



## FORM ADV: PART 2A

March 2024

This brochure provides information about the qualifications and business practices of Aquiline Management Holdings LP (together with its affiliates, “**Aquiline**” or the “**Firm**”). If you have any questions about the contents of this brochure, please contact Ezra Berger, Chief Compliance Officer, at 212-624-9511. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Aquiline is an investment adviser registered with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “**Advisers Act**”). Registration with the SEC under the Advisers Act does not imply a certain level of skill or training.

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

## Item 2 — Material Changes

Aquiline filed an initial Form ADV Part 2A (“**Brochure**”) in November 2023 to effect a succession by application following the change of control, and conversion to a partnership, of its predecessor, Aquiline Holdings LLC (the “**Predecessor Firm**”). The initial Brochure was identical to the Form ADV Part 2A filed by the Predecessor Firm in March 2023, except that it reflected changes as a result of the succession and certain other non-material changes to the business since March 2023. This Brochure, filed to effect Aquiline’s Form ADV Part 2A annual update, includes certain non-material changes, including changes concerning the launch of a new fund client, Aquiline Liquid Credit Fund, and corresponding disclosures regarding the investment program of that fund, and the terms of its governing documents.

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## Item 4 — Advisory Business

Aquiline, a Delaware limited partnership, and its affiliates provide investment advisory services to several collective investment vehicles organized to invest: (i) in the global financial services sector (Aquiline Financial Services Fund L.P. and Aquiline Financial Services Fund (Offshore) L.P. (together, “**Fund I**”); Aquiline Financial Services Fund II L.P. (“**Fund II**”); Aquiline Financial Services Fund III L.P. (“**Fund III**”); Aquiline Financial Services Fund IV L.P. (“**Fund IV**”); and Aquiline Financial Services Fund V L.P. (“**Fund V**” and together with Fund I, Fund II, Fund III and Fund IV, the “**Financial Services Funds**”)); (ii) in the early stage growth financial technology sector (Aquiline Technology Growth Fund L.P. (“**ATG I**”) and Aquiline Technology Growth Fund II L.P. (“**ATG II**” and together with ATG I, the “**Technology Growth Funds**”)); and (iii) in the credit sector (Aquiline Credit Opportunities Fund L.P. (“**ACO I**”), Aquiline Credit Opportunities Fund II L.P. (“**ACO II**”), Aquiline Aviation Opportunities Fund L.P. (“**AAO**”) and Aquiline Liquid Credit Fund (“**ALCF**” and together with ACO I, ACO II, and AAO, the “**Credit Funds**”). Aquiline also manages investment vehicles that facilitate co-investment (“**Co-Investment Vehicles**”) in one or more portfolio companies of the foregoing funds (each such fund or Co-Investment Vehicle are collectively referred to herein as a “**Fund**” or “**Aquiline Fund**” and the “**Funds**”). In providing services to each Fund, Aquiline formulates such Fund’s investment objectives, directs and manages the investment and reinvestment of each Fund’s assets, and provides reports to investors. Investment advice is provided directly to each Fund and not individually to the investors of each Fund. Aquiline manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund.

The Funds currently consist of closed-end private investment fund structures and a single open-end private investment fund structure (ALCF). References in this brochure to the “General Partner” mean each applicable general partner of a closed-end Fund or, as the context requires, the Aquiline related person acting as investment manager of the open-end Fund.

Interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended, and the Funds are not registered under the U.S. Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility requirements, either in private transactions within the United States or in offshore transactions.

Aquiline was founded in 2005 by Jeffrey W. Greenberg as Aquiline Holdings LLC, a Delaware limited liability company (the “**Predecessor Firm**”). In October 2023, the Predecessor Firm converted into a limited partnership and changed its legal name to Aquiline Management Holdings LP. At the same time, Aquiline and its affiliates underwent a change of management and control to implement an orderly succession of the business from its founder, Mr. Greenberg, to the Firm’s new controlling partners, Vincenzo La Ruffa and Ignace van Waesberghe. Mr. La Ruffa and Mr. van Waesberghe control Aquiline through its General Partner, Avenir Holdings, LLC, and each serves as Managing Partner of Aquiline. Mr. Greenberg serves as non-executive Chairman of Aquiline and as a member of the Firm’s Investment Committees. Aquiline is owned by Jeffrey W. Greenberg, Ignace van Waesberghe, Vincenzo La Ruffa, other Aquiline professionals, and related entities.

As of December 31, 2023, Aquiline managed approximately \$9.828 billion in assets on a discretionary basis. Aquiline does not manage any assets on a non-discretionary basis.

## Item 5 — Fees and Compensation

### *General*

Aquiline provides investment advisory services to each of the Funds pursuant to a separate investment advisory agreement (each, an **“Advisory Agreement”**) in each case where Management Fees are payable by a Fund. The Advisory Agreement of a Fund, along with the governing documents of a Fund, set forth in detail the fee structure relevant to each such Fund. The terms of each Advisory Agreement are generally established at the time of the formation of the applicable Fund. In general, each Advisory Agreement is only terminable once the applicable Fund is dissolved, wound up, and terminated.

