

**Item 1 – Cover Page**

# 26North Partners LP

**Form ADV Part 2A: The Firm Brochure  
(the “Brochure”)**

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**March 29, 2024**

This Brochure provides information about the qualifications and business practices of 26North Partners LP and its relying advisers. If you have any questions about the contents of this Brochure, please contact 26North Partners LP’s Chief Compliance Officer, Andrew Rabinowitz, at (212) 224-0620 or by email at [arabinowitz@26n.com](mailto:arabinowitz@26n.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

26North Partners LP is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

Additional information about 26North Partners LP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

26North Partners LP (the “**Adviser**”) filed its most recent other-than-annual amendment to the Brochure on March 8, 2024. This annual amendment further updates the business practices of the Adviser and its affiliates.

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#### Item 4 – Advisory Business

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26North Partners LP (the “**Adviser**,” and together with any current and future general partner entities, the “**Firm**”) is an investment adviser formed under the laws of Delaware with a principal place of business in New York, NY. The Firm commenced operations as an investment adviser in 2022. Joshua Harris, who has managed third party capital for over 30 years, is the Founder and Managing Partner of the Firm.

The Firm operates as an integrated, multi-asset class investment platform, benefiting from the industry experience and relationships of Joshua Harris and other senior investment professionals. The Firm provides investment advisory services to pooled investment vehicles (each, a “**Fund**,” and collectively, together with any future private investment funds to which the Firm and or its affiliates provide investment advisory services, the “**Funds**”). The Firm also provides investment advisory services to AeBe ISA Ltd., a Bermuda exempted company that is a Class E insurer and an affiliate of the Firm (“**AeBe ISA**”), and to counterparties of reinsurance transactions with AeBe ISA, and expects to provide advisory services to other entities or vehicles contracting with or investing in or alongside AeBe ISA or any other insurance or reinsurance company established by the Firm or entities it controls, as well as to other third-party insurance companies (collectively, together with AeBe ISA, the “**Insurance Clients**”). The Firm also provides investment management services to HRS Management, LLC (the “**Family Office**”), a multi-faceted, single-family office leveraging a long-dated capital base and investing across multiple asset classes. The Firm expects to provide investment management services to other large-scale family offices (the “**Third Party Family Offices**” and, together with the Family Office, the “**Family Office Clients**”), as well as to separately managed accounts and institutional clients (the “**Separate Accounts**”) in the future. The Funds, Separate Accounts, Insurance Clients and the Family Office Clients are referred to collectively herein as the “**Clients**”. The Firm currently provides, and expects to continue to provide, investment advice to Clients related to a variety of investment strategies, including, but not limited to, private equity, credit, and insurance and reinsurance services. Additionally, the Firm pursues other investment strategies primarily for Family Office Clients, including venture capital and growth equity, public market strategies, and real estate equity investments.

The Adviser’s affiliates, 26North Direct Lending II LP, a Delaware limited partnership (“**26North DL II**”), 26North Private Equity LP, a Delaware limited partnership (“**26North PE**”), and 26North IGA LP, a Delaware limited partnership (“**26North IGA**”), are also registered as investment advisers with the SEC pursuant to umbrella registration provisions under the Adviser’s registration. The Adviser, 26North DL II, 26North PE and 26North IGA all operate as a single advisory business together and provide investment advisory services to private investment funds and certain separately managed accounts; as such, references herein to the advisory services provided by the Adviser (including, for the avoidance of doubt, references to advisory services provided by the Firm) should be construed, where applicable, to include such services provided by 26North DL II, 26North PE and 26North IGA. Further, as described in Item 10, 26North Direct Lending LP, an affiliate of the Firm and registered investment adviser with the SEC (the “**BDC Adviser**” and, collectively with the Firm, 26North DL II and 26North PE, “**26North**”), manages the assets of a

pooled investment fund that has elected to be regulated as a business development company (the “**BDC**”) under the Investment Company Act of 1940, as amended (together with the rules and regulations promulgated thereunder, the “**1940 Act**”).

The Firm seeks to tailor its advisory services to the specific investment objectives and restrictions of each Client pursuant to the investment guidelines and restrictions set forth in each Client’s confidential private placement memorandum, offering memorandum, prospectus, limited partnership agreement, advisory agreement, management agreement and/or other governing document, as applicable, (collectively, the “**Governing Documents**”). However, with regards to the Funds, the Firm does not expect to tailor its services to the individual investors (each, an “**Investor**” or collectively, the “**Investors**”) in a Fund or provide Investors in a Fund with the right to specify, restrict, or influence the Fund’s investment objectives or any investment decisions. In certain circumstances, the Firm expects to enter into agreements with certain Investors that provide the Investor the right to be excused from a particular investment due to legal, regulatory or other agreed-upon circumstance pursuant to the Governing Documents. Such arrangements generally do not and will not create an adviser-client relationship between the Firm and any Investor. The Firm has entered and expects in the future to enter into side letters or other similar agreements (“**Side Letters**”) with certain Investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such Investors.

Additionally, as permitted by the Governing Documents, the Firm expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective Investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Firm personnel and/or certain other persons associated with the Firm and/or its affiliates (e.g., a vehicle formed by the Firm’s principals to co-invest alongside a particular Client’s transactions).

The Firm will also provide periodic reports to Clients, including, in the case of a Fund, to the Investors in such Fund.

The Firm does not participate in wrap fee programs.

As of December 31, 2023, the Firm managed \$13,463,659,099 in regulatory assets under management on a discretionary basis and \$500,000,000 in regulatory assets under management on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

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In general, the Firm receives a Management Fee (defined below) and a carried interest in connection with the provision of investment advisory services to each Client. Investors in a Fund and other Clients also bear certain expenses. The applicable Governing Documents set forth in detail the Management Fee and, as applicable, carried interest structure, relevant to each Client. The terms of the Governing Documents are generally established at or around the time of the formation of the applicable Fund or the commencement of the advisory relationship with a Client, subject to amendment in accordance with the terms of the applicable Governing Documents. All Investors and prospective Investors in a Fund should review the Governing Documents of each Fund in which they have invested or intend to invest in conjunction with this Brochure for complete information on the fees and compensation payable with respect to a particular Fund. All other Clients should review the Governing Documents in conjunction with this Brochure for complete information on the fees and compensation payable with respect to the advisory relationship with the Firm. The Firm reserves the right to reduce, waive, or modify any fees payable by any Client or Investor in its sole discretion.

### **Management Fees**

The Firm expects to receive a management fee (the “**Management Fee**”) from each Client as set forth in the applicable Governing Documents. The Management Fee is typically based on a percentage of committed capital or actively invested capital, charged quarterly in advance (and pro-rated for any period that is less than a full three-month period) and paid directly from the applicable Client’s assets, current income and disposition proceeds received by the Client and, to the extent necessary, from drawdowns. The Firm’s services may be terminated by any of the Clients as set forth in the applicable Governing Documents. Upon termination, depending on the facts and circumstances and the terms of the applicable Governing Documents, any prepaid, unearned Management Fees could be refunded or otherwise not become payable, and any earned, unpaid Management Fees could become due and payable. As a general matter, in accordance with applicable Governing Documents, Management Fees will be payable during term extensions unless otherwise agreed with Investors.

The Governing Documents of a Client set forth the list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently Investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances specified therein.

### **Administrative Fees**

The Firm expects to receive an administrative fee (the “**Administrative Fee**”) on capital committed from certain Clients managed by the Firm as set forth in the applicable Governing Documents. Administrative Fees are intended to support the Firm’s infrastructure and operational costs that are ancillary to its management of Client assets. Except as expressly provided by the Governing Documents, administrative and overhead expenses of the Firm incurred by the Firm in connection with such management are permitted to be borne by the Client as part of the Administrative Fee.

The receipt of any Administrative Fee will not offset or otherwise reduce the Management Fee payable by Clients to the Firm.

### Performance-Based Arrangements

A portion of each Client's net investment profit is expected to be allocated to the Firm as "**Carried Interest**" as further described in Item 6. The manner of calculation of such Carried Interest is disclosed in the applicable Governing Documents and is expected to vary by Client.

### Transaction Fees

To the extent specified in the applicable Governing Documents, the Firm and/or its affiliates will be permitted to receive certain supplemental fees and other amounts ("**Transaction Fees**") consisting of: (i) management, consulting, monitoring, advisory, directors, trustees or similar fees paid by any portfolio company; (ii) topping, commitment or similar fees paid by any portfolio company; (iii) closing, restructuring, sale, disposition and transaction fees and similar fees paid by any portfolio company; and (iv) any other designated net fee payments received by the Firm or its partners or personnel from portfolio companies or prospective portfolio companies (including "break-up" or similar fees in connection with unconsummated transactions), in each case, whether in the form of cash, options, warrants, stock or otherwise. The types of fees that constitute Transaction Fees are expected to vary among Funds and from investment to investment. A Fund's Governing Documents generally will provide that Transaction Fees received by the Firm and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to the Firm in a specified percentage (*e.g.*, 100%). The remaining amount of such Transaction Fees will be retained by the Firm. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation the Firm is expected to retain the benefit, except where the Governing Documents require payment to be made to Investors that have not elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result). Transaction Fees are permitted to be accelerated and payable upon partial or complete disposition, exit or initial public offering of an asset. Although such prepaid or accelerated fees generally will be based on the anticipated level and duration of services that the Firm believes at the time of such prepayment or acceleration are likely to be provided to the portfolio company, over time, they have the potential to differ from the amount that is ultimately incurred with respect to services ultimately provided to such portfolio company.

As a matter of practice, the Firm will typically be paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) general partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Firm, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest

or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. Transaction Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services, and to the extent Transaction Fees are paid in-kind (including through securities, option grants or other interests), the Firm is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Transaction Fees generally will be payable without further offset during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Transaction Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and Investors generally will not receive the benefit of Transaction Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Firm employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's general partner or affiliated entity. Conversely, in the event that the Firm employs a person that previously received compensation from a portfolio company, Investors will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Firm, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, the Firm expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. Additionally, as further described below and in the Governing Documents, it is the Firm's practice to use or retain certain Operations Group Members to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Operations Group Members generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. Each of the foregoing conditions is expected to reduce the amount of Transaction Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Firm over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Firm to seek to increase such amounts.

#### Brokerage Fees

Although the Firm does not generally utilize the services of broker-dealers to effect portfolio transactions for Clients, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Client (such as for the Family Office Clients in the case of certain publicly traded securities), such Client will incur brokerage and other transaction costs.



### Family Office Fees

As more fully described in the applicable Governing Documents and in accordance with the Firm's Expense Allocation Policy, the Family Office reimburses the Firm for certain expenses incurred in connection with services provided to the Family Office.

### Other Information

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees (including the Management Fee) are expected to be paid, except as otherwise described in the Governing Documents, over the term of the Funds and Investors generally are not permitted to withdraw or redeem interests in the Funds.

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

Additionally, as further described herein and in the applicable Governing Documents, the Firm has retained and expects in the future to retain certain operating partners and senior advisors (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) (each, and “**Operations Group Member**” and, collectively, the “**Operations Group**”) to provide services to (or with respect to) one or more portfolio companies in which one or more Funds invest. The Operations Group generally provides services in relation to the holding, improvement and disposition of portfolio companies, including operational aspects of such companies. Operations Group Members receive compensation, which may include, but is not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or general partners, remuneration from the Firm and/or its Funds or affiliates and/or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operations Group Members, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. To the extent that an Operations Group Member provides services to the Firm, on the one hand, and to one or more portfolio companies, on the other hand, such Operations Group Member's compensation-related expenses are generally allocated between the Firm, on the one hand, and such portfolio companies, on the other hand. The Firm reserves the right to agree with Operations Group Members, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of an equity or profits interest granted in the relevant investments or related intermediate entities. While such an arrangement could be more favorable

to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Operations Group compensation as well as fees, costs and expenses of structuring Operations Group arrangements. Operations Group Members also generally will be reimbursed for certain travel and other costs in connection with their services. As discussed above, no such amounts will offset or reduce any fees or expenses payable by a Fund (including the Management Fee). The use of the Operations Group subjects the Firm to potential conflicts of interest, as discussed under Item 8.

