash equivalents, pending the investment of assets in other investments.

Non-Disclosure of Other Arrangements

The Underlying Fund Managers may, without notice to a Client, enter into agreements with certain investors granting them, among other things, greater portfolio transparency, fee waivers or reductions, different minimum investment amounts, shares having different voting rights or restrictions, additional rights to reports and other information and other more favorable investment terms, including withdrawal rights, than the terms associated with a Client’s investment. The Underlying Fund Managers may have no obligation to offer such additional rights, terms or conditions to its other investors, including a Client. The Adviser may in its discretion cause a Client to seek “most favored nation” protection in order to obtain the same rights given to another investor if those rights are more favorable than those originally obtained by a Client. However, there can be no assurance that a Client will obtain such protection with respect to the Underlying Funds.

Access to Information from the Underlying Fund Managers

The Adviser intends to request information from the Underlying Fund Managers regarding such Underlying Fund Manager’s performance and investment strategy. However, the Adviser may not always receive such information because certain of this information may be considered proprietary by the Underlying Fund Managers. The Underlying Fund Managers’ use of proprietary investment strategies that are not fully disclosed to the Adviser may involve risks under some market conditions that are not anticipated by the Adviser. Furthermore, this lack of access to information may make it more difficult for the Adviser to select, allocate among and evaluate the Underlying Fund Managers or successfully diversify or hedge a Client’s portfolio.

Valuation of Securities

The fair market value of all portfolio investments or of property received in exchange for any portfolio investments will be determined by the Adviser in accordance with the governing documents. Accordingly, the fair market value of a portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. The valuation of such investments will be determined by the Adviser in accordance with procedures set forth in the governing documents. Different methods of valuing securities may provide materially different results. Actual realized returns on all unrealized investments will depend among other things on the value of the securities at the time of disposition, any related transaction costs and the manner of sale. Accordingly, the actual realized return on all unrealized investments may differ materially from the values presented to the investors.

Risk of Team Integration

Although the Firm believes that the personnel of One Madison who were personnel of One Madison prior to January 2024 (including, but not limited to, Mr. Omar Asali) and the personnel of One Madison who were previously personnel of the Family Office possess business values and exhibit cultural attributes that should enhance and streamline the integration of both groups of personnel into the new One Madison organization, there can be no assurance that such integration will be successful, that disagreements will not arise or that the integration will not otherwise adversely affect the ability of the Firm and its Clients to achieve their investment objectives.

Cybersecurity Risk

With the increased use of technologies such as the internet and the dependence on computer systems to perform necessary business functions, Client accounts, investment vehicles such as a Fund, portfolio investments and their respective service providers may be prone to operational and information security risks resulting from cyberattacks. In general, cyberattacks result from deliberately malicious behavior, but unintentional events may have effects similar to those caused by cyberattacks. Cyberattacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and the intentional triggering of operational disruptions. Successful cyberattacks against, or security breakdowns of, a Client account, the Firm, portfolio investments and/or any of their third-party service providers may adversely impact a Client or Investors. For instance, cyberattacks may interfere with the processing of investor transactions, impact the Firm's ability to value assets, cause the release of private investor information or confidential information of a Client, impede trading, cause reputational damage, and subject a Client or the Firm to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. A Client may also incur substantial costs for cybersecurity risk management in order to prevent similar incidents in the future. A Client and Investors could be negatively impacted as a result. While the Firm and relevant service providers may have established business continuity plans and systems designed to prevent such cyberattacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cybersecurity risks are also present for issuers of securities or other instruments in which a Client invests, which could result in material adverse consequences for such issuers and may cause the portfolio investments therein to lose value.

Pandemics and Other Public Health Crisis; General Economic and Market Conditions

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, ebola and the outbreak of COVID-19 (as defined below), have resulted in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could cause a significant or total loss of portfolio investments' value. In particular, the outbreak of diseases or similar public health threats, or even the fear of such an event, affects travel demand, travel behavior, and gives rise to travel restrictions, each of which could have a material adverse impact on Clients, portfolio investments, and their businesses, financial conditions and operating results.

The 2019-2022 outbreak of a novel and highly contagious form of coronavirus ("COVID-19") caused a worldwide public health emergency, straining healthcare resources and resulting in extensive numbers of infections, hospitalizations and deaths. COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and at times, the decline in financial markets. Among other things, these developments have, at various times, resulted in reductions in demand across certain categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions,

including office, business and school closures, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, political protests, discourse and turmoil over mitigation efforts, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment. Certain of these issues are ongoing, and it is unknown whether those that appear to have been remediated will resurface.

Pandemics, other public health emergencies or similar public health threats could have a significant adverse impact and cause a significant or total loss of the value of portfolio investments. The extent of any loss will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact could include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors could limit the ability of Clients to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions could constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy Clients intend to pursue, all of which could adversely affect Clients' ability to fulfill their investment objectives. They could also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including partial or total loss of portfolio investments' value. With respect to any delayed draw or revolving loans made by Clients to a portfolio company, the portfolio company could be incentivized for liquidity or other reasons to draw on most, if not all, of the unfunded portion of such loan and Clients may not have the ability under the applicable credit agreement to refuse to fund such draw without being in default and/or suffering financial penalties. In addition, the operations of Clients, their portfolio companies, the Adviser and its affiliates and the parties to debt instruments and commercial agreements underlying portfolio investments generally could be significantly impacted, or even temporarily or permanently halted, as a result of any future public health emergencies or any measures, restrictions on travel and movement, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures could also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

The success of Clients' activities will also be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of portfolio investments), trade barriers, currency exchange controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the portfolio investments, including, without limitation, common equity and related equity derivative instruments, high-yield securities, convertible securities and derivatives, including futures and option prices, which can be highly volatile. During periods of limited liquidity and higher price volatility, Clients' ability to acquire or dispose of their portfolio investments at a price and time that Clients deem advantageous may be impaired. There is no guarantee that Clients will be able to achieve their investment objectives or provide any return on invested capital. For example, during the global financial crisis of 2007 to 2008, various sectors of the global financial markets experienced an extended period of adverse conditions featuring market uncertainty, reduced liquidity, greater volatility, general widening of credit spreads and a lack of price transparency. To the extent that marketplace conditions deteriorate, these conditions could have a material adverse impact on Clients and their portfolio investments.

Reliance on Portfolio Company Management Team

Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the Adviser will be responsible for monitoring the performance of each investment and a Client seeks to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with a Client's plans. The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team. Additionally, portfolio companies will need to attract, retain and develop executives and members of their management teams. The market for executive talent is, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Client may be adversely affected thereby.

Lack of Diversification

A Client will participate in a limited number of investments and may seek to make several investments in a single industry. As a result, a Client's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Client may invest in fewer portfolio companies and thus be less diversified. As is typical of venture capital firms, the portfolio holdings of a Client will not be broadly diversified. As a consequence, the aggregate return of a Client may be adversely affected by the unfavorable performance of one or a small number of companies, sectors, countries or regions in which the Client has invested.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur that could adversely affect Clients, their portfolio investments or Investors. For example, Clients expect to make investments in the industrials sector, which could become subject to new regulation by one or more U.S. federal agencies and by various agencies of the states, localities and counties in which it operates. New and existing regulations, changing regulatory schemes and the burdens of regulatory compliance could have a material adverse impact on the performance of portfolio companies that operate in this industry. The Adviser cannot predict whether new legislation or regulation governing this industry will be enacted by legislative bodies or governmental agencies, nor can it predict what effect such legislation or regulation might have. There can be no assurance that new legislation or regulation, including changes to existing legislation or regulations, will not have a material adverse impact on a Client's investment performance.