### *Management Fees*

Aquiline receives a management fee or administrative fee (each, a **“Management Fee”**) for rendering investment advisory services to the Funds. The Management Fee is payable in advance, with timing depending on the Fund. In general, the Management Fee paid by a closed-end Fund may be up to 2.5 percent *per annum* on capital commitments during the investment period and up to 2 percent *per annum* on invested capital thereafter. With respect to the open-end Fund, the Management Fee rate is charged on the greater of aggregate subscriptions to the Fund and a fixed dollar amount. Each Fund’s investors have the ability to negotiate the Management Fee payable in respect of their investment in such Fund, but the Management Fee is fixed at the time of final close of the Fund (unless modified thereafter in accordance with the applicable Fund’s governing documents). The Management Fee is generally paid by (i) a closed-end Fund out of capital contributions called from investors, out of amounts withheld from distributions to investors or with the proceeds of borrowings under the Fund’s subscription-based credit facility or other lines of credit (and such borrowings may remain outstanding for up to three years) and (ii) the open-end Fund out of the net assets of the Fund. The Management Fee assessed for each Fund is described in further detail in each Fund’s offering and governing documents. Generally, although not always, investors in Co-Investment Vehicles and employees and affiliates of Aquiline do not pay Management Fees, and Firm Advisors (as defined below), current or former senior management of portfolio companies and other persons whom Aquiline determines have strategic value to Aquiline and its network pay reduced or no Management Fees.

The Management Fee for a closed-end Fund is reduced by the amounts paid by a Fund for placement fees and the organizational costs in excess of a certain threshold paid by investors in the Fund, as well as by other fees received by Aquiline as described in “Other Fees and Expenses” below.

The Management Fee for any Management Fee period of a Fund is generally prorated for the number of days in such period, and in the case of the last Management Fee period, Aquiline will refund to each investor the amount of the Management Fee paid by such investor allocable to that portion of such period which is subsequent to the date of the final distribution.

Certain investors that participate in co-investment opportunities (**“Co-Investors”**) will be charged certain fees, including Management Fees, maintenance or administrative fees and one-time funding fees. However, not all Co-Investors will be charged the same fees, and some Co-Investors have in the past and are expected in the future to be charged fees at more favorable rates.

### *Carried Interest and Incentive Fees*

A portion of a closed-end Fund’s net investment returns is generally allocated to the capital account of its General Partner as “carried interest.” The General Partners of the closed-end Funds are related persons of Aquiline. The manner of calculation of such carried interest is described in the offering and governing documents of each closed-end Fund (as applicable) and varies Fund by Fund. Generally, however, up to 20 percent of the net investment returns of each Fund is allocated as carried interest to such Fund’s General Partner, subject to the Fund investors’ preferred return (except in the case of the Technology Growth Funds’ investors, who are not entitled to receive a preferred return), the recoupment of allocated losses,

Management Fees, and expenses and other criteria set forth in the relevant Fund's governing documents. Generally, investors in Co-Investment Vehicles and employees and affiliates of Aquiline do not pay a carried interest, and Firm Advisors, current or former senior management of portfolio companies and other persons whom Aquiline determines have strategic value to Aquiline and its network pay reduced or no carried interest. Rather than allocating carried interest, the open-end Fund pays Aquiline an incentive fee, which is generally an amount equal to a percentage of the Fund's profits during the applicable calculation period, subject to certain limitations (including but not limited to a loss carryforward). More specific details of the carried interest or incentive fee payable by a Fund, including its method of calculation, are set out in the investment management agreement and/or governing documents (including offering materials) of the relevant Fund.

### ***Expenses***

In addition to Management Fees and performance-based compensation, investors bear indirectly the expenses charged to the Funds. Those expenses vary by Fund and typically include, but are not limited to, the following:

organizational expenses; fees, costs, and expenses of any administrators, Swiss representatives, and paying agents, custodians, attorneys, accountants, tax advisors, consultants, brokers, deal finders, agents, valuation experts, appraisers and other professionals (including loan administration, audit and certification fees), expenses of research, news and quotation, market data and other data providers (in each case including related systems, services, subscriptions and software/hardware from such professionals or data providers); expenses incurred in connection with complying with Fund-related regulatory, compliance, and tax filing obligations of the Funds and Aquiline under U.S. federal, state, local, non-U.S. or other laws (including compliance with anti-corruption and anti-money laundering laws and sanctions monitoring expenses) and regulations directly related to the making, holding, or disposing of portfolio investments by a Fund (whether such compliance obligations are imposed on the manager, such Fund's General Partner, their affiliates or a Fund), including, without limitation, the preparation and filing of (i) Form PF under the Advisers Act, (ii) Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, Schedule 13G filings and other filings, in each case under the U.S. Securities Exchange Act of 1934, as amended; (iii) TIC Form SLT filings; (iv) any forms, schedules, filings, information or other documents necessary to avoid the imposition of fees, penalties, withholding or other taxes pursuant to FATCA (as defined below) and Report of Foreign Bank and Financial Accounts, and CRS reporting as developed by the Organization for Economic Cooperation and Development; (v) CFTC Form 4.13(a)(3) CPO-PQR, CTA PR, NFA Form PQR filings; (vi) filings under the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws and regulations; and (vii) any other forms, schedules, or other filings with governmental and self-regulatory agencies directly related to the making, holding, or disposing of portfolio investments by each Fund (whether such compliance obligations are imposed by Aquiline, its affiliates or a Fund) (it being understood that, where the costs and expenses of such compliance obligations relate to the Fund and other clients of Aquiline, such costs and expenses are allocated to the relevant Fund as determined in good faith by the General Partner and in each case only to the extent such costs and expenses are allocable to the relevant Fund under its governing documents); fees, costs and expenses charged or specifically attributed or allocated by the manager or its Affiliates to provide in-house administrative, accounting, tax and legal services to a Fund and/or its portfolio companies (provided that the General Partner determines in good faith that any such fees, costs and expenses are not greater than what would be paid to an unaffiliated third party for similar services); the costs and expenses of any custodian and/or depositary appointed by Aquiline in relation to the safeguarding, administering and/or holding (or similar) of portfolio investments and/or the performance of any functions of a custodian and/or depositary contemplated by the European Union's Alternative Investment Fund Managers Directive or any national private placement regime in any jurisdiction and incurred in connection with Aquiline's compliance with disclosure, reporting and other similar obligations (including, but not limited to, the European Union's Sustainable Finance Disclosure Regulation); all out-of-pocket fees, costs, and expenses incurred in identifying, developing, investigating, bidding on, evaluating, negotiating, structuring, obtaining regulatory approval for, financing, acquiring, trading, settling, monitoring, maintaining custody of, holding, and disposing of investments (including due diligence and ongoing

monitoring in connection therewith (such as ESG, cyber security, anti-corruption and other similar functions)) including, without limitation, travel (which may include commercial or charter travel), and travel-related, accommodation, financing, legal, accounting, loan administration, auditing, advisory, appraisal, and consulting expenses (including compensation and expenses of Firm Advisors and including consulting fees or other compensation, whether in the form of cash or equity, such as salaries, bonuses, equity awards, other benefits or flat-fee arrangements) in connection therewith (including related systems, services, subscriptions and software/hardware) and any fees and expenses related to securitization (to the extent not subject to any reimbursement of such costs and expenses by entities in which a Fund invests, borrowers or other third parties, from whom the Fund should first seek for payment of such expenses);

technology expenses related to (a) actual or potential investments to the extent not subject to any reimbursement of such costs and expenses by entities in which the relevant Fund invests, borrowers, or other third parties and (b) general fund administration, valuation and reporting, workflow and entity management and compliance related matters, in each case, including initial onboarding, implementation and development costs, licensing and maintenance fees and costs of related information management systems;

fees, costs and expenses associated with the organization, documentation and maintenance of any alternative investment vehicles;

to the extent not otherwise reimbursed by a prospective or actual portfolio company, fees, costs and expenses related to the organization or maintenance of any intermediate vehicle used to acquire, hold or dispose of any portfolio investment or otherwise facilitating the Funds' investment activities, including without limitation any travel and accommodation expenses related to such entity; the salary and benefits of any personnel reasonably necessary for the maintenance of such entity; or other overhead expenses in connection therewith (which may include an allocable portion of the rent or other overhead); expenses of any special purpose vehicles established in connection with satisfying redemptions from a Fund; expenses incurred in connection with the organization or formation of any blocker corporations;

fees, costs and expenses related to pursuing remedies against defaulting borrowers or defaulting limited partners and transfers of interests;

all out-of-pocket costs and expenses, if any, incurred in developing, negotiating, and structuring prospective or potential portfolio investments which are not ultimately made, including (a) any legal, accounting, advisory, consulting or other third-party expenses (including expenses of Firm Advisors) in connection therewith and any travel and accommodation expenses; (b) any break-up fees; (c) any fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources (including but not limited to those incurred (i) in connection with arranging financing for a proposed portfolio investment that is not ultimately made or (ii) in connection with any credit facility entered into on behalf of a Fund) (including interest on and fees and expenses arising out of all borrowings made by the Fund, including, but not limited to, the arranging and upsizing thereof and any related expenses or professional fees incurred in connection with any procedure reports for lenders or in connection with obtaining lines of credit, loan commitments and letters of credit for the account of the Fund, securing the same by mortgage, pledge, charge or other lien on any assets of the Fund or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of the financing of a portfolio investment or its acquisitions); (d) any fees, costs and expenses incurred in connection with documenting and effecting Co-Investment Vehicles and the formation of a consortium; (e) any deposits or down-payments of cash or other property which are forfeited in connection with a proposed portfolio investment that is not ultimately made; and (f) expenses and costs that would have been allocable to co-investors had such prospective or potential portfolio investment been consummated, if the amount allocable to such co-investors is not paid by such parties ("**Broken Deal Expenses**"); fees, costs and expenses incurred in connection with establishing, capitalizing and operating platform vehicles (including but not limited to one or more lending platforms in non-U.S. jurisdictions), including expenses of searches on retainer; brokerage commissions; prime brokerage fees; custodial expenses; out-of-pocket expenses incurred in connection with any amendments to the Fund's organizational agreements; fees, expenses and settlements related to hedging, foreign