## **Item 6 – Performance Fees and Side-by-Side Management**

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The Firm or an affiliate will receive performance-based compensation in the form of Carried Interest from Clients in accordance with each Client's Governing Documents. Except as set forth in the applicable Governing Documents, performance-based fees or allocations are generally subject to modification (e.g., higher preferred return rates), waiver or reduction. Performance-based compensation arrangements are appropriate only for sophisticated Clients and Investors as they create certain risks and potential conflicts of interest, including those discussed further below.

Performance-based compensation of the Funds generally consist of a share of distributions made by a Fund in excess of the relevant Investors' invested capital, and its allocable share of fees and expenses.

Performance-based fees or Carried Interest profit allocations are subject to regulation under Section 205 of the Advisers Act and Rule 205-3 thereunder and may only be charged to "qualified clients". Therefore, the Firm seeks to ensure that any Clients or Investors that are directly or indirectly assessed performance-based fees or are subject to Carried Interest profit allocations satisfy the qualifications of Rule 205-3 under the Advisers Act and have been advised of such fees or allocations and their risks.

The existence of performance-based compensation creates various potential conflicts of interest, including an incentive for the Firm to make riskier or more speculative investments on behalf of Clients or operate the Funds in a manner that is riskier, more speculative or other manner that is less favorable to Investors, in each case, than the Firm would otherwise make in the absence of such performance-based arrangement, or to favor certain Clients based on pecuniary or compensatory interests. To the extent that the Firm has Funds with varying Carried Interest terms (including amount, timing, waterfall conditions or other terms) and/or Firm personnel are assigned varying percentages of Carried Interest from the Funds, the Firm and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher Carried Interest percentage. The Firm seeks to address the potential for conflicts of interest in these matters with allocation policies and procedures that provide that transactions and investment opportunities will be allocated to Clients in accordance with each Client's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the Firm or any personnel.

## Item 7 – Types of Clients

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The Firm provides investment advisory services as an investment adviser or sub-adviser to its Clients. The Funds generally include investment partnerships or other investment entities formed under U.S. laws and operated as exempt investment pools under the 1940 Act. The Investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, insurance companies, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of the Firm and its affiliates and members of their families, Operations Group Members or other service providers retained by the Firm or a Fund, as well as executives of portfolio companies. 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. As further described in Item 10, the BDC Adviser manages the assets of a BDC.

Joshua Harris and various entities under his control, including the Family Office, are the seed investors in the Firm, and will likely in the future be seed investors in other operating companies, and certain Funds, including Funds that were created by the Family Office, over which the Family Office has delegated investment management authority to the Firm (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, and the Firm is generally permitted to waive such minimum investment amount.

## Item 8 – Methods of Analysis, Investment Strategies, Risk of Loss

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### **Investment Strategy**

The Firm is building an integrated, 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, credit, and insurance and reinsurance services. Additionally, the Firm pursues other investment strategies primarily for Family Office Clients including venture capital and growth equity, public market strategies, and real estate equity investments.

**Private equity.** The Firm is permitted to employ a highly flexible and broad sourcing model to pursue investments across the private equity space. The Firm invests Client assets in the private equity market by investing in (i) long-term, illiquid control investments in non-public operating companies (“**portfolio companies**”) across a variety of industry sectors through privately-negotiated transactions, (ii) public companies with a view toward opportunistically taking such companies private, (iii) minority strategic investments in public and private companies, including “foothold” investments with the potential to take control of such companies, (iv) privately-placed securities of public companies (i.e. “PIPE” transactions), (v), distressed-for-control investments, (vi) structured equity investments, (vii) add-ons, and (viii) other investments with indicia of a private equity investment strategy. These investments may be in a variety of securities, including but not limited to equity (including common and preferred stock), convertible securities, and debt. The Firm generally seeks to optimize the capital structure of each portfolio company (including by way of leverage and/or restructuring) and may seek to add value through ongoing, active participation in the management and governance of the portfolio company. Through such investments, the Firm seeks to transform these portfolio companies through operational and strategic improvements to be desirable acquisition targets for third party buyers. The Firm also expects that on behalf of Clients, it could make or, as the result of the partial sale of a portfolio company retain, minority investments in entities where they do not effectively control or influence the business or affairs of such entities. Through the foregoing investments, the Firm obtains exposure to a variety of strategies, including leveraged buyouts, distressed turnaround, industry-focused and structured investments (including structured equity), natural resources, distressed, mezzanine, real assets, infrastructure, and other similar segments of the marketplace. The Firm utilizes these strategies across an array of industries in which it has or intends to develop expertise. These industries include, but not be limited to: financial services; business and consumer services; chemicals; natural resources; consumer and retail; leisure; manufacturing and industrial; technology; transportation; and media and telecom.

**Credit/Direct Lending.** The Firm invests certain Client assets in directly originated senior secured loans to middle-market companies domiciled in the United States. In addition, the Firm is permitted to invest Client assets in a broad array of credit and fixed income opportunities and will seek to have a broadly-based origination platform with a highly flexible credit and sourcing network. The Firm invests Client assets utilizing a broad array of investment strategies including, but not limited to, opportunistic credit and performing credit. In pursuing the foregoing investment strategies, the

Firm invests Client assets across the following investments: originating or acquiring in the secondary market loans to or other obligations or instruments of a broad array of companies (public and private, investment grade and non-investment-grade), structured credit, corporate debt securities, collateralized loan obligations (“CLOs”), syndicated loans (directly or indirectly through CLOs, warehouse facilities, or total return swaps), securitization liabilities, specialty bridge financings, rescue financings, secondary purchases of loans, revolving credit facilities, corporate structured and asset-backed securities, mortgage-backed securities, real estate loans, consumer loans, and other credit-related assets, opportunities across the asset-based lending space (including securities and other instruments (which are expected to be primarily in the form of senior and non-senior loans but may include preferred equity or other instruments) that are secured by a variety of asset classes, including, but not limited to, specialty finance, real estate, and transportation infrastructure), investment grade corporate bonds and other fixed income securities and consumer and residential real estate credit investment opportunities (including mortgage-backed securities). These investments take a variety of forms, including but not limited to, secured debt, including first lien, unitranche (including last-out portions of such loans), second lien debt, unsecured debt (including mezzanine debt), asset-backed loans, leveraged loans, venture loans, bridge loans, and high-yield debt.

***Insurance/Reinsurance.*** The Firm acts as an investment adviser, and is permitted to act as a sub-adviser, to the Insurance Clients, which generally offer services in life insurance policies and annuity contracts issued by insurance companies that insure the lives of natural persons, as well as life insurance-linked securities, including bonds, loans, notes, certificates, preferred securities or other instruments, whether senior, preferred or subordinated, that are: (i) issued by insurance companies or their respective financial holding companies; (ii) wrapped or guaranteed by insurance companies; or (iii) linked to, or referenced by, life insurance policies or annuity contracts or insurance company reserve or capital funding, embedded value or value in force transactions, life insurance and annuity combinations, extreme mortality or morbidity, deferred acquisition costs, insurance commission financing, structured settlements, other annuities, or similar collateral. The Firm makes, either directly or indirectly (*i.e.*, through the use of third-party sub-advisers), investments on behalf of the Insurance Clients across a variety of asset classes in accordance with the Firm’s investment strategies described herein.

***Other Investment Strategies.*** The Firm pursues other investment strategies primarily for Family Office Clients including: (i) venture capital and growth strategies, whereby the Firm invests in equity securities and secured and unsecured debt of U.S. and foreign companies across multiple sectors that are in their seed, early, and growth stages of development; (ii) public market strategies, whereby the Firm invests in publicly traded equities, which may involve hedged investment strategies that focus on themes including long/short equity, relative value, event driven or global macro; and (iii) real estate equity investment strategies, whereby the Firm invests in a variety of U.S. commercial and residential real estate properties that seek to provide attractive risk-adjusted returns consisting of current income and capital appreciation in predominantly stabilized, income-producing property.

Over time, the Firm may hire additional personnel to support the Firm's effort to provide the foregoing investment strategies to Clients, including through Funds sponsored and managed by the Firm.

***Family Office Investments.*** Joshua Harris and various entities under his control, including the Family Office, are seed investors in the Firm, and will likely be seed investors in other operating companies, and certain Funds, including Funds that were created by the Family Office. The Family Office will delegate investment management authority over these Funds to the Firm. The Firm utilizes various cash management strategies and services in its management of Family Office assets. The Firm also invests Family Office assets in certain investment strategies as described under "Other Investment Strategies." In addition, the Firm invests Family Office assets in sports assets. The Firm also expects to invest Family Office assets in the other investment strategies described above.

In seeking to meet the investment objectives of Clients, the Firm utilizes a robust analytical framework, which generally includes, but is not limited to: (i) careful asset selection driven by a comprehensive and disciplined due diligence process; (ii) highly diversified and flexible sourcing network; (iii) proactive targeting of industries; (iv) investment-specific research and analysis; (v) focus on capital preservation; (vi) engagement of Firm professionals in review at appropriate stages of the investment cycle; (vii) applicable approval of investments by relevant Firm and, as applicable, Client, personnel; (viii) active portfolio company oversight and guidance of management to achieve an investment's full potential; (ix) a variety of proprietary and non-proprietary research and methods of analyses, and (x) numerous internal and external resources, such as third parties engaged to assist the Firm in sourcing and evaluating new transactions, research and reports provided by third parties and corporate ratings services, and financial newspapers and magazines.

The descriptions set forth in this Brochure of specific advisory services that the Firm offers to Clients, and investment strategies pursued and investments made by the Firm on behalf of the Clients, should not be understood to limit in any way the Firm's investment activities or decision to employ additional investment strategies available to Clients. The Firm may offer any advisory services, engage in any investment strategy and make any investment, including any not described in this Brochure, that the Client considers appropriate, subject to each Client's investment objectives and guidelines and as set forth in each Client's Governing Documents.

### **Risks**

Any investment involves a high degree of risk. The following list of risk factors does not purport to be a complete disclosure of all risks that may be relevant to a Client. Prospective Clients or Investors in the Funds should carefully consider the following investment risks and considerations, as well as the risks and considerations described in the relevant Governing Documents. As a result of these considerations, as well as other risks inherent in any investment, there can be no assurance that the Firm will meet Clients' investment objectives or otherwise be able to successfully carry out their investment programs, or that a Client or Investor in a Fund will receive a return of capital or a complete loss of their investment.

***Dynamic Investment Strategy.*** While the Firm generally intends to seek attractive returns for a Client through the investment strategy and methods described herein, the Firm is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. The Firm is permitted to pursue investments outside of the industries and sectors in which it has previously made investments or has internal operational experience.

***General Market and Credit Interest Rate Risks that Affect Debt Instruments Generally.*** Debt instruments are subject to general market and credit and interest rate risks. Credit risk refers to the likelihood that an obligor will default on the payment of principal, interest or other amounts owed on an instrument. Financial strength and solvency of an obligor are the primary factors influencing credit risk, but other factors may also impact credit risk, such as an obligor's failure to meet its business plan, a downturn in its industry, negative economic conditions or deterioration in value of collateral or other assets expected to be the source of repayment. Credit risk may change over the life of an instrument, and there can be no assurance that the Firm will be successful in assessing the credit risk of portfolio investments or mitigating the impact of credit risk changes on a Client.

Interest rate risk refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate obligations) or directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively affect the price of a fixed rate debt instrument and falling interest rates will have a positive effect on the price of a fixed rate debt instrument. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. In addition, interest rate increases generally will increase the interest carrying cost of a Client's borrowed securities.