In addition, the Adviser and its affiliates engage in a broad variety of activities. These activities have subjected and could in the future subject the Adviser and its affiliates to risks of becoming involved in litigation by third parties or could subject the Adviser and its affiliates to investigations or proceedings initiated by governmental authorities. It is difficult to determine what impact, if any, such litigation could have on the Adviser and its affiliates, or Clients. As a result, there can be no assurance that the foregoing will not have an adverse impact on the Adviser and its affiliates or Clients or otherwise impede Clients' ability to effectively achieve their objectives.

Enhanced Scrutiny and Regulations of the Private Funds and Financial Services Industries; Proposed SEC Private Funds Regulations

The growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private funds industry and its practices over the past fifteen years. In particular, on July 21, 2010, former U.S. President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). This comprehensive reform of the United States' financial regulatory system, among other things, requires registration with the U.S. Securities and Exchange Commission ("SEC")

of advisers to private funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes reporting and record-keeping obligations with respect to the private funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that affect the private funds industry, either directly or indirectly.

In addition, as alternative asset managers have become influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators and market commentators. In Germany, for example, U.S. and UK private equity firms are perceived by some as having been responsible for certain high profile bankruptcies as well as high levels of domestic unemployment. There have been similar concerns expressed in other European countries. Various federal, state and local agencies have examined the role of placement agents, finders and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have targeted private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on the Funds and the Adviser and its affiliates, or otherwise impede the Funds' activities.

This increased political and regulatory scrutiny of the private funds industry was particularly acute during the global financial crisis. For example, in addition to the U.S. and European legislation described above, other jurisdictions proposed modernizing financial regulations that called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is a risk that regulatory agencies in the United States, Europe or elsewhere could continue to adopt burdensome laws (including tax laws) or regulations, or could implement changes in law or regulation, or could pursue interpretation or the enforcement thereof, which are specifically targeted at the private funds industry.

With respect to interpretation and enforcement in the United States, the SEC stated publicly in recent years that its Division of Examinations (formerly known as the Office of Compliance Inspections and Examinations) intensified efforts to examine private fund advisers, with a focus on issues of concern identified in the course of presence exams of newly registered advisers that occurred shortly after the enactment of the Dodd-Frank Act. Such issues included, among others, the disclosure and allocation of fees, costs and expenses; marketing practices; portfolio management; conflicts of interest; safety of client assets; and valuation. Consistent with such efforts, the SEC dramatically increased its pursuit of enforcement actions against private fund managers. Such actions alleged a variety of conduct, including undisclosed or unapproved related-party and affiliate transactions, as well as undisclosed fees, costs and expenses and other undisclosed conflicts of interest. Industry observers generally agree that the enforcement trend is likely to continue.

On August 23, 2023, the SEC adopted a number of new rules and amendments to existing rules under the Advisers Act (the "Private Funds Rules") including new requirements related to quarterly statements, financial statement audits, restricted activities and the preferential treatment of certain investors. Specifically, the Private Funds Rules include (i) a requirement for detailed quarterly disclosure to investors of private fund performance, fees and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates) and additional portfolio investment-level disclosure, (ii) limitations and conditions on the ability of advisers to charge certain types of fees and expenses to private funds (including reductions to carried interest clawbacks for taxes and fees and expenses related to investigations that result in sanctions under the Advisers Act), (iii) a prohibition on the allocation of fees or expenses related to a portfolio investment on a non-pro rata basis among multiple private funds invested in the same portfolio investment unless the allocation is fair and equitable and the adviser provides a prior written notice of the non-pro rata allocation and a description

of how such allocation is fair and equitable, (iv) subject to certain limited exceptions, limitations on an adviser's ability to grant certain types of preferential terms regarding redemptions or information about portfolio holdings or exposures to only certain investors (e.g., through side letters), (v) a requirement to provide written notice to current and prospective investors of certain preferential terms granted to only certain investors in the same fund and (vi) a requirement for the adviser to document an annual compliance review.

Furthermore, on May 3, 2023, the SEC also approved amendments to Form PF (the "Form PF Amendments" and, together with the Private Funds Rules, the "Adopted Rules") which, among other things, require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company's capital structure, and portfolio company restructurings or recapitalizations. The Form PF Amendments also require that advisers report certain events to the SEC within 72 hours of their occurrence.

A separate cybersecurity rule proposal (the "Proposed Cybersecurity Rules") would require advisers and funds to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC, and provide enhanced disclosure of cybersecurity risks and incidents to investors. For a further discussion of cybersecurity-related risks, please see "*Cybersecurity Risk*" above.

The SEC has also proposed amendments to rules and disclosure forms (the "Proposed ESG Rules and Forms") to increase disclosure obligations regarding certain funds' and advisers' incorporation of environmental, social and governance factors in their investment process and a new oversight rule and rule amendments under the Advisers Act (the "Proposed Outsourcing Rules") that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the "Proposed Custody Rule Changes" and, together with the Proposed Cybersecurity Rules, the Proposed ESG Rules and Forms and the Proposed Outsourcing Rules, the "Proposed Rules"), which would expand the current custody rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act. The final versions of the Proposed Rules could (but are not expected to) differ significantly from the Proposed Rules.

There can be no guarantee as to the enforcement in practice of the Adopted Rules or as to the content of the final versions of the Proposed Rules. In particular, certain trade associations have filed suit challenging the Private Funds Rules, and the outcome of that litigation and its effect on enforcement is uncertain. The Adopted Rules, and if adopted as proposed, the Proposed Rules, are expected to increase the cost of operating the Funds (including those costs ultimately allocated to the Funds) and the time and resources that the Adviser and its affiliates will be required to devote to reporting and compliance matters. The effect of the Adopted Rules and the Proposed Rules on the Funds and the Adviser or its affiliates could be substantial and adverse.

There can be no assurance that the Funds and the Adviser and its affiliates will avoid regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including undisclosed fee sharing arrangements with co-investors; the undisclosed disproportionate allocations of fees, costs and expenses to managed funds for services that benefited the applicable adviser but without cost to the adviser; the undisclosed allocation of transaction fees to co-investors to reduce the magnitude of management fee offsets; engagement in unregistered broker-dealer activities; the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (*i.e.*, the allocation of broken deal expenses); undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser; the undisclosed acceleration of monitoring fees; and undisclosed conflicts relating to determinations of permanent impairment. Although the Adviser believes that the foregoing practices were or have been common historically

amongst private fund advisers within the U.S. private funds industry, if the SEC or any other governmental authority, regulatory agency or similar body takes issue with the practices of the Funds or the Adviser or its affiliates as they pertain to any of the foregoing or any other activities, the Funds and the Adviser and its affiliates will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or if the sanction imposed against the Adviser was small in monetary amount, the Funds and the Adviser or its affiliates could be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction.