exchange or currency transactions; costs of the annual investor meeting, including the reception associated with the meeting for investors; out-of-pocket expenses of the advisory committee of a Fund (including travel expenses and the reasonable costs of legal counsel, accountants, financial advisors and/or such other advisors and consultants engaged by the advisory committee with the agreement of the General Partner); the costs of the Funds' share of the pre-annual meeting dinner and the annual meeting and the expenses associated with any meeting or conference with a group of limited partners; fees, costs and expenses in connection with audits and certifications, preparing, printing and distributing reports and communications to investors and preparing and distributing capital calls and distribution notices (including the costs and expenses of related systems, services, subscriptions and software/hardware (including any software (such as data scraping software), any online data portal or other administrative or reporting tools); costs incurred in complying with the Funds' agreements and provisions in side letter agreements, including "most favored nations" provisions and process; agent bank and other bank service fees, and other investment costs, fees, and expenses incurred in connection with portfolio investments; interest thereon and fees and expenses arising out of all Fund indebtedness; the fees, costs and expenses of any actual, potential, contemplated or threatened litigation, investigations, judgement and/or settlement; directors' and officers' liability or other insurance, and indemnification or extraordinary expenses or liabilities relating to the affairs of the Fund (including any indemnity or contribution right granted to any placement agent or third-party finder); fees, costs and expenses of liquidating the Fund and any alternative investment vehicle, special purpose entity or related structure; and all expenses incurred by the partnership representative and all taxes, penalties, fees, or other governmental charges and all fees, costs and expenses incurred in connection with any tax audit, investigation, settlement, or review of the Fund. "**FATCA**" shall mean Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), (including, for the avoidance of doubt, any agreements entered into pursuant to Section 1471(b)(1) of the Code), any current or future United States federal income tax regulations promulgated under the Code or other official administrative guidance promulgated thereunder, and any intergovernmental agreements entered into in connection with the implementation thereof. In addition, Aquiline may also charge a fee to some or all of the investors in a Co-Investment Vehicle in respect of the maintenance and administration of any such Co-Investment Vehicle.

Each Fund imposes a cap on organizational expenses, and the open-end Fund imposes an additional cap on certain categories of operating expenses incurred by the Fund. Aquiline will bear (or cause such Fund to be reimbursed for) any expenses which exceed the cap amounts. If relevant expenses exceed an expense cap during a performance period, Aquiline will bear the excess and the returns disclosed for such period will be greater than they would have been had the Fund not been subject to such expense caps.

### ***Other Fees and Expenses***

From time to time, Aquiline has charged portfolio companies, co-investors, or the closed-end Funds origination fees, consulting fees, monitoring fees and other similar fees and Aquiline receives directors' fees from certain portfolio companies, including warrants, options, derivatives and other rights in respect of securities owned by the Fund, in each case paid by the Fund or any portfolio company (or former portfolio company). Net of any related expenses, a percentage (for Fund I, 80 percent of the directors' fees from current Fund I portfolio companies and 80 percent to 100 percent of other fees; 100 percent in Fund II, Fund III, Fund IV, Fund V, ATG I, ATG II, ACO I, ACO II, and AAO) of all such fees (other than monitoring fees) that are received by Aquiline will be applied to reduce the Management Fee otherwise payable by the applicable closed-end Fund except with respect to fees related to certain portfolio companies as specifically provided in the Fund I governing documents. In the case of monitoring fees, a percentage (80 percent to 100 percent in Fund I; 100 percent in Fund II, Fund III, Fund IV, Fund V, ATG I, ATG II, ACO I, ACO II, and AAO) of the amount of all such fees received by Aquiline will be applied to reduce the Management Fee otherwise payable by the applicable closed-end Fund. Any such fees received by Firm Advisors (as defined below) do not reduce the Management Fee otherwise payable by a Fund. As discussed in more detail below, Aquiline may receive other types of payments from the Funds or portfolio companies, which do not reduce the Management Fee otherwise payable by a Fund.



Aquiline allocates Broken Deal Expenses in accordance with the terms of the governing documents of the Funds (excluding Co-Investment Vehicles in certain circumstances). Co-Investment Vehicles may in certain circumstances bear their share of Broken Deal Expenses for unconsummated transactions; however, to the extent Co-Investment Vehicles do not bear such costs and expenses, they will generally be borne by the Fund that was expected to participate in the unconsummated investment. In particular, potential investors in co-investment structures relating to a specific prospective investment where the legally binding agreements relating to such co-investment are not expected to be executed until around the time of the closing of such prospective investment will generally not bear Broken Deal Expenses. The foregoing will under certain circumstances result in a Fund bearing more than its pro rata share of such amounts.