***Investments in Loans.*** The risks of loans include (among others): (i) limited liquidity and secondary market support; (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service; (iii) the declining creditworthiness and potential for insolvency of the borrower of the loan during a period of economic downturn; (iv) the obligor can be a small or mid-size company representing only local or regional interests; (v) the possibility of a reduction in the spread over the applicable floating rate index if the borrower reduces its leverage; (vi) prepayment (reinvestment risk); and (vii) if subordinated, subordination to the prior claims of other loans or senior lenders. Loans are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and adversely affect the value of outstanding loans and the ability of the borrowers to repay principal and interest. The default history for loans is limited; actual defaults may be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

***Investments in Below Investment-Grade Loans.*** Corporate loans rated below investment-grade generally have greater liquidity, market value, interest rate, reinvestment and certain other risks than securities of higher-rated corporate issuers. These risks could be exacerbated to the extent that a portfolio is concentrated in one or more particular types of loans. Prices of the loans may be



volatile, and will generally fluctuate due to a variety of factors that are inherently difficult to predict, including but not limited to changes in interest rates, prevailing credit spreads, general economic conditions, financial market conditions, domestic and international economic or political events, developments or trends in any particular industry, and the financial condition of the obligors of the loans. The current uncertainty affecting the United States economy and the economies of other countries in which issuers of collateral obligations are domiciled or operate and the possibility of increased volatility in financial markets could adversely affect the value and performance of the collateral obligations. Additionally, loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately-negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the debt securities market. Future periods of uncertainty in the U.S. economy and the possibility of increased volatility and default rates in the non-investment-grade sector may further adversely affect the price and liquidity of non-investment-grade loans in this market.

Obligors of below investment-grade loans may be highly leveraged and may not have available to them more traditional methods of financing. During an economic downturn, a sustained period of rising interest rates, or a period of fluctuating exchange rates (in respect of those obligors located in non-U.S. countries), such obligors may be more likely to experience financial stress and may be unable to meet their debt obligations due to the obligors' inability to meet specific projected business forecasts or the unavailability of financing. Leveraged loans have historically experienced greater default rates than has been the case for investment grade securities.

A non-investment-grade loan or other debt obligation or an interest in a non-investment-grade loan or other debt obligation is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. Such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. In addition, because of provisions on confidentiality of information, the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to the market for corporate bonds. The unique nature of loan documentation also creates a complexity in negotiating any secondary market purchase or sale which does not exist, for example, in the corporate bond market. It is highly unlikely the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon. In addition, the issuer may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan.

***Repayment of a Significant Portion of Assets is Subject to the Obligor's Ability to Refinance such Assets at or Prior to their Maturity.*** A significant portion of a Client's assets could consist of loans for which most or all of the principal is due at maturity. An obligor's ability to make such a large payment upon maturity typically depends upon its ability to refinance the loan prior to maturity, which will be affected by many factors, including the availability of financing rates acceptable to the obligor, the obligor's financial condition, the marketability of any collateral securing the loan, the operating history of the obligor and related businesses, tax laws and prevailing general economic conditions. Middle-market obligors generally have more limited access to capital and higher funding costs, may be in a weaker financial position, may need more capital to expand or compete, and may be unable to obtain financing from public capital markets or from more traditional sources, such as commercial banks. Consequently, an obligor may not have the ability to repay the loan at maturity and, unless it is able to refinance such loan, it could default in payment at maturity, which could result in losses to a Client. Any deterioration of the debt markets, any failures of certain financial services companies and any significant rise in market perception of counterparty default risk may result in lenders being less willing to finance new investments, or offering financing on less favorable terms, than previously, which can adversely impact the Firm's ability to generate attractive investment returns.

***Middle-Market Companies.*** While investments in middle-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent 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 interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small- and medium-sized companies, could make it difficult for the Firm to react quickly to negative economic or political developments.

***Origination Activities.*** The Firm is permitted to invest Client assets in credit opportunities, which may include the origination, modification, and/or restructuring of debt and/or equity financing. If a Client engages in such activities, it will be subject to applicable laws in each jurisdiction in which such activities take place. Such laws are frequently highly complex and may include licensing requirements. The market for originating debt and equity financing is highly competitive, and Clients may compete for opportunities with public and private investment funds, commercial and investment banks, and commercial finance companies. In general, the corporate, consumer, and non-mortgage debt and equity origination markets present relatively low barriers to entry, and significant competition is likely. Clients may be unable to compete effectively with other market participants, or may be able to compete only by charging borrowers lower interest rates and/or by adopting less stringent loan origination standards. Alternatively, the Firm can determine not to adopt less stringent origination standards in a competitive environment, which decision may result in fewer investments. These competitive pressures could have a material adverse effect on Clients.

***Investments in Direct Lending Platforms.*** The Firm is permitted to invest Client assets in newly formed platforms established to pursue direct lending opportunities through joint venture and other origination, investment or servicing arrangements. Such companies often have no or short operating histories, new technologies and products and their management teams have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of such companies will need to have sufficient resources and personnel and be able to implement and maintain financial and operational strategies in order to become and remain successful. Other substantial operational risks to which such companies are subject include uncertain market acceptance of the company's services, a potential regulatory risk for new or untried and/or untested business models (if applicable), products and services to the extent they relate to regulated activities in the relevant jurisdiction, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change. Such companies will have no or short operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow.

***Risks Arising from Purchases of Debt on a Secondary Basis.*** The Firm is permitted to invest Client assets in loans and debt securities acquired on a secondary basis. Clients are unlikely to be able to negotiate the terms of such debt as part of any such acquisition and, as a result, these investments might not include some of the covenants and protections Clients would generally seek. Even if such covenants and protections are included in the investments held by a Client, the terms of the investments could provide the relevant borrowers with substantial flexibility in determining compliance with such covenants. In addition, the terms on which debt is traded on the secondary market could represent a combination of the general state of the market for such investments and either favorable or unfavorable assessments of particular investments by the sellers thereof.

***Nature of Structured Capital Securities.*** The Firm is permitted to invest Client assets in senior equity, junior debt securities or other similar instruments. Although senior equity, junior debt securities and other similar instruments are typically senior to common stock or other equity securities, the senior equity, junior debt securities and other similar instruments in which Clients may 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 in which one or more Clients invest cannot generate adequate cash flow to meet senior debt service, such Clients could suffer a partial or total loss of capital invested.

***Investments in Unsecured Loans or Debt.*** The Firm is permitted to invest Client assets in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first-priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Clients. Because unsecured loans are lower in priority of payment to secured loans, they are

subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

**Mezzanine Debt.** The Firm is permitted to invest Client assets in mezzanine loans. Any mezzanine loan in which a Client may invest generally will be subordinated to senior secured loans on a payment basis and typically will be unsecured and rank *pari passu* with other unsecured creditors. As such, other creditors may rank senior to a Client in the event of an insolvency. This may result in an above average amount of risk and loss of principal.

**Nature of Investment in Senior Loans.** In addition to making investments in first lien secured debt, the Firm is permitted to invest Client assets in second-lien senior secured debt, which involves a higher degree of risk of a loss of capital than first lien secured debt. The factors affecting an issuer's first- and second-lien loans and its overall capital structure are complex. Some first-lien loans may not necessarily have priority over all other indebtedness of an issuer. For example, some first-lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer. Issuers of first lien loans may have two tranches of first lien debt outstanding each with first liens on separate collateral. Furthermore, the liens referred to herein generally only cover domestic assets and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of chapter 11 filing by an issuer, title 11 of the United States Code (11 U.S.C. §§ 101 - 1532) (the "**Bankruptcy Code**") authorizes the issuer to use a creditor's collateral and to obtain additional credit by grant of a priority lien on the issuer's property, senior even to liens that were first in priority prior to the bankruptcy filing, as long as the issuer provides what the presiding bankruptcy judge considers to be "adequate protection," which may, but need not always, consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of prior liens on a Client's collateral would adversely affect the priority of the liens and claims held by such Client and could adversely affect the Client's recovery on its loans.

Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of the underlying assets selected as collateral may allow a Client to withstand certain assumed deficiencies in payments occasioned by a borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to such Client with respect to outstanding loans.

Further, loans may become non-performing for a variety of reasons. Upon a bankruptcy filing by an issuer of debt, the Bankruptcy Code imposes an automatic stay on payments of its pre- petition debt. Non-performing debt obligations may require substantial workout negotiations, restructuring or bankruptcy filings that may entail a substantial reduction in the interest rate, deferral of payments and/or a substantial write-down of the principal of a loan or conversion of some or all of the debt to equity. If an issuer were to seek relief under chapter 11 of the Bankruptcy Code, the Bankruptcy Code authorizes the issuer to restructure the terms of repayment of a class of debt even if the class

fails to accept the restructuring as long as the restructured terms are “fair and equitable” to the class and certain other conditions are met.

Senior secured credit facilities are generally syndicated to a number of different financial market participants. The documentation governing the facilities typically require either a majority consent or, in certain cases, unanimous approval for certain actions in respect of the credit, such as waivers, amendments, or the exercise of remedies. In addition, voting to accept or reject the terms of a restructuring of a credit facility pursuant to a chapter 11 plan of reorganization is done on a class basis. As a result of these voting regimes, the Clients may not have the ability to control any decision in respect of any amendment, waiver, exercise of remedies, restructuring or reorganization of the Clients’ loan investments.

Senior secured loans are also subject to other risks, including (i) the possible invalidation of a debt or lien as a “fraudulent conveyance”; (ii) the recovery as a “preference” of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing; (iii) equitable subordination claims by other creditors; (iv) so-called “lender liability” claims by the issuer of the obligations; and (v) environmental liabilities that may arise with respect to collateral securing the obligations. It is possible that a secondary loan market participant can be denied a recovery from the debtor in a bankruptcy if a prior holder of the loans either received and does not return a preference or fraudulent conveyance or engaged in conduct that would qualify for equitable subordination.

A Client’s investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by such Client earlier than expected.

***Second-Lien Debt.*** The Firm is permitted to invest Client assets in second-lien loans, which entails certain risks, including, but not limited to, (i) the subordination of the liens securing a Client’s claims to a senior lien in terms of the coverage and recovery of the collateral and (ii) the prohibition of, or limitation on, the right to foreclose on a second lien or exercise other rights as a second-lien holder (including unsecured creditors’ rights). In certain cases, therefore, no recovery may be available to a Client from a defaulted second-lien loan. The level of risk associated with investments in second-lien loans increases to the extent such investments are loans of distressed or below investment grade companies.

***Investments in Distressed Securities.*** The Firm is permitted to invest Client assets in the debt, obligations and other securities, and related equity of companies experiencing significant financial difficulties and material operating issues, including, without limitation, companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk which is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the Firm will correctly evaluate the value of the assets of a company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event

that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Clients may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the such Clients invested.

***Investments in Special Situations.*** The Firm is permitted to invest Client assets in “event-driven” and other special situations, such as recapitalizations, spin-offs, restructurings, reorganization, bankruptcy, litigation, corporate control transactions, corporate events and other catalyst-oriented strategies. The Firm believes these types of investments often have limited downside risk relative to their current valuations. The Firm could, however, be incorrect in its assessment of the downside risk associated with an investment, thus resulting in significant losses to a Client. Investments in such securities often are difficult to analyze or have limited trading histories or in-depth research coverage. Although the Firm intends to utilize appropriate risk management strategies with respect to Clients, such strategies cannot fully insulate a Client from the risks inherent in its planned activities. Moreover, in certain situations the Firm will be unable to, or could choose not to, implement risk management strategies because of the costs involved or other relevant circumstances.

***Illiquidity in the Leveraged Finance Market.*** The financial markets have experienced substantial fluctuations in prices for leveraged loans and limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, a Client’s ability to acquire or dispose of collateral obligations at a price and time that the Adviser deems advantageous may be severely impaired, which may impair its ability to dispose of investments in a timely fashion and for a fair price, as well as its ability to take advantage of market opportunities. Furthermore, it is expected that substantially all of the collateral obligations will have a limited trading market (or none) under any market conditions. Illiquid debt obligations may trade at a discount from comparable, more liquid investments or Clients may be unable to sell illiquid debt obligations.