In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, whether in the United States or abroad, could increase the cost of acquiring, holding or divesting a Fund's portfolio investments in portfolio companies, the profitability of such enterprises and the cost of operating a Fund. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of Clients exposes Clients and the Adviser and its affiliates generally to the risks of third-party litigation.

Enhanced Scrutiny of the Private Equity Industry Specifically

Recently proposed legislation in the United States would impose a number of highly significant restrictions and burdens on private fund managers, the funds that they sponsor and their investors. These proposals would, among other things (a) remove the limited liability status of investors in a private fund that acquires 20% or more of the voting securities of a portfolio company (a "Controlling Interest") and hold the investors jointly and severally liable for debts and obligations of such portfolio company, (b) prohibit indemnification by a portfolio company of a private fund that holds a Controlling Interest in the portfolio company, as well as indemnification of the private fund's manager, its affiliates and their respective employees and (c) prohibit any dividend recapitalization within 24 months of the date that a private fund acquires a Controlling Interest in a portfolio company. If these proposals were to be enacted, even if only in part, they would materially and adversely affect the ability of Clients and the Adviser and its affiliates to engage in the investment activities and other operations that they are intended and expected to engage in. This could result in Clients being unable to meet their investment objectives, or could require Clients to make, hold, manage and exit investments and otherwise operate in a manner that involves greater potential liability, risk and expense with lower potential returns for investors, including due to the use of alternative investment vehicles and/or parallel partnerships.

In that regard, the outcome of the 2020 U.S. presidential and other elections is widely believed by many observers to have resulted (and will continue to result) in higher taxation and tightened regulatory scrutiny on the asset management industry and to have increased the likelihood of certain, or all, of the proposed legislation described above being adopted. Such changes could potentially result in an overall shift in the legal, tax and regulatory regimes in which Clients and their portfolio companies, as well as Clients and the Adviser and its affiliates will operate. In addition to the increased uncertainty regarding the future of such legal, tax and regulatory regimes, any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy and/or government entitlement programs during the term of Clients could have a material adverse impact on Clients and their investments.

The effect of any future regulatory changes on Clients and the Adviser and its affiliates could be substantial and potentially adverse.

Possibility of Misconduct of Employees and Service Providers

Misconduct by employees of the Adviser, service providers to Clients and/or their respective affiliates could cause significant losses to Clients. Misconduct can include entering into transactions without authorization, the failure to comply with operational and risk policies and procedures, including due diligence procedures or operational or risk procedures, misrepresentations as to investments being considered by Clients, the improper use or disclosure of confidential, proprietary, sensitive, personal

or other non-public information, which could result in litigation or serious financial harm, including limiting a Client's business prospects or future marketing activities, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities would likely result in reputational damage, litigation, business disruption and/or financial losses to a Client.

Compliance Failures

The Adviser and certain of its affiliates are regulated entities, and any compliance failures or other inappropriate behavior by them are likely to have a material adverse effect on Clients. The provision of investment management services is regulated in most relevant jurisdictions, and the Adviser must maintain its regulatory authorizations to continue to be involved both in the management of Clients' investments and to continue the Adviser's businesses generally. The Adviser's ability to source and execute investment transactions for Clients, and investor sentiment with respect to Clients, will be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior by the Adviser or its affiliates.

Force Majeure Events

Clients' investments could be subject to catastrophic events and other force majeure events. These events could include fires, floods, pandemics, earthquakes, adverse weather conditions, assertion of eminent domain, strikes, wars, riots, terrorist acts, "acts of God" and similar risks. These events could result in the partial or total loss of a portfolio investment or significant down time resulting in lost revenues, among other potentially detrimental effects, and investors must be prepared to bear such losses. Some force majeure risks are generally uninsurable and, in some cases, investment agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period.

Fluctuations in Financial Markets

During the "Great Recession", various sectors of the global financial markets experienced an extended period of adverse conditions. During this period, market uncertainty increased dramatically, particularly in the United States and Europe, and adverse market conditions expanded to other markets.

These conditions resulted in periods of reduced liquidity, greater volatility, general widening of credit spreads, a contraction in the availability of credit and a lack of price transparency. These difficult global credit market conditions adversely affected the market values of equity, fixed-income and other securities. It is possible that such circumstances could return. The long-term impact of such events would be uncertain, but they have had and in the future they could have an adverse effect on general economic conditions, consumer and business confidence and market liquidity.

The investments to be acquired by Clients could be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could adversely affect the access to capital, ability to utilize leverage or overall performance of Clients or one or more of their portfolio investments, and these or similar events could affect the ability of Clients to execute their investment strategy. Moreover, general fluctuations in the market prices of securities and interest rates could adversely affect the value of portfolio investments and/or increase the risks associated with an investment. There can be no assurances that conditions in the global financial markets will not deteriorate.

Banking Risk

The U.S. financial services industry has recently entered into a new period of uncertainty following a number of regional bank closures and receiverships. The actual and potential consequences of these closures and receiverships include limited liquidity, defaults, non-performance and other adverse developments amongst these financial institutions, giving rise to similar liquidity constraints and

adverse developments among their transactional counterparties and customers. Concerns generally about these institutions, counterparties and customers – actual or perceived – have led and may continue in the future to lead to market-wide liquidity problems.

Specifically, on March 8, 2023, Silvergate Capital Corporation announced its intent to wind down the operations of and voluntarily liquidate Silvergate Bank. On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation (“CDFPI”), which appointed the U.S. Federal Deposit Insurance Corporation (“FDIC”) as receiver. On March 12, 2023, Signature Bank was closed by the New York Department of Financial Services, which appointed the FDIC as receiver. On May 1, 2023, First Republic Bank was closed by the CDFPI, which appointed the FDIC as receiver. Although substantially all depositors of these banks maintained access to their deposits or regained access to their deposits within one business day of closure, including in each case funds held in uninsured deposit accounts, depositors of another financial institution that is placed into receivership may experience longer delays in accessing their funds and may suffer losses with respect to uninsured deposits. In addition, borrowers under credit agreements, letters of credit and certain other financial instruments, of a financial institution that is placed into receivership by the FDIC may be unable to or may be delayed in accessing undrawn amounts thereunder.

Accordingly, any investment is subject to the risk that one or more banks, investment banks, brokers, hedging counterparties, lenders or other custodians of cash and other assets with whom the Firm or Clients (or one or more of their portfolio companies) do business (each, a “Financial Institution”) fail to perform their obligations or experience closure, receivership, bankruptcy or any other form of financial distress or difficulty, including insolvency (each, a “Distress Event”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant deposit withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Clients and portfolio companies may not be able to access deposits, draw upon borrowing facilities or have access to other services for an extended period of time or ever. For example, if any of a Client’s lenders were to be placed into receivership or bankruptcy, the Client could be unable to access existing committed credit lines. In addition, if any of Investors or other parties with whom a Client conducts business are unable to access funds or credit lines with a Financial Institution, such parties’ ability to meet their obligations to the Client or to enter into new arrangements requiring additional capital or payments to the Client could be adversely affected. Similar impacts have occurred in the past, such as during the 2008-2010 financial crisis.