Executive advisors, senior advisors, executives-in-residence and/or other professionals who are not employees or affiliates of Aquiline (who may be former Aquiline employees as well as current and former executive officers and employees of Aquiline portfolio companies) (collectively, “**Firm Advisors**”) are expected, from time to time, to receive payments from, or allocations of performance-based compensation (which would reduce a Fund’s returns and not necessarily be subordinate to the return of partners’ capital contributions) with respect to, portfolio companies (as well as from Aquiline or a Fund). In such circumstances, payments from, or allocations of performance-based compensation with respect to, portfolio companies and/or a Fund will be treated as Fund expenses and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Aquiline, be deemed paid to or received by Aquiline or an Aquiline affiliate and such amounts will not be subject to the Management Fee offset provisions. In addition, under certain circumstances, Firm Advisors may receive payment in-kind in respect of the portfolio company that they advise, including in the form of transfers of interests in the portfolio company from a Fund. These Firm Advisors may also have the right or may be offered the ability to co-invest alongside a Fund, including in those investments in which they are involved, or otherwise participate in equity plans for management of any such portfolio company or invest directly in a Fund or in a vehicle controlled by a Fund subject to reduced or waived Management Fees and/or performance-based compensation, including after the termination of their engagement by or other status with Aquiline. The nature of the relationship with each Firm Advisor and the amount of time devoted or required to be devoted by them varies considerably and may vary considerably over time. In some cases, they provide Aquiline with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies, contribute to the origination of new investment opportunities or serve in deal finder roles (and receive deal origination fees, which will not be subject to the Management Fee offset provisions) or provide operations consulting services to portfolio companies. If a Firm Advisor joins the management team and/or becomes a director of a portfolio company, then such Firm Advisor will generally be compensated by such portfolio company and therefore his or her compensation will be indirectly borne by the relevant Fund; however, such a Firm Advisor may continue to provide Aquiline with advisory services in connection with other funds, vehicles or accounts sponsored by Aquiline for no additional compensation. In such circumstances, it is generally, but not always, expected, that the Firm Advisor’s allocation of time to Aquiline matters will be reduced. While such continued advisory services to Aquiline are not expected to consume a material portion of such Firm Advisor’s time or attention, the relevant Fund would nevertheless indirectly bear the opportunity cost of such advisory services. In addition, even though a Firm Advisor may be engaged and compensated by a portfolio company (and therefore indirectly by a Fund), the Firm Advisor may be consulted by Aquiline with respect to matters related to other funds, vehicles or accounts managed by Aquiline. In addition, the services provided by any one Firm Advisor or Firm Advisors generally may expand over time, including during the term of a Fund. In certain instances, Aquiline has formal arrangements with these Firm Advisors (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements which will not be confirmed as being comparable to the market rates for such services) by Aquiline, the Funds and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. Certain Firm Advisors may be subject to contractual obligations to exclusively provide certain services to Aquiline. In certain cases, they have certain attributes of Aquiline “employees” (e.g., they may have dedicated offices at

Aquiline, participate in general meetings, investment committee meetings and events for Aquiline personnel, work on Aquiline matters as their primary or sole business activity, have Aquiline-related E-mail addresses and/or business cards and participate in certain benefit arrangements typically reserved for Aquiline employees) even though they are not considered Aquiline employees or affiliates for purposes of the governing documents of the Funds and related Management Fee offset provisions. There may be circumstances where the compensation that would be received by a Firm Advisor from a portfolio company if the Firm Advisor were to become an executive of the portfolio company would be greater than such individual's retainer fee (or similar compensation) received from Aquiline, which may create an incentive for such Firm Advisor to recommend portfolio investments to the Funds. There can be no assurance that any of the Firm Advisors and/or other professionals will continue to serve in such roles and/or continue their arrangements with Aquiline, the Funds and/or any portfolio companies throughout the term of any Fund. Over time, certain existing and future employees of Aquiline (including senior Aquiline personnel) may transition to a Firm Advisor role. Such a transition would have the effect of shifting the burden of the compensation of such employees from Aquiline to either the Funds (in which case such compensation would become a Fund expense) or to the portfolio company depending on the nature of the service to be provided by the Firm Advisor.

In certain circumstances, Aquiline employees may be engaged by one or more portfolio companies in a *bona fide*, non-director capacity on a permanent or temporary basis, and, if dedicated to a portfolio company, may not be fully engaged in respect of the Funds. In connection therewith, to the extent that an Aquiline employee provides services involving a significant percentage of their time, an allocable portion of such employee's compensation will be paid by the applicable portfolio company (either directly or indirectly by reimbursing Aquiline) and such compensation will not be considered fees received by Aquiline that are subject to offset against the Management Fee. The Funds or underlying portfolio companies reimburse Aquiline for out-of-pocket expenses incurred by Aquiline (including by its employees and Firm Advisors) that relate to the business of the underlying portfolio company and these amounts do not reduce the Management Fees payable by the Funds.