***General Risks of CDO and CLO Investments.*** The Firm is permitted to invest Client assets in (including the equity securities of) collateral debt obligations (“CDOs”) or CLOs (“CDO/CLO Collateral”) which, in turn, could consist of high-yield debt securities, loans, and other instruments that are unrated or rated below investment grade (or of equivalent credit quality). The value of the CDOs and CLOs that could be owned directly or indirectly by a Client are expected to fluctuate with, among other things, the financial condition of the obligors or issuers of the CDO/CLO Collateral, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. The lower ratings of high-yield securities and below investment grade loans reflect a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both could impair the ability of the related issuer or obligor to make payments of principal or interest. If distributions from the CLO Collateral are insufficient to make payments on the CLO tranches, then no other assets will be available for payment of the deficiency and, following liquidation of the CLO tranches, the obligations of such issuer to pay such deficiency will be extinguished. In addition, the lack of an established, liquid secondary market for some CDOs and CLOs (CDO and CLO equity securities in particular) are likely to have an adverse effect on the market value of those

CDOs or CLOs, as applicable, and will in most cases make it difficult to dispose of such CDOs or CLOs at market or near-market prices.

***CDO/CLO Leverage Risk.*** An investment in any CDO or CLO is expected to involve significant leverage. Leverage is embedded in all classes of a CDO and CLO, other than the most senior tranche, with the highest leverage applicable to an investment by a Client in CDO or CLO equity securities. While the leverage presents opportunities for increasing a Client's total returns with respect to the related debt investments, it also has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of a debt investment in a CDO or CLO would be magnified to the extent that the CDO or CLO security is leveraged. The cumulative effect of the use of leverage by a CDO or CLO in a market that moves adversely to the CDO or CLO's investments could result in a substantial loss to the investor in the CDO or CLO, with the greatest loss applicable to the equity securities issued by the CDO or CLO vehicle.

***Interest Rate Mismatch.*** CDOs and CLOs are subject to interest rate risk. Some of the CDO/CLO Collateral of an issuer of a CDO or CLO could bear a floating rate with a SOFR floor (i.e., a fixed rate until the floor is breached), while the CDO or CLO liability typically bears interest at a floating rate with no SOFR floor. As a result, there could be a floating/fixed rate mismatch between such various tranches of the CDO or CLO and the CDO/CLO Collateral. As a result of such mismatches, an increase or decrease in the level of the floating rate indices could adversely impact the ability of a CDO or CLO to make payments on such a CDO or CLO tranche.

***CDO/CLO Illiquidity.*** Since and in the wake of the global financial crisis, the CDO (including CLO), leveraged finance and fixed income markets have at times contributed to severe liquidity crises in the global credit markets. Financial markets have experienced substantial fluctuations in prices for leveraged loans resulting in limited liquidity for such instruments. During periods of limited liquidity and higher price volatility, a Client's ability to acquire or dispose of CDOs or CLOs at a price and time that the Fund deems advantageous could be severely impaired. As a result, in periods of rising market prices, a Client could be unable to participate in price increases fully to the extent that it is unable to acquire desired positions quickly; and a Client's inability to dispose fully and promptly of positions in declining markets will cause its net asset value to decline and could exacerbate losses suffered by the Client when collateral obligations are sold.

***Revolving Credit Facilities and Unfunded Loans.*** Revolving credit facilities and other committed unfunded loans, which are loan commitments that are unfunded at the time of investment, are written agreements in which the lender commits itself to make a loan or loans up to a specified amount within a specified time period. The loan commitment sets out the terms and conditions of the lender's obligation to make the loans. The portion of the amount committed by a lender under a loan commitment that the borrower has not drawn down is referred to as "unfunded". A lender typically is obligated to advance the unfunded amount of a loan commitment at the borrower's request, subject to certain conditions regarding, among other things, the creditworthiness of the borrower. Borrowers with deteriorating creditworthiness may continue to satisfy their contractual conditions and therefore be eligible to borrow at times when a Client might prefer not to lend. In addition, a lender may have assumptions as to when the borrower may draw on an unfunded loan commitment when the lender enters into the commitment. If the borrower does not draw as

expected, the commitment has the potential not to result in as attractive an investment as originally anticipated for Clients.

***Cyclical Nature of Debt Markets.*** From time to time, the markets have been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, sometimes in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. A general downturn in the debt markets can create a situation in which investments suffer rising default rates. Such rising default rates may further tighten the lending environment, leading to a cycle of default and increasing interest rates. The inability of the sponsor to secure debt financing at reasonable interest rates may adversely affect an investment's profitability and financial stability and will subject such investment to increased exposure to adverse economic factors such as a significant rise in interest rates, a severe downturn in the economy or deterioration in the condition of that investment.

***Leveraged Investments.*** Clients are generally permitted to utilize leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Client's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Client's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Client's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Client. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Client may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Client. Furthermore, should the credit markets be limited or costly at the time a Client determines that it is desirable to sell all or a part of a portfolio company, the Client may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Client invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Client will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Client's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Client is also permitted to incur additional leverage with features as further described in this paragraph, which in each case may be limited by the terms of the Client's Governing Documents. A Client is permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Client would be compensated for



providing such guarantee or exposure to such liability. The use of leverage by a Client generally also will result in fees, interest expense and other costs to such Client that may not be covered by distributions made to such Client or appreciation of its investments. While Client-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Client generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Clients and entities managed by the Firm or any of its affiliates, including through Client subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Client will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Client incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by such Client's Investors and such Investors' contributions may be required to be made directly to the lenders instead of such Client.

To the extent a Client provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Client. As a result, the relevant Client's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Client's investment limitations, certain of which exclude bridge financing investments.

***Subscription Lines.*** The Firm reserves the right to direct certain Clients to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Client's investments, as well as to consolidate or make less frequent capital calls to Investors in the Funds. Client-level borrowing subjects Investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the Firm's right to call capital from Investors, Investors may be obligated to contribute capital on an accelerated basis if the Client fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Investor claim against the Client would likely be subordinate to the Client's obligations to a subscription line's creditors.

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

in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Client-level borrowing typically delays the need for Investors to make contributions to a Client, or results in short-term gains to a Client, which in certain circumstances enhances the relevant Client's return calculations and thereby may be deemed to benefit the marketing efforts of the Firm and its affiliates and increases the likelihood that any hurdle or preferred return component in the Client's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Client-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Client-level borrowing can increase the base of a Client's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Client's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Client-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Client's investment period, and cause or defer a related change in the basis of the relevant Client's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Clients) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Client nor Investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Client and the Investors or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions on the Firm's ability to consent to the transfer of an Investor's interest in a Client or impose concentration or other limits on the Client's investments, and/or financial or other covenants, that could affect the implementation of the Client's investment strategy. In addition, in order to secure a subscription line, the Firm may request certain financial information and other documentation from Investors to share with lenders. The Firm will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more Investors. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Client subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Client, resulting in a potential net benefit to the Client, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Client subsidiary.

Client-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the Firm to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Investors that would not arise had the Firm called smaller amounts of capital

incrementally over time as needed by a Client. This risk would be heightened for an Investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Investor to meet the accumulated, larger capital calls at the same time. A general partner of a Fund is generally authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Firm for expenses incurred on behalf of the relevant Fund. A Client is also generally permitted to utilize Client-level borrowing to repay the amount outstanding through means other than Investor capital, including as a bridge for equity or debt capital with respect to an investment. If a Client ultimately is unable to repay the borrowings through those other means, Investors would end up with increased exposure to the underlying investment, which could result in greater losses.

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

*Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, certain Clients are authorized to incur indebtedness that is secured by any assets of the Client (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is generally permitted to be incurred for any purpose relating to the activities of the Client, including without limitation to: finance any investment-related activities of the Client; increase the buying power of the Client; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Client expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing Investors of a Fund; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at

the Client-level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

**Use of Sub-Advisers.** Sub-advisory fees and expenses charged by sub-advisers (including any affiliated sub-advisers) are generally in addition to any fees (including any Management Fee and/or Administrative Fee) and expenses charged by the Firm and do not offset or otherwise reduce fees payable to the Firm in respect of its management of an Insurance Client. The use of paid sub-advisers will result in additional fees and expenses being borne, directly or indirectly, by an Insurance Client and could result in decreased returns. Additionally, fees charged by such sub-advisers (including any affiliated sub-advisers) may not be the lowest fees available for similar sub-advisory or investment management services offered by other sub-advisers, and there can be no assurance that the returns and other performance metrics of such sub-advisers are, or will continue to be, better than those of other sub-advisers.

**Reinsurance Arrangements, Generally.** In general, reinsurance transactions are risk transfer arrangements with respect to insurance liabilities. In such transactions, one insurance company (the “**Cedant**”) transfers, or “cedes,” the risk (and the benefits) of its insurance liabilities to another insurance company (the “**Reinsurer**”), which in connection with its assuming such liabilities, will also be entitled to all the benefits (and bear all risks) of the asset portfolio backing such reinsured liabilities. Regardless of the structure of a reinsurance transaction, the result is the same: to transfer risks and benefits of the reinsured liabilities and of the asset portfolio backing such liabilities to the reinsurer pursuant to the terms of a reinsurance agreement entered into between the Reinsurer and the Cedant (such agreement, a “**Reinsurance Treaty**”).

**The Reinsurance IMA: Managing the Reinsurance Asset Portfolio.** The composition of the asset portfolio backing the reinsured liabilities under the Reinsurance Treaty (the “**Reinsurance Asset Portfolio**”) and the investment guidelines and other investment criteria to which such Reinsurance Asset Portfolio is subject (the “**Investment Guidelines**”) are negotiated between the Cedant and the Reinsurer and are integral to the reinsurance transaction and the Reinsurer as they will directly impact the amount (called a “ceding commission”) the Reinsurer will be willing to pay to, or receive from, the Cedant in connection with the Reinsurer’s agreement to assume the risk of such liabilities. When negotiating the Reinsurance Treaty with a Cedant, the Adviser assists, and acts on behalf of, the Reinsurer and its direct and indirect investors, as applicable) in its negotiation of the Reinsurance Treaty and related documents and assists the Reinsurer in negotiating the composition of the Reinsurance Asset Portfolio and the Investment Guidelines intended to govern such Reinsurance Asset Portfolio throughout the life of the reinsurance transaction. In some cases, in connection with, and upon the closing of, a Reinsurance Treaty, the Cedant will, as legal owner of the Reinsurance Asset Portfolio, appoint the Adviser to manage the Cedant Reinsurance Account and the related Reinsurance Asset Portfolio pursuant to the Investment Guidelines. In connection with such appointment, the Cedant and the Adviser will enter into an investment management agreement (the “**Reinsurance IMA**”) which will set forth, among other things, the Investment Guidelines, the fees and expenses payable or reimbursable by the Cedant Reinsurance Account, to the Adviser, and certain other rights of the Adviser, including the right to delegate various advisory duties to sub-advisers, including affiliated sub-advisers. The characteristics and terms of each

Reinsurance Treaty, Reinsurance IMA and Reinsurance Asset Portfolio pertaining to any particular Reinsurer, its respective Cedant and the Adviser, and the reinsurance relationship among them, are collectively referred to hereinafter as a “**Reinsurance Relationship**.”

***The Reinsurance Relationship: Unique Economics.*** Unlike a typical SMA arrangement where the risks and the benefits of the underlying asset portfolio inure to the legal owner of such account, the reinsurance transaction shifts the risks and the benefits of the Cedant Reinsurance Account and the Reinsurance Asset Portfolio therein from the Cedant to the Reinsurer in connection with the Reinsurer’s agreement to reinsure the liabilities backed by such asset portfolio. Under the Reinsurance Treaty, the Reinsurer is generally obligated to maintain the Reinsurance Asset Portfolio such that the book value of such portfolio equals the reinsured liabilities. Generally, if the book value of such portfolio falls below such threshold, the Reinsurer is required to “true-up” the Cedant Reinsurance Account by adding cash or other assets, and if the Reinsurance Asset Portfolio exceeds such thresholds, the Reinsurer is entitled to remove cash or other assets from the Cedant Reinsurance Account. These “true-ups” together with other amounts that could be owing between the Cedant and the Reinsurer under or with respect to a Reinsurance Treaty, are referred to herein as “**Reinsurance Settlement Payments**.” All expenses related to the Cedant Reinsurance Account, including the fees and expenses of the Adviser and any sub-adviser (including any affiliate sub-adviser) that could be payable by the Cedant under the Reinsurance IMA, flow through the Cedant Reinsurance Account but are ultimately borne by the Reinsurer as a result of the true-up mechanics of the Reinsurance Treaty through the Reinsurance Settlement Payment process.