Although deposits with an FDIC-insured bank are insured to applicable limits, which are generally \$250,000 per depositor and per ownership category, and securities and cash held by certain broker-dealers are insured by Securities Investor Protection Corporation (“SIPC”), amounts in excess of the relevant insurance limits are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be attempted, and if it is, there can be no assurance that it will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. It is also possible that there will be further involvement of governmental and other regulatory authorities in financial markets in the United States and/or around the world. The economic circumstances described above could continue or worsen in the future, and changes in general economic conditions are likely to affect Clients’ activities, as well as those of their portfolio companies. For example, a Distress Event could have a potentially adverse effect on the ability of the Adviser to manage Clients and their portfolio investments, and on the ability of Clients, the Adviser and its affiliates and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. By way of example only, Clients could bear additional fees and expenses in the event that Clients are not able to close a transaction (whether due to the inability to draw capital on a subscription facility provided by a

Financial Institution experiencing a Distress Event, the inability or unwillingness of investors to make capital contributions or otherwise). In addition, Clients could be unable to acquire or dispose of portfolio investments at prices that the Adviser believes reflect the fair value of such portfolio investments. Similarly, a Client's portfolio companies could be unable to fund working capital needs (e.g., payroll), fulfill obligations or maintain operations.

The Adviser expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event. However, there can be no assurance that such remedies will be successful, permitted under applicable law or avoid losses or delays. In addition, many Financial Institutions require, as a condition to using their services or otherwise, that its customers maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institution. Although the Adviser seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to Clients and their portfolio companies, the Adviser is under no obligation to use a minimum number of Financial Institutions with respect to Clients (and/or their portfolio companies), or to maintain account balances at or below the relevant insured amounts.

Changes in Credit Markets

A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, a Client's ability to consummate or profit from these transactions. To the extent Clients acquire debt investments in a portfolio company, the ability of any such portfolio company to finance or refinance its debt could depend on its ability to sell new securities or instruments in the high-yield debt or bank financing markets. Adverse changes in economic or financial market conditions similar to those that occurred in past years, such as the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk, could lead to the deterioration of the global credit markets (particularly the U.S. credit markets) and would make it difficult for sponsors to obtain favorable financing for investments. The recurrence of such marketplace events would significantly reduce investor demand and liquidity for investment grade, high yield and senior bank debt, which in turn would lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on relatively unfavorable terms. In addition, to the extent such marketplace events reoccur, they would 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.

In addition, the recurrence of an economic downturn could adversely affect the financial resources of a Client's portfolio investments and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, Clients could lose both invested capital in and anticipated profits from the affected portfolio investment. Such a marketplace would likely impair a Client's ability to consummate certain transactions or cause a Client to enter into certain transactions on less attractive terms. A Client's ability to generate attractive investment returns for investors could be adversely affected to the extent their portfolio companies are unable to obtain favorable financing terms for their investments.

Russia-Ukraine Conflict and Israel-Hamas 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. In addition, as of October 2023, there is currently an ongoing military conflict between Israel and Hamas. However, the ultimate impact of these conflicts and the effect of each on global economic and commercial activity and conditions, and on the operations, financial condition and performance of

Clients or any particular industry, business or investee country, and the duration and severity of those effects, is impossible to predict.

Either or both of these military conflicts could have a significant adverse impact and result in significant losses to Clients. This impact could include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of Clients 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 Clients intend to pursue, all of which could adversely affect Clients' ability to fulfill their investment objectives.

Uncertain Economic, Social and Political Environment

Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence could lead to or extend a localized or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities and increase 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 could have an adverse effect on the economy generally and on the ability of Clients and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This could slow the rate of future investments by Clients and result in longer holding periods for portfolio investments or have other adverse effects on Clients and their investments.

Climate Change-Related Risks

The Adviser and Clients could be exposed to potential physical risks from possible future changes in climate. The Adviser and Clients' portfolio companies could be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, the Adviser's and Clients' exposure to these events could increase. In addition, the Adviser and Clients could be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. The Adviser and Clients cannot provide any assurance that any existing or future regulatory changes will not materially and adversely impact the Adviser and Clients' operations and business in the future.

Political Tensions between the United States and China

Political tensions between the United States and the People's Republic of China ("PRC") have escalated since the COVID-19 outbreak, the PRC National People's Congress' passage of Hong Kong national security legislation, the executive orders issued by former U.S. President Trump in August 2020 that prohibit certain transactions with ByteDance Ltd., Tencent Holdings Ltd. and the respective subsidiaries of such companies, and the executive order issued by former U.S. President Trump in November 2020 that prohibits U.S. persons from transacting in publicly traded securities of certain "Communist Chinese military companies" named in such executive order.

Furthermore, in January 2021, the Chinese government announced sanctions against former secretary of state Mike Pompeo and other high-ranking officials under former U.S. President Trump. Tensions continued to rise when, in May 2022, U.S. President Biden said that the United States would intervene militarily to defend Taiwan if China invades Taiwan by force, when in August 2022, the PRC responded to the visit by former Speaker of the United States House of Representatives Nancy Pelosi to Taiwan by taking various actions including canceling dialogue with the U.S. on military issues, climate change

and other topics and launching military exercises off the coast of Taiwan, when in September 2022, the Biden administration announced a \$1.09 billion arms sale to Taiwan, and when, in February 2023, the U.S. Air Force neutralized several high-altitude balloons owned by the PRC that had entered U.S. and Canadian airspace and territorial waters. Rising political tensions could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on securities prices and the liquidity and value of Clients' portfolio investments.

Conflicts of Interest, Generally

The Firm and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Clients, and providing transaction-related, legal, management and other services to Clients. The Firm will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Clients in an appropriate manner, as required by the applicable governing documents, although the Clients and their respective investments will place varying levels of demand on these over time. In the ordinary course of the Firm conducting its activities, the interests of a Client likely will conflict with the interests of the Firm, one or more other Clients, portfolio companies or their respective affiliates, as applicable, in certain circumstances. Certain of these conflicts of interest are discussed herein.

Family Office Investments and the Family Office

The Family Office and its affiliated entities are anchor investors in the Firm, and the Family Office (and/or affiliated entities) is and will likely in the future be an anchor investor in other Funds and/or operating companies advised and/or operated by the Adviser. Jonathan Soros had, and will continue to have, significant authority over the Family Office Investments, which represent a significant portion of the Adviser's regulatory assets under management as of the date of this Brochure and are expected to represent a significant portion of the Adviser's regulatory assets under management in the near term. This could create an incentive to favor the Family Office Investments over other Clients. In addition to the Family Office Investments, it is anticipated that the Family Office and various affiliated entities could be a potentially significant investor in the Funds sponsored by the Firm. This creates a conflict in that the Firm has an incentive to favor the Family Office and its affiliated entities with respect to certain Fund matters. To address these issues, the Firm has implemented policies and procedures to identify and take appropriate steps to mitigate the conflict and treat Clients in a manner the Firm believes to be fair and equitable over time, including that Mr. Soros will not participate in any vote related to allocation of investment opportunities to Clients of the Firm, other than the Family Office.