Moreover, Aquiline, its personnel and Firm Advisors can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds that will not be subject to the Management Fee offset or otherwise shared with the Funds, their investors, and/or portfolio companies. For example, airline travel or hotel stays incurred as Fund expenses typically may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not *de minimis* or difficult to value, inure exclusively to Aquiline and/or such personnel (and not the Funds, their investors, and/or portfolio companies), even though the cost of the underlying service is borne by the Funds and/or portfolio companies.

From time to time, Aquiline will be required to decide whether costs and expenses are to be borne by a Fund, on the one hand, or Aquiline, on the other, whether certain costs and expenses should be allocated between or among a Fund, on the one hand, and other Funds and / or co-investors or other investors in the portfolio company, on the other hand, and / or whether certain costs and expenses should be allocated between one or more Funds, on the one hand, and a portfolio company, on the other hand. Such costs and expenses borne by a Fund, in certain circumstances, include reimbursement of another Fund or other investment vehicle or account for costs and expenses (which, for example, include those associated with research, due diligence, structuring, documentation and other work) related to an investment opportunity considered by such other Fund or other investment vehicle or account where a Fund ultimately makes the investment in the applicable portfolio company. In other circumstances, another Fund or other investment vehicle or account benefits from costs and expenses incurred by another Fund (which, for example, include those associated with research, due diligence, structuring, documentation and other work), but will not be required to reimburse such Fund. The Funds may in the future bear the fees, costs and expenses associated with maintaining a database of information regarding a Fund, other funds, vehicles or accounts managed by Aquiline or its affiliates and their respective portfolio investments for purposes of facilitating compliance with The Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "**HSR Act**") and any applicable antitrust, competition or fair trade laws in jurisdictions outside of the U.S. (together with the HSR

Act, “**Antitrust Laws**”), but other funds, vehicles or accounts managed by Aquiline or its affiliates may benefit from such database (*i.e.*, in connection with analysis of the applicability of filings under Antitrust Laws to portfolio investments to be made by such funds, vehicles or accounts or to prepare Form PF or other filings for such Funds) and Aquiline will benefit from such database (*i.e.*, because Aquiline employees are expected to be required to devote less time to responding to requests for information in connection with Antitrust Laws analysis). A fund may also bear expenses associated with technology, software or other systems that subsequently benefit another Fund or Aquiline. Certain expenses may be suitable for only a Fund or particular Funds participating in specific investments and may be allocated to and borne only by such Funds, or, as is more often the case, expenses may be allocated pro rata among a Fund and other Funds participating in the relevant portfolio investment(s). Except as otherwise provided in the governing documents of a Fund, Aquiline will make such judgments in its sole discretion in accordance with its expense allocation policies and procedures. Some expenses are initially borne by Aquiline and then allocated to a Fund or portfolio company in accordance with applicable Fund governing documents. In addition, in the event a portfolio company declines to reimburse Aquiline for an expense, such expense may be reallocated to the applicable Fund. The process of allocating expenses is inherently subjective and will involve conflicts of interest for Aquiline. Aquiline can make corrective allocations after the fact should it determine that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular item or service may not reflect the relative benefit derived by such Fund from that item or service in any particular instance.

Aquiline can be expected to cause a Fund or its portfolio companies to enter into agreements regarding group procurement, benefits management, insurance policies and other operational, administrative or management-related matters among some or all of such entities and/or other Aquiline vehicles or their portfolio companies.

Aquiline may advance amounts to a Fund in respect of Fund expenses and defer repayment of such advanced Fund expenses. In addition, Aquiline may at any time defer payment of all or any part of any payment of the Management Fee. As calculations of reported net internal rates of return and performance data with respect to a Fund are generally based on the payment date of capital contributions received from limited partners, deferral of advanced Fund expenses or Management Fees will affect the calculation and reporting of returns to limited partners, including by potentially enhancing internal rates of return

## **Item 6 — Performance-Based Fees and Side-by-Side Management**

Aquiline receives a carried interest or incentive fee for investment advisory services provided on a discretionary basis to the Funds (excluding Co-Investment Vehicles in certain circumstances), which is based on the performance of each Fund's investments. See also Item 10 below — "Effect of Carried Interest".

Aquiline does not manage any client accounts that do not pay performance-based compensation, with the exception of Co-Investment Vehicles, whose investors generally do not pay a carried interest or an incentive fee. To the extent that a Co-Investment Vehicle does pay performance-based compensation, it is generally paid to the relevant Fund (*i.e.*, a Financial Services Fund, a Technology Growth Fund or a Credit Fund) and not Aquiline.

## Item 7 — Types of Clients

Aquiline provides investment advisory services to the Funds. Investment advice is provided directly to each Fund, subject to the direction and control of the General Partner of such Fund and not individually to the investors of the Funds. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state, and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds of funds), trusts, estates, charitable organizations, asset management firms, and corporate or business entities.