While the Adviser will seek to manage a Cedant Reinsurance Account and its related Reinsurance Asset Portfolio within the applicable Investment Guidelines, the Adviser takes into consideration the economic substance, nature, and intent of the Reinsurance Relationship. In making investment management, allocation, risk management and other portfolio and management decisions, the Adviser views the economics and risks associated with the Reinsurance Asset Portfolio as the economics and risks of the Reinsurer, and ultimately of its parent — and not of the Cedant — and will take into account the interests of the Reinsurer, and ultimately of its parent, as the economic risk holder, regardless of whether title to the assets in such Reinsurance Asset Portfolio or other indicia of ownership continue to be held in the name of the Cedant.

***The Reinsurance Asset Portfolio upon a Recapture.*** While a Reinsurance Relationship is intended to last the life of the reinsured liabilities, certain provisions of the Reinsurance Treaty permit its termination and the “recapture” of the reinsured liabilities and related Reinsurance Asset Portfolio upon the occurrence of specific events (such as an insolvency of the Reinsurer or the occurrence of an uncured material payment breach of the Reinsurer).

***Reinsurance Settlement Payments.*** The Adviser is expected to be requested to effect Reinsurance Settlement Payments between a Reinsurer and a Cedant in connection with or pursuant to a Reinsurance Treaty or related documents. Such Reinsurance Settlement Payments could be made in cash or through an asset-in-kind payment. The Adviser is generally requested to select assets to be: (i) liquidated (if the Reinsurance Settlement Payment is expected to occur in cash); or (ii) transferred (in the case of an asset-in-kind payment). Such Reinsurance Settlement Payments or other transfers that are made in connection with or pursuant to a Reinsurance Treaty or related

documents are not considered cross trades (including principal cross trades) by the Adviser, even if the Adviser assists in the selection of assets to be so transferred and calculating the price at which such assets are transferred between the Reinsurer and Cedant. The market price with respect to assets that could be transferred in kind is generally determined in accordance with the Adviser's valuation policy or, if applicable, pursuant to the terms of the applicable Reinsurance Treaty.

***Regulatory Landscape of Insurance.*** Investments in the insurance industry could be adversely impacted by insurance regulations and potential regulatory reforms. The insurance industry is highly regulated and the regulators in many jurisdictions have broad, and in some cases discretionary, authority over insurance and reinsurance companies, including, among other things, with respect to marketing practices, policy rate increases, reserve requirements, capital adequacy, permissible investments and affiliate transactions. In addition, the insurance sector is subject to frequent regulatory change and the laws and regulations relating to the insurance industry are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. Even where laws or regulations purport to be the same across different jurisdictions, they may be inconsistently applied by the regulators of the different jurisdictions. In terms of regulatory changes, the following changes in particular may affect the operations and prospects of a Client's investments and affiliated entities in the insurance industry, including AeBe ISA: (i) changes to interest rates and policies of central banks and regulatory authorities; (ii) changes in applicable direct or indirect taxes, levies or charges; (iii) changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which our investments operate; (iv) changes relating to the capital adequacy framework and rules designed to promote financial stability, both on an individual re/insurance company level and on a group level; (v) changes to policyholder protections; and (vi) developments in financial reporting. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements, judicial or regulatory interpretation, or reimbursement programs, could have a material adverse effect on the operations or financial performance of a Client's investments in the insurance industry and may increase its compliance and legal costs. Any such costs could negatively impact the value of a Client's investments and the returns a Client is able to generate on such investments.

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

***Control Person Liability.*** The Clients could have controlling interests in some of their portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), pension plan liability or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Client could suffer a significant loss.

***Minority Investments.*** The Clients could make or, as the result of the partial sale of a portfolio company retain, minority equity investments in entities where the Clients do not effectively control or influence the business or affairs of such entities. Under such circumstances, there is the possibility that the entity in which a Client's investments are made has economic or business interests or goals that are inconsistent with those of the Client, and the Client might not be in a position to limit or otherwise protect the value of the Client's investments in the entity. In addition, although the Clients could seek board representation in connection with their investments, there is no assurance that such representation, if sought, will be obtained. In such cases, a Client will be significantly reliant on the existing management and 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.

***Unfunded Pension Liabilities of Portfolio Companies.*** Certain court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Firm intends to manage each Client's investments to minimize any such exposure, a Client is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Client owns an 80% or greater interest in such portfolio company. If such Client (or other 80%-owned portfolio companies of such Client) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Client and the companies in which such Client invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

***Limited Regulatory Oversight.*** Although the Adviser is registered as an investment adviser under the Advisers Act, none of the Funds managed by the Firm will be registered as investment companies under the 1940 Act, and, accordingly, the full protections of the 1940 Act will not be applicable to such Funds. In addition, the interests will not be registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States, or the laws of any non-U.S. jurisdiction), and will be offered in reliance upon an exemption from such laws.

The interests will not have been recommended by any U.S. federal or state, or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities will not have confirmed the accuracy or determined the adequacy of any Fund's applicable Governing Documents. Any statement to the contrary is unlawful.

***Impact of Government Regulation, Regulatory Approvals and Reform.*** Certain industry segments in which the Funds may invest are, or may become, (i) highly regulated at both the federal and state levels in the U.S. and internationally and (ii) subject to frequent regulatory change. While the Firm intends to invest in issuers or portfolio companies it believes have obtained all material U.S. federal, state, local or non-U.S. approvals required to operate, the laws and regulations relating to such industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. In addition, the consent or approval of certain regulatory authorities may be required in order for the Funds to acquire or hold investments in certain issuers or portfolio companies. The Funds' investments could be adversely affected to the extent any applicable laws or regulatory requirements change or become increasingly stringent as a result of judicial or administrative interpretations or regulatory interpretive guidance with respect to such issuers or portfolio companies. Moreover, additional regulatory approvals may become applicable in the future as a result of the foregoing or for other reasons. There can be no assurance that the issuers or portfolio companies in which the Funds hold investments will be able to obtain all required regulatory approvals or, once obtained, to maintain such approvals in accordance with the requirements applicable thereto. Failure or delay in obtaining and maintaining any applicable regulatory approvals could adversely affect the business of the Firm and its affiliates, the Funds and/or portfolio companies and impede their ability to effectively achieve their investment objectives.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of the Firm and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact the Firm and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear increased significant costs as a result of such rules, including costs related to Investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, Investors will not be afforded some or all of the protections provided by these rules.

***Litigation.*** The Firm, its affiliates and portfolio companies are subject to substantial litigation risks and could face significant liabilities and damage to their professional reputation as a result of litigation allegations, investigations and negative publicity. Such risks include potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which may include Firm investment professionals and Operations Group Members), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Funds, the Firm or its affiliates. The Firm and its affiliates are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, financial condition or results of operations of the Firm, its affiliates, portfolio companies and the Funds or cause significant reputational harm, which could seriously impact their business.



***Reliance on Operating Management.*** While the senior investment professionals of the Firm will be actively engaged in the management of investments, the day-to-day operations of each investment will be the responsibility of the investments' respective management teams. Senior investment professionals will be responsible for monitoring the performance, but there can be no assurance that any investment's existing operating management team, or any successor, will be able to operate the investment in accordance with the Client's expectations.

***Limited Operating History.*** The Firm has limited operating history upon which Investors can evaluate its potential performance. Accordingly, any investment entails a significant degree of risk. The past investment performance of the Firm's key personnel should not be construed as an indication of the future results of an investment. Although any Client accounts may be similar to one or more investment vehicles or accounts advised or previously advised or managed by the key personnel of the Firm, the Client accounts will be managed as separate portfolios with their own distinct investment objectives, policies, risks and expenses. In addition, anticipated investments will be highly dependent on current and prospective market trends and may experience highly different performance attributes. Client investment programs should be evaluated on the basis that there can be no assurance that the Firm's assessment of the short-term or long-term prospects of investments will prove accurate or that the Clients will achieve their investment objectives.

***Concentration of Investments.*** A Client will generally participate in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return may be materially affected by the performance of a single investment or a single industry segment.

***Illiquid and Long-Term Investments.*** An investment will generally require a long-term commitment with no certainty of return. Accordingly, an investment in a Client should be viewed as an illiquid investment. Many investments are expected to be highly illiquid, and there can be no assurance that a Client will be able to realize on such investments in a timely manner or at all. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that any Client will hold investments until maturity, which will not occur for a number of years after the investment is made. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Client (including any Management Fee payable to the Firm) may exceed its income, thereby requiring that the difference be paid from the Client's capital, including, in the case of a Fund, unfunded capital commitments of the Investors in such Fund. Moreover, in some cases Clients may be prohibited by contract or by legal or regulatory reasons from selling certain investments for a period of time.

***Restricted Nature of Investment Positions.*** Generally, there will be no readily available market for a substantial number of each Client's investments and hence, most of a Client's investments will be difficult to value. Certain investments may be distributed in kind to the Investors of a Client and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such Investors. After a distribution of securities is made to Investors, many Investors may decide to liquidate such securities within a short period of time, which could

have an adverse impact on the price of such securities. The price at which such securities may be sold by such Investors may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to the Firm with respect to such investment.

***Investments in Venture Capital Funds and Venture Capital-Backed and Early-Stage Investing.***

Investments in venture capital funds and venture capital-backed and early-stage companies tend to be highly illiquid, speculative, and involve a significant risk of loss. In addition, venture capital-backed and early-stage companies may have narrow product lines and small market shares, which tend to render them more vulnerable to competitors' actions, business and economic developments, and market conditions compared to more mature companies. The success of such companies is often dependent in significant part upon proprietary technology utilized in its products and services, which may subject such companies to intellectual property disputes. The percentage of venture capital-backed and early-stage companies that survive and prosper can be small.

***Risk of Investment in Growth-Stage Companies.*** Assets in growth-stage companies often have relatively limited operating histories. Generally, very little public information exists about these companies, and Clients will be required to rely on the ability of the Firm to obtain adequate information from management and other sources to evaluate the potential returns from investing in loans to these companies. Growth-stage companies may have narrow product lines and small market shares, compared to larger, established publicly-owned firms, which tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. The revenues, income (or losses) and valuations of growth-stage companies in target industries can and often do fluctuate suddenly and dramatically. For these reasons, debt of growth-stage companies, if rated by one or more ratings agencies, would typically be rated below "investment grade," which refers to debt rated by ratings agencies below the four highest rating categories. Growth-stage companies may also have more limited access to capital and higher funding costs. These could impair portfolio companies' cash flows or result in other events, such as bankruptcy, which could limit such portfolio companies' ability to repay obligations to lenders and may materially adversely affect the return on, or the recovery of, Clients' investments in these businesses.

***Real Estate.*** Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental, financing, and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies which employ leverage are subject to risks normally associated with debt financing, including the risk that; (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or

(d) that the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

**Hedging Policies.** In connection with the financing of certain investments, the Firm is authorized (but not obligated) to cause a Client to employ hedging techniques designed to reduce the risks of adverse movements in interest rates, credit, securities prices and currency exchange. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge could be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While a Client could benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, credit defaults, securities prices or currency exchange rates could result in a worse overall performance for a Client than if the Client had not entered into such hedging transactions. Further, the Clients are generally permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect. In situations in which a Client is required to post margin or other collateral with a counterparty, the counterparty could fail to segregate the collateral or could commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, a Client's collateral could be subject to the conflicting claims of the counterparty's creditors, and the Client could be exposed to the risk of a court's treating the Client as a general unsecured creditor of the counterparty, rather than as the owner of the collateral. Additionally, such hedging transactions will add to the cost of the investment, could require ongoing cash payments to counterparties, could subject a Client to the risk that the counterparty defaults on its obligations and could produce different tax consequences to the Client than would apply if the Client had not entered into such hedging transaction. Certain hedging arrangements may create for the Firm an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Client or a portfolio company to hedge its exposures becomes limited by such requirements.

**Bankruptcy.** Portfolio companies or other investments held by Clients may experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of the Clients. There is also a risk that a court may subordinate the Clients' equity investment to other creditors or require the Clients to return amounts previously paid to them by their respective portfolio companies or other investments if they become insolvent or file for bankruptcy, a risk that increases if the Clients have management rights in the applicable portfolio companies or other investments. Even after the end of bankruptcy proceedings there may remain contingent liabilities, which may involve disputes or litigation requiring payment to third parties.