In addition to responsibilities with respect to the management and investment activities of Clients of the Firm, certain employees of the Firm will have similar responsibilities with respect to various other investments and operations of the Family Office, as they may provide operational and advisory services and devote time to the Family Office. This may create a number of potential conflicts of interest in connection with such services and the allocation of resources rendered to Clients (including the Family Office) and the activities of Firm professionals on behalf of such Clients. To address these issues, the Firm monitors resources and staffing to ensure Clients receive a fair and equitable allocation of Firm resources.

Allocation of Investment Opportunities

Certain Clients may have overlapping investment objectives, including Clients that have different fee structures, and potential conflicts are expected to arise with respect to the Firm's decision regarding how to allocate investment opportunities among these Clients. From time to time, the Firm is presented with investment opportunities that fall within the investment objectives of more than one Client. While the Firm seeks to manage such potential conflicts of interest in good faith, there may be situations in

which the interests of one Client with respect to a particular investment or other matter conflict with the interests of one or more other Clients. The Firm is permitted to allocate an investment opportunity that is appropriate for two or more Clients in a manner that excludes one or more Clients or results in a disproportionate allocation based on factors or criteria that the Firm determines, including based on their respective investment objectives and also including, without limitations, the amount of available cash, the impact that any such transaction may have on an existing portfolio's diversification, risk and volatility characteristics, existing investments, liquidity, contractual commitments or regulatory obligations and other similar considerations. The determinations made by the Firm in connection with the allocation of investment opportunities will frequently be subjective in nature and will be made pursuant to good faith determinations for allocation decisions based on expectations that will, in certain circumstances, prove inaccurate. Consequently, an investment that was determined as appropriate for one Client may ultimately prove to have been more appropriate for another Client, and where potential overlaps among Clients exist, the Firm is permitted to, in accordance with the Firm's investment allocation policy, forego investment opportunities suitable for a Client. All of the foregoing could in certain circumstances (i) adversely affect the price paid or received by a Client or the size of the position purchased or sold by a Client, (ii) preclude a Client from participating in an investment, (iii) limit the rights a Client may exercise with respect to an investment, or (iv) cause an investment opportunity to yield a different return than expected. Further, in certain cases, persons or entities who the Firm does not have an investment advisory relationship with (each, a "non-Client") could receive allocations of opportunities from the Firm, and are included in the Firm's allocation procedures as if they were advisory clients of the Firm, even though no investment advisory relationship exists between the Firm and such non-Clients. Such cases include, but are not limited to, certain entities to which the Firm provides various services, including management and other services in relation to their business strategies and operations. Although a particular investment opportunity may be appropriate for both a non-Client and a Client (including without limitation a Client which has an interest in or relationship with such person or entity), such opportunity may be allocated in whole or in part to the non-Client, in accordance with the Firm's allocation policies and procedures. Mr. Soros will not participate in any vote related to allocation of investment opportunities to Clients of the Firm, other than the Family Office.

Co-Investments

The Firm reserves the right to offer co-investment opportunities to one or more potential co-investors, including operating partners, senior advisors, vendors, service providers and/or other third parties, as determined by the governing documents and the Firm's allocation policy. The Firm's 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; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; the Firm's 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 the Firm's 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; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a client; and whether the Firm 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 portfolio company, other portfolio companies. Although

the Firm reserves the right to consider a prospective co-investor's willingness to invest in future clients, such willingness generally will not be the sole determining factor considered by the Firm in identifying co-investors. The Firm reserves the right to grant certain Investors priority in co-investment opportunities. Furthermore, the Firm or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor.

In addition to the foregoing, the Family Office has a contractual right to invest its pro rata share (based, generally speaking, on notional assets under management with the Adviser) of any co-investment opportunity, and if other Clients do not take up their full pro rata share of such co-investment opportunity, then the Family Office will be offered the opportunity to take up such additional available share on a pro rata basis (based, generally speaking, on notional assets under management with the Adviser) with all other participating existing Clients of the Firm.

Co-investment opportunities typically will be offered to some and not to other Investors, and the consideration of the factors set forth above likely will result in certain Investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Client, and the Firm expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Client because (i) co-invest opportunities generally appeal to Investors and third parties, (ii) to the extent co-investments made by Investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's governing documents (if any) and (iii) co-investors' proportionate share of a particular investment typically is not subject to the management fee offset provisions of a Client's governing documents (where applicable).

When and to the extent that employees and related persons of the Firm and its affiliates make capital investments in or alongside certain Clients, the Firm and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Client's return from a transaction would be equal to and not less than another Client participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. The Firm's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Firm will allocate investment opportunities in a manner that it believes is fair and equitable to Clients under the circumstances over time and considering relevant factors, there can be no assurance that a Client's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Firm expects to be subject, discussed herein, did not exist.

Investing Across Capital Structure

A Client could make an investment in a portfolio company in which other Clients have invested or in which they are expected to invest, in a different part of the capital structure. While decisions whether to make an investment are made in the context of each Client's investment objectives, programs, limitations, and capital available for investment, this could result in differences among the interests of the Clients in a single portfolio company, including differences in priority or seniority, price, leverage, associated costs and other terms. In addition, such Clients will not necessarily exit the investment at

the same time or on the same terms. As such, one Client's return on an investment in the portfolio company likely will not be the same as that of another participating Client.

Investment by Firm Employees

Employees of the Firm, including members of the investment committee are permitted to invest, and at times will invest significantly, in one or more Funds and/or alongside Clients. Such investments can operate to align the interests of the Firm and their employees with the interests of Clients and Investors but will also give rise to conflicts of interest as such employees can have an incentive to favor the Funds or investments in which they participate or from which they are otherwise entitled to share in returns or fees. Although investments made by employees are generally expected to be on the same terms and conditions as those made by third-party investors, employees (and in some cases, family of employees and/or the Firm) invested in Funds or alongside Clients typically do not bear management fees or performance-based compensation (whether investing directly or through a specially formed vehicle for such persons), or in some cases benefit from reduced rates for such fees. In addition, an affiliate of the Firm that serves as a general partner to, or an entity that receives carry as a "special limited partner" of, a Fund will have an indirect beneficial interest in the investments owned by such Fund and will share in any profits and losses generated by such investments. Further, from time to time, employees of the Firm, or members of their families, could have an interest in a particular transaction, or in securities or other financial instruments of the same kind or class, or a different kind or class, of the same obligor or issuer, that the Firm directs for a Client.

Conflicting Investor Interests.

Investors will likely have conflicting investment, tax and other interests with respect to their investments, including conflicts relating to the structuring of investment acquisitions and dispositions. Potential conflicts of interest are expected to arise in connection with decisions made by the Firm regarding an investment that is more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Firm will consider the investment and tax objectives of Investors and its partners as a whole, not the investment, tax or other objectives of any Investor individually.