Details concerning applicable investor suitability criteria are set forth in each Fund's offering documents and subscription materials. Although Aquiline has the authority to accept subscriptions for lesser amounts (and does so, particularly in the case of investors who are employees of or advisors to Aquiline), the stated minimum capital commitment for investors in the closed-end Funds is typically \$10 million, and the stated minimum subscription in the open-end Fund is \$150,000. These minimum amounts may vary depending on the type of Fund.

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

### *Analysis*

Aquiline identifies and evaluates the investments in which its Funds invest. Aquiline's analysis is based on certain criteria, which include, but are not limited to, risk/return profile, capital structure, liquidity and investment performance.

### *Investment Strategies*

#### *Global Financial Services, Early-Stage Growth Financial Technology and Credit Sectors*

Aquiline's investment strategy for the Funds that invest in the global financial services sector is generally based on identifying event-driven market dislocations, long-term secular trends, ongoing business cycles, or, in the case of the Financial Services Funds, shareholder pressures that create a catalyst for change in a business segment or company. Aquiline seeks to invest behind strong management teams that are attracted to and interested in working with an experienced partner with operational expertise. Aquiline seeks to drive portfolio company development in the key areas as described below with respect to the Financial Services Funds, the Technology Growth Funds and the Credit Funds. The implementation of these measures will vary on a company-by-company basis depending, in part, upon the industry, needs, and type of company.

### **Financial Services Funds**

- Operational Support
  - Define or review strategy and help create business plan
  - Develop or review cash flow plan
  - Recruit senior management as appropriate—CEO, CFO, CIO, M&A head
  - Navigate regulatory approval process
  - Assist with rating agencies
  - Provide interim management, as needed
  - Provide in-house research/analysis as needed
  - Identify and evaluate add-on acquisition candidates
  - Assist in M&A execution
  - Drive compliance and risk management
  - Support acquisition integration
- Strategic Guidance
  - Compose board
  - Recruit independent directors from relevant industry as required
  - Challenge management team views and plans
  - Establish best practices in corporate governance
  - Set up and chair audit, compensation, and risk committees as needed
  - Design compensation schemes
  - Monitor closely against key metrics
  - Accelerate business plans
- Financial Innovation
  - Create and secure tailored financing
  - Drive third-party capital-raising initiatives
  - Access capital markets: IPO, secondary offering
  - Seek value-added co-investors and manage relationships

- Identify and evaluate add-on acquisition candidates
- Execute M&A

## **Technology Growth Funds**

- Strategic Guidance
  - Guide strategy and business plan
  - Make customer and partner introductions
  - Assist in recruiting independent directors from relevant industries
  - Challenge management team views and plans
  - Guide the establishment of best practices in corporate governance
  - Close monitoring against key metrics
- Financial Innovation
  - Leverage network and make introductions
  - Seek value-added co-investors and manage the relationships
  - Drive third-party capital-raising initiatives (if needed)
  - Assist with navigation of regulatory approval processes
  - Help with financing M&A

## **Credit Funds**

- Strategic Guidance
  - Bring expertise through investment, industry and operational knowledge and experience
  - Seek absolute return and alpha
  - Participate in formal or ad hoc creditor committees;
  - Engage directly with management and serve on the boards of directors
  - Identify and drive investment catalysts
- Financial Innovation
  - Leverage network and make introductions
  - Create value through tranching loans or making accretive sales
  - Seek to monetize embedded value and gain downside protection
  - Seek opportunities with embedded optionality

## ***Risk of Loss***

### ***Aquiline Funds***

Acquiring interests in the Funds involves a number of risks, only some of which are described below. An investment in the Funds is deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will receive a return on or of their capital. The description below is a brief overview of different material risks related to a Fund's investment strategy. Investors or prospective investors in any Fund are encouraged to carefully review the more detailed risks and other disclosures set forth in the Fund's offering documents.

### ***General Business and Management Risk:***

Investments in portfolio companies subject the Funds to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at

the portfolio company level, interest rate and currency fluctuations, general economic downturns, tax law changes, domestic and foreign political situations, changes in the availability of financing, and other factors. With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance. While in all cases Aquiline will monitor portfolio company management, the management of each portfolio company will have day-to-day responsibility of such portfolio company.

#### *No Assurance of Investment Returns:*

Aquiline cannot provide assurance that any Fund will be successful in choosing, making and realizing investments in any particular company or portfolio of companies. There is no assurance that a Fund will be able to generate returns for investors or that returns will be commensurate with the risks of investing in the types of companies and transactions in which the Fund may invest. There can be no assurance that any investor will receive any distribution from a Fund. Partial or complete sales, transfers or other dispositions of portfolio investments which may result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made.

#### *Concentration of Investments:*

The Funds may participate in a limited number of portfolio investments and, as a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of even a single investment (which may be exacerbated by the use of leverage).