**Uncertainty of Financial Projections.** Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based

upon information received from third parties and assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

***Financial Fraud.*** Instances of fraud and other deceptive practices may undermine the Firm's due diligence efforts, and if such fraud is discovered, negatively affect the valuation of the Firm's investments. In addition, financial fraud may contribute to overall market volatility, which can negatively impact the Firm.

***Misconduct of Investment Professionals, Personnel, and Third-Party Service Providers.*** Misconduct or misrepresentation by investment professionals and other personnel of the Firm or by third-party service providers could cause significant losses to the Clients. Despite the due diligence efforts of the Firm, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by the Firm will identify or prevent any such misconduct.

***Broken Deal Expenses.*** A Client's investments typically require extensive due diligence activities prior to acquisition, and the related expenses are typically quite substantial. Due diligence costs typically include, among other expenses: feasibility and technical studies; preliminary engineering costs and marketing studies; environmental reviews; legal costs; tax advisory costs; and bid preparation and submission costs. Subject to the terms of the applicable Governing Documents and to the extent such expenses are not reduced due to contractual expense reimbursement requirements negotiated with the transaction counterparty, such broken deal expenses will generally be borne by a Client even if the applicable prospective investment is not completed.

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

intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Clients and their investments, and on the ability of the Firm, any Client or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Client is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Client to access capital contributions or otherwise); the inability of the Client to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of the Firm or any portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Firm will experience operational burdens and expenses, and a Client or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Firm will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Clients and any of their portfolio companies are subject to additional risks in the event a Financial Institution utilized by Clients or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Client, Investors in a Fund or such portfolio companies, including the risk of Investor defaults.

Many Financial Institutions require, as a condition to using their services (including lending services), that the Firm and/or the relevant Client maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although the Firm seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Clients, the Firm is under no obligation to use a minimum number of Financial Institutions with respect to any Client, or to maintain account balances at or below the relevant insured amounts.

***International Investments.*** The Firm expects to make investments on behalf of Clients in a number of different countries, some of which may prove to be unstable. As a general matter, international investments pose numerous risks, including the risk of adverse political developments, nationalization, confiscation without fair compensation, civil unrest, or war. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Client and/or the Investors with respect to such Client's income, and possible non-U.S. tax return filing requirements for such Client and/or the Investors. In addition, laws, regulations and conditions in foreign countries may impose restrictions or risks that would not exist in the United

States (such as capital repatriation regulations) and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. The Firm will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Clients. Certain of the aforementioned risks may be increased with respect to one or more of a Client's investments in developing and emerging markets.

***Limited Access to Information.*** Investors' rights to information regarding a Client, the Adviser or the Firm generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the Firm will obtain certain types of material information from or relating to a Client's investments that will not be disclosed to Investors because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of the Firm's control. Decisions by the Firm or its affiliates to withhold information may have adverse consequences for Investors in a variety of circumstances. For example, an Investor that seeks to transfer its interest in a Client may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for an Investor to monitor the Firm and its performance. Additionally, it is anticipated that Investors that designate representatives to participate on a Client's advisory committee (or similar advisory board) generally may, by virtue of such participation, have more or earlier information about a Client and its investments in certain circumstances than other Investors. Investors generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Client succeeds in asserting confidentiality for requested documents and other materials, and the Firm reserves the right to withhold certain information from Investors subject to such laws for reasons relating to the Firm's public reputation, business strategy or other reasons.

***Confidential or Material Non-Public Information.*** As a result of the operations of the Firm and its affiliates, as well as in connection with officerships or directorships of Firm personnel, the Firm frequently comes into possession of confidential or material non-public information and is therefore restricted from initiating transactions in certain securities. Therefore, the Firm and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Client. Consequently, a Client may be restricted by applicable securities laws or the Firm's internal policies from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Firm's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the Adviser or the Clients from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the

U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Client's acquisition of a portfolio company may preclude other Clients from making an attractive acquisition or require one or more other Clients to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Client may be adversely affected because of the Firm's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Client from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by the Firm or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Client will be able to participate in all potential investment opportunities that fall within its investment objectives.

***Sanctioned Investors.*** If after subscribing to a Client an Investor is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the Firm will have the sole discretion to determine the resolution, remedy and manner of compliance of the Client with applicable laws, including without limitation a "freeze" on distributions and/or capital calls from the relevant Investor and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Client's activities, could materially and adversely affect the Clients.

***CFIUS and National Security Clearance Considerations.*** Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("**CFIUS**"), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Client, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, personnel, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Client from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Client's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. Investors comprise a substantial percentage of a Client. Under the Governing Documents, the Firm is generally authorized, although not required, to excuse or otherwise limit non-U.S. Investors' ability to invest in U.S. businesses (or to exercise voting or advisory committee rights (or similar rights) with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Client to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

***Pay-to-Play.*** A number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds, and that require investment advisers to adopt recordkeeping and reporting programs that monitor the adviser’s and its personnel’ activities. In addition, the SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, personnel or agents makes a contribution to certain elected officials or candidates. Several states have followed suit by issuing similar restrictions at the state level. In addition, the SEC has reportedly investigated whether certain financial firms made improper payments to secure investments from sovereign wealth funds. If the Firm or any of its personnel or affiliates or any service provider acting on its behalf fails to comply with such laws, regulations or policies, such non-compliance could have a materially adverse effect on such persons and on the Clients.

***Cybersecurity.*** As part of its business, the Firm collects, stores, transmits and otherwise processes large amounts of electronic information, including confidential, proprietary, sensitive, personal and other nonpublic information (including information relating to the transactions of the Clients). Similarly, service providers of the Firm or the Funds, especially the administrator, may collect, store, transmit and otherwise process such information. The Firm has procedures and systems in place designed to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. Data security incidents, cyber-attacks and other breaches have been occurring globally at a more frequent and severe level, and will likely continue to increase in frequency and sophistication in the future. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems, including, but not limited to, computer viruses, malicious software, destructive code, phishing attacks, ransomware attacks, social engineering, attempts to gain unauthorized access to data, or other electronic security breaches or similar events, including those perpetrated by criminals or nation state actors are evolving, change frequently and may be difficult to detect for long periods of time. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or websites and rendering them unavailable or ineffective. Additionally, hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise data security. The Firm’s systems or facilities also may be susceptible to employee error or malfeasance, government surveillance, or other security threats, and on-line services provided by the Firm to the Clients may be susceptible to compromise. A breach of the Firm’s information systems may cause confidential, proprietary, sensitive, personal and other nonpublic information (including information relating to the transactions of the Clients) to be lost or improperly accessed, used or disclosed.

Network-connected services provided by third parties to the Firm may be susceptible to compromise, leading to a breach of the Firm’s network. The service providers of the Firm and the Funds are subject to the same electronic information security threats as the Firm. While the Firm and the Funds perform cybersecurity diligence on their key service providers, it is important to note that if a service provider fails to adopt or adhere to adequate data security policies and procedures,



or if despite such policies and procedures there is a breach of its networks or systems, confidential, proprietary, sensitive, personal and other nonpublic information (including information relating to the transactions of the Clients) may be lost or improperly accessed, used or disclosed.

Any data security incident, cyber-attack or other breach experienced by the Firm or the Funds, including any loss or improper access, use or disclosure of the Firm's or Clients' confidential, proprietary, sensitive, personal and other nonpublic information, may cause the Firm or Clients to suffer, among other things, financial loss, the disruption of their business, loss of business, disruption to operations or cash flow, liability to third parties, exposure to legal claims, regulatory intervention or reputational damage, including losses which may be in excess of, or not covered by, such entity's insurance policies. The Firm or the Funds may have to make a significant investment to fix or replace any inoperable or compromised systems or to modify or enhance their data security controls, procedures and measures. Similarly, the public perception that Firm or the Funds have been the target of a data security threat, even if unsuccessful, also could have a material adverse effect on their reputations and lead to financial losses from loss of business, depending on the nature and severity of the threat.

***Data Privacy and Security Laws.*** The Firm and the Funds, including through their respective general partners, may collect and process personal information, including personal information concerning Investors and prospective Investors from internal and external sources. Compliance with current and future data privacy and security laws and regulations could significantly impact current and planned data privacy and security related practices, the collection, use, sharing, retention, safeguarding and other processing of personal information, and certain of the Firms' or the Funds' current and planned business activities. Any failure or perceived failure to comply with such laws and regulations could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect results of operations and overall business, as well as have an impact on the reputation of the Firm and the Funds. As data privacy and security laws and regulations are implemented, interpreted and applied, compliance costs may increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

The U.S. and international legal and regulatory landscape governing data privacy and security is in a period of considerable flux. In recent years, a number of state legislatures have passed important data privacy laws, including the California Consumer Privacy Act, as amended by the California Privacy Rights Act (collectively, "**CCPA**"), which provides California residents with certain individual privacy rights and imposes data privacy and security obligations on covered companies. A number of other states have enacted, or are considering enacting, comprehensive data privacy and security laws. In addition, laws in all 50 U.S. states, including the New York SHIELD Act, require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. At the federal level, the United States Congress is also considering various proposals for comprehensive data privacy and security legislation. The Firm and Funds are or may be subject to the rules and regulations promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices, including with respect to data privacy and security. Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, storage,

use, disclosure and other processing of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain nonpublic or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines.

Internationally, many jurisdictions have established their own data privacy and security legal frameworks with which the Firm and Funds, may need to comply, including the European Union (“EU”) and the United Kingdom (“UK”). The EU’s General Data Protection Regulation (“GDPR”) aims to modernize the legal framework of data protection and privacy in Europe to ensure the consistent protection of personal data by making businesses more accountable for compliance with applicable requirements. Accordingly, onerous penalties may be imposed for breaches of the GDPR, including a failure to report cyber security breaches or to implement or maintain appropriate cybersecurity systems and protocols. The GDPR establishes rules relating to the processing of personal data and to the free movement of personal data. In addition, following Brexit, the U.K. General Data Protection Regulation (i.e., a version of the GDPR as implemented into U.K. law) (the “UK GDPR”) went into effect, which exposes the Firm and the Funds to burdens and risks comparable to those of the GDPR.

Prospective Clients and Investors in the Funds should note that it is expected that they will provide personal information and personal data (as defined under applicable data privacy and security laws and regulations, including “Personal Data” as defined in the GDPR and which may include special categories of Personal Data pursuant to Article 9 thereof), as part of their entry into an advisory relationship with the Firm and/or subscription to a Fund and in their interactions with a Fund, its general partner, the Firm, their affiliates and/or delegates.

The cumulative effects of the CCPA, the GDPR, the UK GDPR and other recently adopted data privacy and security laws and regulations include an increased ability of individuals, relative to companies, to control the use of their personal information; increased obligations of companies to maintain the privacy and security of personal information; and increased exposure to regulatory action, litigation, fines, damages or reputational harm for companies that do not afford individuals their specified privacy rights, that experience data breaches or that do not maintain cybersecurity practices at certain required levels. The Firm and the Funds will endeavor to implement and maintain systems designed to promote compliance with the CCPA, the GDPR, the UK GDPR and these other laws and regulations, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals’ increased privacy rights or in ensuring compliance with the CCPA, the GDPR, the UK GDPR and such other laws and regulations. In the event of regulatory action, litigation, fines, damages or reputational harm due to noncompliance with such data privacy and security laws, there may be a business impact on the Firm and/or the Funds.

***Valuation of Investments and Changing Accounting Standards.*** Investments will be valued in accordance with the applicable Governing Documents and Valuation Policy. Generally, the Firm will determine the value of all Client investments for which market quotations are available based

on publicly available quotations. However, market quotations will not be available for a significant number of the Clients' investments because, among other things, the securities of portfolio companies or investments held by the Clients generally will be illiquid and not quoted on any exchange. The Firm will determine the value of all of a Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. The Firm will determine the value of all other Client investments based on generally accepted accounting principles as promulgated in the United States and in accordance with the relevant Governing Documents. There can be no assurance that the Firm will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the Firm with respect to an investment will represent the value realized by the relevant Client on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by the Firm may cause it to ineffectively manage the relevant Client's investment portfolios and risks and may also affect the diversification and management of such Client's portfolio of investments.