Excuse; Exclusion

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

Side Letters; Different Terms Among Investors

The Advisor, without any further act, approval or vote of any Investor, will enter into side letters or other writings with Investors which have the effect of establishing rights under, or altering or supplementing, the terms of the Fund documents that are more favorable than the terms given to other Investors (including with respect to carried interest, fees, costs and expenses). As a result of such side letters, certain Investors will receive additional benefits that other Investors will not receive or terms that are more favorable than the terms given to other Investors) including, without limitation, (i) “most favored nations” treatment with respect to terms granted in other side letters, (ii) the right to appoint a voting or non- voting member to any advisory board to the Fund, (iii) terms that relate to the tax, legal or regulatory situation, internal policies, structural attributes, operational or contractual requirements, principal place of business, jurisdiction of formation or domicile or organizational form of the applicable Investors, (iv) waivers of the confidentiality obligation under the Fund documents, (v) rights with respect to reporting or notice of or access to information not otherwise contemplated by the Fund documents, (vi) terms clarifying or limiting the scope of any power of attorney set forth in the Fund documents and (vii) waivers, discounts or other reductions to the Fund’s carried interest, fees, costs and expenses. Any rights established, or any terms of the Fund documents altered or supplemented, in such side letters or other writings with an Investor will govern with respect to such Investor notwithstanding any other provision of the Fund documents. Such side letters will result in differential treatment among the Investors.

Other Investment Activities and Relationships

The Firm, the Founders and the Firm’s other personnel are expected to be investors in and/or will devote time in the future to other business and/or investment activities. In addition, the activities of the Firm are not and will not be the sole focus of certain of the Founders nor the sole focus of certain Firm personnel and all or substantially all of such persons have (and are expected to continue to have) required time commitments to other business and/or investment activities. Conflicts will arise as a result of such activities and in the allocation of management resources. In addition, the possibility exists that the companies with which any such person or entity is involved could engage in transactions which would be suitable for Clients, but in which Clients might be unable to invest.

See also Item 10 and Item 11 for a discussion of additional conflicts.

C. See Item 8.B. above.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the Adviser's advisory business or the integrity of the Adviser's management.

There are no legal or disciplinary events that are material with respect to an evaluation of the Adviser's advisory services or the integrity of its management.

Item 10 - Other Financial Industry Activities and Affiliations

- A. *Broker-Dealers.* Neither the Adviser nor any of its management persons is registered, or has an application pending to register, as a broker-dealer or registered representative of a broker-dealer.
- B. *Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor.* Neither the Adviser nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.
- C. *Family Office.*

The Family Office and its affiliated entities are anchor investors in the Firm, and the Family Office (and/or affiliated entities) is and will likely in the future be an anchor investor in other Funds and/or operating companies advised and/or operated by the Adviser. Jonathan Soros had, and will continue to have, significant authority over the Family Office Investments, which represent a significant portion of the Adviser's regulatory assets under management as of the date of this Brochure and are expected to represent a significant portion of the Adviser's regulatory assets under management in the near term. This could create an incentive to favor the Family Office Investments over other Clients. In addition to the Family Office Investments, it is anticipated that the Family Office and various affiliated entities could be a potentially significant investor in the Funds sponsored by the Firm. This creates a conflict in that the Firm has an incentive to favor the Family Office and its affiliated entities with respect to certain Fund matters. To address these issues, the Firm has implemented policies and procedures to identify and take appropriate steps to mitigate the conflict and treat Clients in a manner the Firm believes to be fair and equitable over time, including that Mr. Soros will not participate in any vote related to allocation of investment opportunities to Clients of the Firm, other than the Family Office.

In addition to responsibilities with respect to the management and investment activities of Clients of the Firm, certain employees of the Firm will have similar responsibilities with respect to various other investments and operations of the Family Office, as they may provide operational and advisory services and devote time to the Family Office. This may create a number of potential conflicts of interest in connection with such services and the allocation of resources rendered to Clients (including the Family Office) and the activities of Firm professionals on behalf of such Clients. To address these issues, the Firm monitors resources and staffing to ensure Clients receive a fair and equitable allocation of Firm resources.

- D. *Investment Advisers.*

To further diversify its Clients' investment portfolios, the Firm allocates a portion of Client assets to third-party investment advisers. While the Firm does not receive any compensation from these advisers for the placement of these assets, some Clients, employees and affiliates of the Firm have an indirect interest in these third-party investment advisory firms, including the right to receive a portion of such firm's revenue, which could include management fee and incentive fee revenue from other investors or Clients. While none of the Firm, its affiliates or employees participate in the business or investment decisions of any third-party investment advisers, the Firm may direct Clients to make investments in products managed by such third-party investment advisers.

The Firm and its Clients, affiliates and employees have directly or indirectly invested, and may in the future invest, capital with unaffiliated managers or unaffiliated investment entities and, in consideration for such investment, have in the past received, and may in the future receive, an economic interest in, or revenue share with respect to, the unaffiliated managers managing such unaffiliated investment entities or their affiliates. This creates a conflict in that the Firm could have an incentive to devote resources to or favor investment opportunities offered to investors who have entered into an advisory relationship with such unaffiliated managers or unaffiliated investment entities to the detriment of other Clients. These investment advisory activities will be subject to guidelines established by the Firm to properly manage related conflicts of interest associated with any partnerships and treat Clients in a fair and equitable manner over time. In addition, the Firm could have an incentive to allocate Client capital to such third-party investment advisers to the benefit of the Firm's Clients, affiliates and employees who have an interest therein. The Firm addresses this conflict by only allocating to investment advisers that it believes are suitable and in the Client's best interest.

- E. *Other.* From time to time, the Family Office and/or affiliated entities expect to receive services from the Firm and its personnel that could be considered "investment advice" under the Advisers Act in connection with potential investments in vehicles that hold passive minority interests in certain operating companies. These services generally include research and analysis relating to the attractiveness of such operating companies as investments. The provision of these services could create conflicts of interest, including an incentive for Firm personnel to devote more time to the analysis of these opportunities as they arise than to the services provided to other Clients. These conflicts are mitigated in part due to the fact that it is not expected that any Clients will pursue a similar investment strategy or mandate that would involve investing in such same investment opportunities. In addition, the Firm has established policies and procedures that require, among other things, that the Firm act as a fiduciary and that Firm employees at all times place the interest of any Clients before their own.

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

Code of Ethics and Personal Trading

The Adviser has adopted a written Code of Ethics (the “Code”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Code sets forth a standard of business conduct and compliance with federal securities laws by all of the Adviser’s employees. The Code contains policies and procedures that are reasonably designed to ensure that all personal securities trading by employees of the Adviser is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. The Adviser prohibits personal trading of certain securities or instruments; requires pre-clearance of personal trades in certain circumstances, including certain securities transactions, an IPO, a new private placement, and other limited offerings; requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

As part of its Code, the Adviser has established procedures to prevent the misuse of material non-public information, which includes procedures for, among other things, the use and maintenance of restricted trading lists.

The Adviser will provide a copy of the Code to any current or prospective Client or Investor upon request.

Participation or Interest in Client Transactions

The Adviser expects to invest Client assets in one or more private investment vehicles for which the Adviser or its affiliates acts as investment manager; however, in such case Investors in a Fund or Separately Managed Account will not bear additional layers of management fees or performance allocations.

As described in Item 10, the Firm allocates a portion of Client assets to third-party investment advisers. While the Firm does not receive any compensation from these advisers for the placement of these assets, some Clients, employees and affiliates of the Firm have an indirect interest in these third-party investment advisory firms, including the right to receive a portion of such firm’s revenue, which could include management fee and incentive fee revenue from other investors or Clients. While none of the Firm, its affiliates or employees participate in the business or investment decisions of any third-party investment advisers, the Firm may direct Clients to make investments in products managed by such third-party investment advisers.

The Firm and its Clients, affiliates and employees have directly or indirectly invested, and may in the future invest, capital with unaffiliated managers or unaffiliated investment entities and, in consideration for such investment, have in the past received, and may in the future receive, an economic interest in, or revenue share with respect to, the unaffiliated managers managing such unaffiliated investment entities or their affiliates. This creates a conflict in that the Firm could have an incentive to devote resources to or favor investment opportunities offered to investors who have entered into an advisory relationship with such unaffiliated managers or unaffiliated investment entities to the detriment of other Clients. These investment advisory activities will be subject to guidelines established by the Firm to properly manage related conflicts of interest associated with any partnerships and treat Clients in a fair and equitable manner over time. In addition, the Firm could have an incentive to allocate Client capital to such third-party investment advisers to the benefit of the Firm’s Clients, affiliates and employees who have an interest therein.

The Firm addresses the foregoing conflicts by only allocating to investment advisers that it believes are suitable and in the Client's best interest.

Item 12 - Brokerage Practices

The Firm is required to act in the best interests of its Clients, and a part of that obligation is to seek to obtain “best execution” when selecting a broker or dealer for transactions in securities. Except as otherwise agreed with a Separately Managed Account Client, the Adviser has discretionary authority regarding its Clients, including the securities to be acquired and sold, the timing and amount of any such acquisitions or sales, the broker or dealer to be used (if any), and the commission rates be paid. In furtherance of its fiduciary obligations, the overall suitability of brokers used by the Firm is assessed.

Best execution is not determined only by the lowest possible commission cost but also by the overall qualitative execution. To the extent applicable, the Adviser may aggregate trade orders among Clients when such aggregation is consistent with the Firm’s obligation to seek the best execution and if, in the Firm’s reasonable judgment, such aggregation is believed to be in the best interests of the strategies of the Clients involved. The following procedures will apply to all aggregated transactions:

1. *Disclosure.* The Firm's procedures for aggregating orders shall be disclosed in the Disclosure Documents for the Client.
2. *Obtain Best Execution.* The Firm will not aggregate orders unless aggregation is consistent with its duty to obtain best execution and the terms of each Client’s investment guidelines and restrictions for which trades are being aggregated.
3. *Fair Treatment.* No Client will be favored over any other Client of the Firm. Generally, each Client that participates in an aggregated order will participate at the average price for all of the transactions in that security on a given business day, with transaction costs shared pro-rata based on each applicable Client’s participation in the transaction.
4. *Determination of Allocation.* The Firm has an allocation policy which the investment team will follow in determining how an order will be allocated among Clients (“Allocation Policy”). If the aggregated order is filled in its entirety, it will be allocated among the applicable Clients in accordance with the Allocation Policy (generally pro-rata to the extent there are no Client-imposed restrictions).
5. *Partial Fills.* On occasion, the Firm will not be able to purchase, or sell, all of the securities ordered as part of an aggregated order in a single day. If the order is partially filled, it will generally be allocated pro rata in proportion to size orders placed for each applicable Clients to the extent practicable based on the Allocation Policy.
6. *Deviations from Allocation Policy.* Notwithstanding the foregoing, an aggregated order may be allocated on a basis different from that specified in the Allocation Policy if all relevant Clients receive fair and equitable treatment. Reasons for allocating on a basis different from that specified in the Allocation Policy include but are not limited to a Client’s investment guidelines and restrictions, available cash, liquidity requirements, tax or legal reasons, and to avoid odd-lots or in cases when a pro-rata allocation would result in a *de minimis* allocation to one or more Clients.
7. *No Additional Compensation.* The Firm will receive no additional compensation of any kind because of an aggregated order.

The Firm considers several factors when evaluating a broker-dealer, including:

- Reputation, which may include statistics or other information on the relative quality of executions/financial services by each broker-dealer;
- Financial strength and stability;
- Quality of execution;

- Overall costs of a trade;
- Error correction capabilities;
- Responsiveness to requests for trade data and other financial information or ability to respond promptly to inquiries during volatile markets;
- Availability and costs of securities to borrow in relation to short sales;
- Block trading and block positioning capabilities;
- Willingness to execute difficult transactions;
- Willingness and ability to commit capital; or
- Access to underwritten offerings and secondary markets.

The Firm recognizes that its duty to seek the best execution applies equally to Client transactions involving fixed income securities and acknowledges that the market for such securities operates differently than for equity and equity-like securities with respect to trading, lot size and volume, liquidity, transparency, pricing, transaction fees and research, among other factors. Accordingly, specific to its review of broker-dealers through which the Firm may execute transactions in fixed income securities, the Firm may also consider the following factors:

- Dealer inventory;
- Spreads and mark-ups;
- Pricing of such instruments;
- Ability to source liquidity;
- Flexibility in executing lots of various sizes;
- Type, quality and quantity of new issues; and
- Asset class, industry or sector specialization.

When the Adviser uses Client brokerage commissions (or markups or markdowns) to obtain research or other services, the Adviser receives a benefit because the Adviser does not have to produce or pay for the research products or services. The Adviser may have an incentive to select or recommend broker-dealers based on the Adviser's interest in receiving the research or other products or services, rather than its Clients' interest in receiving the most favorable execution. In no event should the selection of a broker or dealer be based on personal gifts, gratuities or rewards provided to a Supervised Person or a related person of the Supervised Person. Upon a request for the opening of an account at a prospective broker, the Adviser will perform due diligence on the broker including, but not limited to, reviewing certain of the broker's public disclosures and performing a FINRA BrokerCheck using FINRA's online database.

Soft dollar arrangements (also known as commission-sharing arrangements or "CSAs") generally arise when an investment adviser obtains products and services, other than securities execution, from a broker-dealer in return for directing discretionary Client portfolio transactions to the broker-dealer. In effect, the commissions paid by the Adviser's Clients are used to pay for the soft dollar benefits afforded to the adviser. Client may pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits.

The Firm is authorized to use soft dollar credits to obtain third party research that would otherwise be paid for by the Firm. Research services within Section 28(e) that the Adviser may receive include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating

services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio investments and strategy; data services (including services providing market data, company financial data and economic data); advice from brokers on order execution; advice from industry professionals, lawyers, tax professionals and accountants regarding actual and potential investments; and certain proxy services. The Firm has entered into commission sharing agreements that are intended to enable the Firm to select brokers that will achieve best execution while at the same time enabling the Firm to maintain maximum flexibility in sourcing and obtaining with soft dollar credits third party research that the Firm considers to be valuable. The products and services available from brokers include research reports created by employees of the broker, as well as research items acquired by the broker from third parties, written information/analyses relating to securities, companies or sectors, market, financial and economic studies and forecasts, statistics, pricing and appraisal services, discussions with research personnel and invitations to attend conferences or meetings with company management. Similarly, the Firm may also "step out" to a broker, from which the Firm has received proprietary research but from which it does not believe it may receive best execution, a portion of the commission paid by a Client in connection with the execution of a security transaction.