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

***Changes in Environment.*** The Funds' investment programs extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Funds operate may undergo substantial changes, some of which may be adverse to the Funds. The General Partners will have the exclusive right and authority (within the limitations set forth in the relevant Governing Documents) to determine the manner in which the Funds will respond to such changes, and the Investors generally will have no right to withdraw from the Funds or to demand specific modifications to the Funds' operations in consequence thereof. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures exercised by members of the General Partners in the past may not be successful, or even practicable, during the Funds' terms. Within the limitations set forth in the

applicable Governing Documents, the General Partners have the right and authority to cause the Funds' investment sourcing, selection, management and liquidation strategies and procedures to deviate from those previously described.

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

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

***Inflation.*** In response to economic events, including the global financial crisis and the COVID-19 pandemic, countries around the world significantly loosened monetary policy and injected trillions of dollars into the economy in an effort to prevent more severe economic turbulence. This unprecedented amount of government funding and support may give rise to significant increases in government spending and (in many instances) significant increases to the amount of debt issued by governments in the international bond markets. There can be no assurance that governments will be able to repay all of this debt in a timely way, or at all. Government default on debt would have negative consequences for Clients, disrupting financial markets generally and undermining the ultimate credit support of many of the assets targeted for investment by Clients. In addition, the United States and other countries have experienced, and may in the future experience, supply chain

disruptions for a number of goods in the marketplace. This potential disruption in supply of goods, combined with high levels of such government spending and monetary policy, may materially increase inflation of the U.S. dollar and other currencies in the coming years, which could have an adverse impact on Clients.

***International Conflicts.*** Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Clients or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

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

***UK Exit from the EU.*** The UK formally left the EU on January 31, 2020 ("**Brexit**"). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Client and its investments, including the ability of a Client to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no

assurance that any renegotiated laws or regulations will not have an adverse impact on a Client and its investments, including the ability of a Client to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including the Firm and Client portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

***U.S. Taxation of Carried Interest.*** U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds and certain Clients as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Client treated as a partnership under U.S. federal income tax law or the Firm who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the Firm to incentivize, attract and retain individuals to perform services for a Client. This creates potential incentives for the Firm to cause a Client to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

***Secondaries and other General Partner-Led Transactions.*** There continues to be a significant market for secondary sales, general partner-led transactions, continuation funds, successor fund investments and other transactions, and the Firm reserves the right to dispose of (or seek additional capital for) Client investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Firm following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Firm believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Clients managed or Funds sponsored by the Firm and its affiliates), often on different terms than their original investment in the Client or Fund, as applicable. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Client or Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Client's or the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed

(i.e., a portion of such interest will be allocated to the Firm and/or its affiliates to the extent of their right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Client, Fund or Investor and those of the Firm or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Firm or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the Firm or its affiliate on the sale of an asset from an existing Client or Fund in such transaction), their incentives are expected to diverge from those of Investors who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund or Client, the Firm and its affiliates, and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent the Firm requires existing Investors and/or new buyers to commit capital to a continuation fund or another Fund or Client managed by the Firm in addition to the purchase amount paid in a transaction (including commitments to the relevant Client or Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Client or Fund and its Investors. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the Firm and/or its affiliates is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as Investors in the relevant Fund or Client, and in such circumstances the Firm reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain Investors will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to a Client and/or the relevant Funds' Investors and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that the Firm will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of any Client, Fund or any individual Investor or group of Investors. However, the Firm reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. With regards to the Funds, the Firm is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all Investors will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Client or Fund investments, to the extent such transactions are not consummated, the relevant Client or Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

***Social Media and Publicity Risk.*** The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation,

without independent or authoritative verification. Any such information or misinformation regarding the Firm, the Clients or one or more portfolio companies could have a material and adverse effect on the value of the Clients.

### **Conflicts of Interest**

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 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.

***Other Firm Clients and the Family Office.*** In addition to responsibilities with respect to the management and investment activities of the Clients, the Firm, the key persons of any Fund, and their affiliates will have similar responsibilities with respect to various other existing and future pooled investment vehicles, client accounts, operating companies, and the Family Office. The existence of such multiple vehicles, accounts, operating companies, and the Family Office necessarily creates a number of potential conflicts of interest. Certain Firm professionals provide management and advisory services and devote time to other Clients for fees and certain performance-related payments. Conflicts of interest will arise in connection with management services and the allocation of management resources rendered to Clients and the activities of Firm professionals on behalf of the Clients, including, without limitation, in connection with disposition decisions of the Clients' investments in their portfolio companies (including in respect of timing, structuring and terms of the disposition thereof). Further, the Adviser's affiliate, the BDC Adviser, manages the assets of a BDC. The relationship between the BDC and the Clients is expected to create certain conflicts of interest. For example, there may be conflicts in the allocation of investments among the Clients and the BDC. Any investments by a Client alongside the BDC will only be permitted in accordance with applicable law and, to the extent necessary, exemptive relief from the SEC. The BDC Adviser's co-investment relief application with the SEC was granted on November 15, 2023. For additional information regarding the BDC Adviser, please refer to Item 10.

***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. The Firm expects to be presented with certain 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. Except as required by the Governing Documents, the Firm is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one Client in a portfolio company also have the potential to raise the risk of using assets of such Client to support positions taken by other Clients.

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**") 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.

Without limitation, Firm principals currently manage, and are permitted to continue to manage, several other investments similar to those in which a Client will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Firm personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Firm's principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments that Firm principals expect to control or manage generally have the potential to compete with companies acquired by a Client. To the extent an investment opportunity is received that is unsuitable for a Client, in the Firm's sole discretion, the Firm and its personnel reserve the right to refer such opportunity to Non-Clients or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Firm personnel are

permitted to serve on boards or act in other roles unaffiliated with the Firm, the Clients or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

***Investing Across Capital Structure.*** A Client may 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.

***Co-Investments.*** The Firm reserves the right to offer co-investment opportunities to one or more potential co-investors, including Operations Group Members, vendors, service providers and/or other third parties, as determined by the Governing Documents, side letters and the Firm's allocation policy. The Firm's procedures permit it to take into consideration a variety of factors in making such determinations, include, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or 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 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 third-party 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. 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 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).

In order to facilitate the acquisition of a portfolio company, a Client reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Client will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the the Firm believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the Firm’s interest in limiting the Client’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Client would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of the Firm and its affiliates make capital investments in or alongside certain Funds, 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.

***Investment by Firm Personnel.*** Personnel of the Firm, including members of a Fund’s investment committee are permitted to invest, and at times will invest significantly, in one or more Funds. Such investments can operate to align the interests of the Firm and their personnel with the interests of the Funds and their Investors but will also give rise to conflicts of interest as such personnel can have an incentive to favor the Funds in which they participate or from which they are otherwise entitled to share in returns or fees. Although investments made by personnel are generally expected to be on the same terms and conditions as those made by third-party Investors, personnel (and in some cases, family of personnel and/or the Firm) invested in Funds 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, personnel 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.

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

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

***Board Members; Service Providers.*** As a result of a Client’s controlling interests in portfolio companies, the Firm and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Firm personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable

to Firm and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Client to the Firm.

Additionally, a portfolio company typically will reimburse the Firm or service providers retained at the Firm's discretion for expenses (including, without limitation, travel expenses) incurred by the Firm or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Firm personnel. This subjects the Firm and its affiliates to conflicts of interest because the Clients generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Firm determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Client, their effect is reflected in each Fund's audited financial statements. These factors help to mitigate related potential conflicts of interest.

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

The Firm generally exercises its discretion to recommend to a Client or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are

expected to include: (i) the Firm or a related person of the Firm (which is permitted to include a portfolio company of such Client); (ii) an entity with which the Firm or its affiliates or current or former personnel has a relationship or from which the Firm or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Firm personnel are seconded, or from which the Firm receives secondees; or (iii) certain Investors or their affiliates. For example, the Firm expects to be presented with opportunities to receive financing and/or other services in connection with a Client's investments from certain Investors or their affiliates that are engaged in lending or related business. This discretion subjects the Firm to conflicts of interest, because, although the Firm selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Client, the Firm has a potential incentive to recommend the related or other person (including an Investor) because of its financial or other business interest. There is a possibility that the Firm, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Clients or the Firm), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The Firm will not necessarily seek out the lowest cost options when incurring (or causing a Client or its portfolio companies to incur) such expenses. Although the Firm generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, the Firm expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Clients, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, Investors should not expect service providers to the Firm or any Fund or Client to provide services that will be the most beneficial to any Investor.

In certain circumstances where the Firm commits or has committed to seek "market" or "arms-length" rates or terms, the Firm will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. The Firm reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." Consequently, the Firm undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Firm reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Firm has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

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

**Operations Group.** Portfolio companies and Clients are expected to pay certain fees to, and reimburse expenses of, Operations Group Members and other consultants, and such amounts will not offset or otherwise reduce the Management Fee as described herein. Operations Group Members generally make use of Firm resources or otherwise are associated with the Firm. Operations Group Members are generally expected to receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Client, as described herein, and the use of the Operations Group is expected to fluctuate and/or expand over time. To the extent that Operations Group Members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Clients will bear a greater share of such compensation due to the utilization of the Operations Group Members' services at a time when fewer portfolio companies or Clients make use of such Operations Group Members. Under many of these arrangements, including where Operations Group Members are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Operations Group Members.

**Side Letters.** The Firm and/or its affiliates reserve the right to enter into Side Letters with certain Investors providing such Investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of the Firm's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the a Client's advisory committee (or similar board), liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Client's Governing Documents.

The Firm is likely to have its own economic and/or other business incentives to provide certain terms to certain Investors, *e.g.*, based on commitment amount to a Client or the timing thereof, the ability of an Investor to provide sourcing or other services to the Firm, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, its affiliates and personnel, or the Clients. Further, Side Letters may also relate to strategic relationships under which an Investor agrees to make commitments to multiple Clients. Except in the circumstances and on the timing required by Governing Documents, other Investors will not receive copies of Side Letters or related provisions, and as a general matter, the other Investors have no recourse against a Client, the Adviser or any of their affiliates in the event that certain Investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject the Firm to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Client's advisory committee (or similar board) results in the Investor receiving additional information relative to other Investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Investor at the expense of the relevant Client or of Investors as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Client.

If a Fund enters into a Side Letter entitling an Investor to be redeemed, excused or excluded, in whole or in part, from the Fund or its investments (which may be effectuated as a withdrawal, cancellation, redemption, rescission or similar rights), as applicable (or clarifying the circumstances by which such Investor may be so redeemed, in each case, within the restrictions set forth in the relevant Fund's Governing Documents), any actual redemption by such Investor may increase any other Investors' pro rata interest in all future investments, which may have an adverse effect on such other Investors' investment results. Such excuse and exclusion rights may impact diversification, including by causing a Fund's Investors to have increased exposure to certain investments and sectors relative to such Fund as a whole. Investors may experience differing returns as a result. In addition, any co-investment or co-bidding rights granted to a Fund's Investor in a Side Letter would result in fewer co-investment or co-bidding opportunities (or reduced or no allocations) being made available to other Investors.



A Fund, its General Partner and the Adviser will not be required to notify all of the other Investors of any such Side Letters or any of the rights or terms or provisions thereof, except as required by law. In addition, the Firm (on behalf of the Fund) will not be required to offer such additional or different rights, terms or provisions to any or all of such Fund's other Investors except as set forth in the Fund's Governing Documents. A Fund may enter into such Side Letters with any Investor as the Firm determines in its sole and absolute discretion at any time. Such Fund's other Investors will have no recourse against the Fund, the General Partner, the Adviser or any of their respective affiliates in the event that certain Investors receive additional or different rights or terms as a result of such Side Letters.

In addition, the Firm may enter into agreements with a Fund's Investor involving the Investor's overall relationship with 26North, including one or more strategies or sub-strategies in addition to the relevant Fund's strategy, with terms and conditions applicable solely to such Investor and its investment in the Fund and other vehicles advised by 26North (including separate accounts). Investors will be unable to elect any rights or benefits granted to such multi-strategy Investor. Specific examples of such additional rights and benefits include specialized reporting, more favorable or different economic arrangements, secondment of personnel from a particular Investor to 26North (or vice versa), rights to participate in the investment process as well as priority rights or targeted amounts for co-investments alongside the Funds or vehicles advised by 26North. The existence of any such arrangements may result in fewer co-investment or co-bidding opportunities (or reduced or no allocations) being made available to the Funds' Investors.

***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 non-participating 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 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.

***Distributions In Kind.*** A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as Carried Interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential

conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's Investors. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than the Adviser deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its Investors will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's pro rata interest in the Fund and the amount of Carried Interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its Investors.

***Conflicting Investor Interests.*** Additionally, the Investors likely will have conflicting investment, tax and other interests with respect to their investments in the Funds, 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 the Funds and its partners as a whole, not the investment, tax or other objectives of any Investor individually.

***Insurance Coverage.*** Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Firm will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Firm are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents.

***Fund Management Fee Base.*** As is generally the case in funds, the Funds' Governing Documents provide that a Fund's Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate Investor commitments ("**Commitments**"). Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund's aggregate investment(s) in its portfolio companies that have not been realized or completely written off for U.S. federal income tax purposes (such investments, "**Impaired Value Investments**").

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of each relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, and as is generally the case for funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (*e.g.*, those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

In many circumstances, the post-Stepdown Date Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs or write-offs that occur partway through the relevant calculation period.

***Impaired Value Investments.*** The Funds' Governing Documents provide the Firm with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Firm's compensation. In making such determinations, the Firm is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Firm or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Firm expects to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Firm will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Firm is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant Fund's general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant Fund's general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

The Firm's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant Fund's general partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant Fund's general partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither such general partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. Each Fund's general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Firm's compensation is dependent in part on an investment's status as an Impaired Value Investment, each Fund's general partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Firm intends to operate in accordance with the Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

**Transaction Fees.** Since the Firm is permitted to retain certain Transaction Fees (as described under "Fees and Compensation") in connection with investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, the Firm, its personnel, affiliates or others designated by the Firm expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are

applied, the Firm and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or the Firm) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Client's relative ownership of the portfolio company awarding such compensation.

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

Any of these situations subjects the Firm and/or its affiliates to potential conflicts of interest. The Firm attempts to resolve such conflicts of interest in light of its obligations to its Clients and the Investors in its Funds and the obligations owed by the Firm's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Client, other Clients and such investment vehicles in a manner it believes to be fair and equitable to the Clients under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Firm will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict.

## **Item 9 – Disciplinary Information**

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Neither the Firm nor any of its officers or personnel have been sanctioned or disciplined by any federal securities or commodities regulatory agency, self-regulatory organization or state for any violation of their statutes, regulations or rules nor have they ever been involved in any civil or criminal action or proceeding relating to any violation of the federal or state securities or commodities laws.

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

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### Family Office

Certain personnel of the Family Office and its affiliates provide administrative services to the Firm, which are unrelated to the investment advisory services provided by the Firm to Clients. Prior to the Firm's registration as an investment adviser with the SEC, Joshua Harris had, and will continue to have, significant authority over the Family Office Investments, which represent a majority of the Firm's regulatory assets under management. This could create an incentive to favor the Family Office Investments to the detriment of other Clients. In addition to the Family Office Investments, the Family Office and various affiliated entities are significant investors 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, such as redemption rights. 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.

### Investment Advisers

As noted in Item 4, 26North DL II is a relying adviser of the Adviser and, as such, is deemed to be registered as an investment adviser with the SEC pursuant to the Adviser's umbrella registration. 26North DL II was formed in 2023 to serve as an investment adviser to Clients pursuing direct lending and credit strategies.

As further noted in Item 4, 26North PE is a relying adviser of the Adviser and, as such, is deemed to be registered as an investment adviser with the SEC pursuant to the Adviser's umbrella registration. 26North PE was formed in 2023 to serve as an investment adviser to Clients pursuing investments with a private equity investment strategy.

As further noted in Item 4, 26North IGA is a relying adviser of the Adviser and, as such, is deemed to be registered as an investment adviser with the SEC pursuant to the Adviser's umbrella registration. 26North IGA was formed in 2023 to serve as an investment adviser to Clients pursuing a fixed income, investment grade credit strategy.

As also noted in Item 4, the BDC Adviser is an affiliate of the Firm and an SEC registered investment adviser that manages the assets of a BDC. The BDC Adviser is registered with the SEC pursuant to its own filing, which is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The BDC Adviser leverages the significant deal origination, credit underwriting, due diligence, investment structuring, execution, portfolio management and monitoring experience of the Firm's investment professionals pursuant to a Resource Sharing Agreement. The Firm and the BDC Adviser intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any personnel of the Firm and the BDC Adviser and any other persons acting on their behalf are and will be subject to the supervision and control of the Firm and the BDC Adviser, as applicable.

To further diversify a Client's investment portfolio, 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 personnel of the Firm have a direct and indirect interest in these third-party investment advisory firms. This creates a conflict of interest as it may influence the selection and allocation of Client assets. The Firm addresses this conflict by only allocating to investment advisers that it believes are suitable and in the Client's best interest.

### Insurance and Reinsurance

As further described in Item 8, the Firm is permitted to enter into agreements with Insurance Clients to provide equity to or manage their assets in an advisory relationship. These arrangements could result in economic benefits to the Firm that could give rise to conflicts of interest with respect to other Clients, including in the form of advisory fees that will inure to the benefit of the Firm but not to other Clients invested in such insurance or reinsurance companies. As a general matter, any such transactions will be subject to the Firm's conflicts of interest policy. The Firm is permitted to also provide services that include asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence, asset hedging and other asset management services. Further, the Firm is permitted to provide sub-allocation services with respect to all, substantially all, or a significant portion of the assets of an Insurance Client and allocate such assets in a manner that would characterize the Insurance Client as a captive permanent capital vehicle in relation to the Firm's business. In addition, given the ability to exert influence of any such Insurance Client due to ownership, an investment management relationship or otherwise, the Firm expects potential conflicts of interest to arise regarding its ability to exercise significant influence relating to the business of the Insurance Client to the detriment of any other Clients that are investors in such Insurance Client. The investment advisory and governance activity related to any insurance or reinsurance advisory relationship or ownership in an Insurance Client will be subject to guidelines established by the Firm to properly manage related conflicts of interest.

### Other

From time to time, Joshua Harris expects 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 related to the allocation of investment opportunities among Clients and 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. This conflict is 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 these operating companies. In addition, the Firm has established policies and procedures that require, among other things, that the Firm act as a fiduciary and that Firm personnel at all times place the interest of any Clients before their own.



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

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Pursuant to Rule 204A-1 of the Advisers Act, the Firm adopted a Code of Ethics (the “**Code**”) to ensure that the Firm fulfills its role as a fiduciary to its Clients. Under the Code, the interests of the Clients must always be recognized, respected, and have precedence over the interests of the Firm’s supervised persons. The Code requires that supervised persons act in the best interests of Clients to the exclusion of contrary interests, act in good faith and in an ethical manner, avoid conflicts of interest with Clients to the extent reasonably possible, and identify and mitigate conflicts of interest to the extent they arise. Under the Code, supervised persons must comply with applicable provisions of federal securities laws and make prompt reports of any actual or suspected violations of such laws by the Firm or its supervised persons. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading and investment activities of the Firm’s supervised persons. The Code requires that supervised persons pre-clear certain transactions, report personal securities transactions in accordance with the Code on at least a quarterly basis and submit reports to the Firm regarding personal accounts and reportable securities holdings at least annually.

The Code also (i) addresses outside business activities of supervised persons, conflicts of interest, and policies and procedures concerning the prevention of insider trading, (ii) includes restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and (iii) addresses the pre-clearance and reporting of political contributions. Supervised persons are required to provide a written certification to the Firm agreeing to comply with the Code. The Firm requires its supervised persons to certify their compliance to the Code on an annual basis. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Neither the Firm, nor any of its related persons, intends to recommend that any Client acquire or sell securities in which the Firm or any related person has a material financial interest.

Where permitted by applicable law and subject to a determination by the Firm that doing so would be in the best interest of a Client, the Firm may enter into transactions in securities and other instruments that would be considered principal transactions, cross transactions and agency cross transactions under the Advisers Act. Engaging in the foregoing transactions creates a conflict of interest in that the Firm has an incentive to act to the detriment of the interests of its Clients. The Firm has established policies and procedures to mitigate this conflict and, as noted, any such transactions will only be effected where permitted by applicable law and subject to a determination by the Firm that doing so would be in the best interest of a Client.

Certain Firm supervised persons might have material investments in the Funds and, therefore, as investors in a Fund, such supervised persons invest in every transaction made by such Fund. These investments are intended to align interests of the Firm and its supervised persons with those of the Funds and the Investors in such Funds; therefore, the Firm does not believe that these arrangements present any material conflicts of interest.

## **Item 12 – Brokerage Practices**

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The Firm provides discretionary investment advice to Clients and does not generally intend to have an active brokerage relationship or use broker-dealers for transactions due to the type of investments made by the Firm for Clients. The investments made on behalf of Clients generally are private, illiquid and long-term in nature. Due to the nature of its business, the Firm does not use soft dollars or permit its clients to direct brokerage. However, in certain circumstances, such as with respect to publicly traded securities held by Family Office Clients, the Firm may choose to use a broker-dealer as necessary. In selecting any such broker-dealer, the Firm will consider a variety of factors, including, but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices; (ii) the operational efficiency with which transactions are effected; (iii) the financial strength, integrity and stability of the broker-dealer; and (iv) the competitiveness of commission rates in comparison with other broker-dealers.

The Firm will allocate investments to Clients in accordance with the Firm's policies and procedures and the outlines provided by the Governing Documents relevant to such Client.

### **Item 13 – Review of Accounts**

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The Firm reviews Clients' investments on a regular basis with a view to evaluating, among other things, economic developments, industry outlook and other issues related to the investments. Clients' investments are reviewed by a team consisting of the Firm's principals and other investment professionals. This team monitors overall performance, portfolio composition, credit events in the underlying portfolios, financial performance and compliance with the investment guidelines of the relevant Clients. Reviews also consider, and may be triggered by, market, legal or regulatory developments.

The Firm will typically provide Clients and Investors in Funds with the following written reports: (i) audited annual financial statements; (ii) quarterly unaudited performance reports; and (iii) annual tax information necessary to complete any applicable tax returns.

## **Item 14 – Fund Referrals and Other Compensation**

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

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

## Item 15 – Custody

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The Firm will be deemed to have custody of the assets of the Funds because it will act as general partner or managing member, as the case may be, of the Funds. Therefore, in order to comply with Rule 206(4)-2 of the Advisers Act (the “**Custody Rule**”), the Firm 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 Firm 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 should carefully review these audited financial statements and any Investors who have not received audited financial statements timely should contact the Firm immediately.

To the extent the Firm is deemed to have custody of the assets of other Clients, including the Family Office, the Firm will comply with the applicable requirements of the Custody Rule.

Clients should carefully review any account statements received from their custodian.

## **Item 16 – Investment Discretion**

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The Firm has discretionary authority to manage assets and securities on behalf of Clients. The Investors in the Funds generally will not have the ability to place any limits on the Firm's authority beyond the limitations set forth in the Governing Documents or any side letter agreements that the Firm has with such Investor of the applicable Fund.

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**

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The Firm's investment strategies do not generally involve the exercise of proxy voting authority on behalf of Clients. However, instances in which a proxy vote is available will be evaluated on a case-by-case basis and the Firm will seek to vote proxies in the best interest of its Clients.

The Firm's proxy voting policies and procedures and a summary of how the Firm has voted any proxies shall be made available on request to Clients and Investors free of charge and can be obtained by contacting the Firm.

## **Item 18 – Financial Information**

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Registered investment advisers are required in this Item to provide certain financial information or disclosures about the registered investment adviser's financial condition. The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.