The Firm will not direct brokerage to particular broker dealers solely in return for soft dollar or commission sharing arrangements. The Firm will determine the selection of particular broker-dealers for securities transactions subject to the Firm's policy to seek best execution for such transactions. The Firm will not recommend, request or require that a Client direct it to execute transactions through a specified broker-dealer.

The use of soft dollars benefits may influence the Adviser to select one broker-dealer rather than another to perform services for Clients, based on our interest in receiving the products and services instead of on our Clients' interest in receiving the best execution price. Obtaining these benefits may cause our Clients to pay higher fees than those charged by other broker-dealers. To the extent multiple Clients pursue the Internally Managed Strategy, the Adviser can use these research services and products in connection with our advisory services for any of our Clients, not necessarily for only the Client that "paid" for them. We will aim to allocate soft dollar benefits to each of our Clients in proportion to the soft dollar credits that each Client generates.

The Firm engages in soft dollar practices generally within the safe harbor of Section 28(e) of the United States Securities Exchange Act of 1934, unless otherwise approved by the Chief Compliance Officer (the "CCO").

Item 13 - Review of Accounts

The Adviser maintains comprehensive review procedures for the ongoing monitoring of the Clients' investment portfolios. The Adviser's Investment Committee is responsible for reviewing each Client's portfolio on a regular basis. The Board of Managers reviews potential investments and approves investments made by Clients; provided, however, that Mr. Soros does not participate in any vote related to investments for Clients other than the Family Office and its affiliates. Additionally, the Internally Managed Strategy involves investing in one or more liquid portfolios managed by the Manager's internal portfolio management team(s). Currently, Karan Sehgal is the sole portfolio manager operating under this strategy and is responsible for the ongoing monitoring of the Clients' investment portfolios pursuing this Strategy. The Adviser monitors markets on an ongoing basis.

The Adviser will provide written periodic financial reports, such as audited annual financial statements, to Investors in the Funds. This reporting includes customary financials relating to the business and operations of the Funds.

Separately Managed Account Clients receive reports and other information in accordance with their Separately Managed Account agreements, which typically includes monthly capital account statements and information necessary for investors to complete U.S. federal, state and local income tax returns.

Item 14 - Client Referrals and Other Compensation

- A. The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to Clients.
- B. Currently, neither the Adviser nor its related persons directly or indirectly compensate any person who is not personnel of the Adviser for Client referrals. If in the future the Adviser enters into such arrangements, the Adviser will disclose solicitation arrangements to prospective Clients or Investors in Funds and this Brochure will be appropriately amended.

Item 15 - Custody

The Adviser will be deemed under Rule 206(4)-2 of the Advisers Act to have custody of the assets of the Funds. Therefore, the Adviser intends to comply with the pooled vehicle annual audit provision under Rule 206(4)-2(b)(4). Annually, upon completion of the annual audit of the Funds, the Adviser will seek to ensure that the audited financial statements are delivered to Investors in each Fund within 120 days of each Fund's fiscal year-end. The audited financial statements will be prepared by an independent accounting firm that is registered with and subject to inspection by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles. Investors in a Fund are urged to carefully review such statements.

Separately Managed Account assets are held directly in the name of the Client and/or one or more accounts established in the name of such Client with custodians, prime brokers, clearing agents or other financial institutions as may be agreed between the Client and the Manager (the "Custodians"). The Client has exclusive authority for the approval and execution of account documentation with each Custodian. The Adviser shall not cause or permit Separately Managed Account assets to be held by any person other than the Client or a Custodian or to be commingled with the assets of any person other than the Client.

Item 16 - Investment Discretion

The Adviser exercises discretion in managing the investments of the Clients, based on such Client's investment objectives, policies and strategies disclosed in its governing documents (such as the Offering Documents and investment management agreement). The limitations on such authority are described in such documents. The Firm assumes this discretionary authority pursuant to the terms of the relevant governing documents and powers of attorney executed by Clients and Investors in the Funds. Once a Client or an Investor executes these documents, the Firm is not required to contact such Investor prior to transacting business in a Client account or Fund.

Item 17 - Voting Client Securities

The Firm exercises proxy voting authority on behalf of its Clients and has adopted and implemented policies and procedures for voting Client proxies. The Firm acknowledges its fiduciary obligation to vote such proxies in the best interests of its Clients, consistent with their investment objectives.

The Adviser and a Client may agree, in writing, to additional or diverging proxy voting policies than the policies outlined in this section. A Client's written policies may include directing the Firm not to vote proxies and may include instructions that conflict with the policies set forth within this section or the written proxy instructions of other Clients.

The Firm's investment philosophy is that issuer management is best suited to make the decisions essential to the company's ongoing operation. Therefore, the Firm will generally vote proxies in line with issuer management.

However, in the best interest of its Clients, in circumstances where the Firm believes that issuer management's recommendation will not maximize value for a Client or where it would inappropriately insulate issuer management from accountability to shareholders or regulatory oversight, the Firm will vote against issuer management. In such cases, the reasoning for the decision, along with a record of the vote, will be retained by the CCO in accordance with the Firm's Record Retention Policy.

There could be occasions when the Firm is required to vote a proxy while having a conflict of interest with a Client. To protect the Client, the CCO will present the conflict to the Board of Managers and the Compliance Committee for consultation and conduct an analysis for materiality. If it is determined that a material conflict of interest exists, the CCO and the Compliance Committee shall determine whether one or more of the following steps will be taken: (i) inform the relevant Client of the existence of a material conflict and seek a recommendation for how to vote the proxy; (ii) fully disclose the material facts regarding the conflict and seek the consent of the relevant Client to vote the proxy as recommended by the Firm; and/or (iii) vote the recommendation of issuer management. In addition, the CCO will document the matter and preserve the documentation in accordance with the Firm's Record Retention Policy.

All Supervised Persons with knowledge of any outstanding proxies and potential conflicts of interest are responsible for bringing such matters to the attention of the CCO.

The Firm will seek to vote all proxies when notice of a proxy is received within a reasonable timeframe and before the voting deadline. If the Firm does not receive timely notice of a proxy, it may refrain from voting the proxy. The Firm may choose not to vote proxies if the voting securities are part of a securities lending program.

Using its reasonable business judgment, the Firm may consider the implicit and explicit costs of reviewing and voting a particular proxy to the Firm and the Client. If the Firm determines the costs of reviewing or voting a particular proxy exceeds the expected benefits to the Client, the Firm may choose to refrain from voting the proxy.

No less than annually, the CCO will review the adequacy of the Firm's proxy voting policies and procedures and the Firm's proxy voting record to ensure that proxies are being voted in the best interest of the Firm's Clients. As part of the review, the CCO will sample proxies for compliance with the Firm's proxy voting policies and procedures, and any written instructions from a Client, if applicable.

A Client may obtain information on how its proxies were voted by requesting such information from the Firm in writing.

Item 18 - Financial Information

- A. The Adviser does not require the payment of fees or other compensation six months or more in advance. The Adviser does not believe it has any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Clients.
- B. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.