Other than as set forth in a Fund's governing documents, investors have no assurance as to the degree of diversification of the Fund's portfolio investments by geographic region, transaction type or subsector (among other things). The investment portfolio of a Fund could be heavily concentrated in a particular geographic region, transaction type or subsector (including industries that support such sector). For example, a Credit Fund may be focused on the aviation sector and industries that support global aviation. To the extent a Fund does not accept commitments in the range of its target fund size, or to the extent a Fund concentrates portfolio investments in a particular issuer, subsector, security, geographic region or transaction type, its portfolio investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto. In addition, concentration in a single sector tends to involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. There can be no assurance that a Fund will be able to implement a diversified portfolio, or to invest in any particular mix of portfolio investments.

#### *Liquidity Issues:*

The Funds may invest in instruments where there is to be no actively traded market. Moreover, many of the Funds' investments may be held by relatively few other investors. Under adverse market or economic conditions, in the event of adverse changes in the financial condition of the issuer or the asset, or even under normal market or economic conditions, the Funds may find it more difficult to sell such instruments when Aquiline believes it advisable to do so or may be forced to sell them at prices lower than if the instruments were widely held. Thus, the range of disposal strategies available to the Funds may be further limited. Finally, dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or that would adversely affect the terms obtainable upon a disposition. There is no public market for interests in the Funds and one is not expected to develop. Interests in the closed-end Funds are generally neither redeemable nor transferable without the prior written consent of Aquiline, which may be given or withheld in Aquiline's sole discretion.

#### *Highly Competitive Market for Investment Opportunities:*

The activity of identifying, managing, monitoring, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. The availability of investment opportunities generally



will be subject to market conditions. In particular, in light of changes in such conditions, including changes in long-term interest rates, certain types of investments may not be available to the Funds on terms that are as attractive as the terms on which opportunities were available to previous investment funds sponsored by Aquiline. The Funds face competition from numerous market participants. The Funds will be competing for investments with a variety of other investment vehicles as well as individuals, companies, financial institutions (such as investment and mortgage banks and pension funds), sovereign wealth funds and other institutional investors. Additional investment funds with objectives similar to those of the Funds may be formed in the future by Aquiline or other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources and more personnel than the Funds, Aquiline or its affiliates. Competition for appropriate investment opportunities may increase, thus reducing the number of investment opportunities available to the Funds and adversely affecting the terms upon which portfolio investments can be made. Participation in auction or banker-led transactions will also increase the pressure on the Funds with respect to pricing of a transaction. Moreover, the Funds may incur due diligence costs, bidding costs, or other expenses on potential investments that may not be successful. As a result, the Funds may not recover all of its costs, which would adversely affect returns. There can be no assurance that Aquiline will be able to locate, complete and exit portfolio investments satisfying the investment criteria of the Funds, that the Funds will be able to fully invest their committed and/or subscribed capital or that such investments will satisfy a Fund's rate of return objective.

#### *Inflation:*

The U.S. and other developed economies have recently begun to experience higher-than-normal inflation rates. It remains uncertain whether substantial inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation and rapid fluctuations in inflation rates have had in the past, and may in the future have, negative effects on economies and financial markets, particularly in emerging economies, which may have an adverse impact on the Funds' investments and returns. In light of rising inflation, the U.S. Federal Reserve has increased interest rates a number of times and many economists expect additional increases in interest rates if inflation persists. The Funds' ability to generate attractive investment returns may be adversely affected by any worsening of financing terms and availability.

#### *Market Volatility:*

The public markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible (or may be occurring, including in certain sectors or economies). The extent and duration of such environment, to the private fund industry and global markets as a whole, is currently unknown. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value of private investments in the midst of significant volatility or market dislocation.

#### *Valuation of Assets:*

Most of the securities owned by the closed-end Funds are not publicly traded. All securities are valued by Aquiline pursuant to FASB ASC 820 (Fair Value Measurements and Disclosures and in accordance with the applicable Fund's governing documents and Aquiline's valuation policies). The valuation of an investment does not reflect the price at which the investment is ultimately sold in the market, and the difference between carrying value from time to time and the ultimate sales price could be material. When estimating fair value, Aquiline will apply a methodology based on its best judgment that is appropriate in light of the nature, facts, and circumstances of the investments. Valuations are subject to multiple levels of review for approval. Ensuring that portfolio investments are fairly valued is an important focus of Aquiline.

#### *Valuation Matters:*

The fair market value of all portfolio investments or of property received in exchange for any portfolio investments will be determined by the General Partner in accordance with the governing document of a Fund. Accordingly, the fair market value of a portfolio investment may not reflect the price at which the investment could be sold in the market, and the difference between fair market value and the ultimate sales price could be material. Additionally, under certain limited circumstances set forth in the governing document of a Fund, distributions in-kind of investments for which market quotations are not readily available may be made. The valuation of such investments will be determined by the General Partner in accordance with procedures set forth in the governing document of a Fund. Further, certain members of the investment team also serve as valuation committee members. As a result of these dual roles, there may be actual or perceived conflicts of interest in connection with the valuation of investments. The General Partner is not required to engage an independent valuation committee.

#### *Service Providers:*

Certain advisors and other service providers, or their affiliates (including, but not limited to, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, investment or commercial banking firms and certain other advisors and agents) to a Fund, Aquiline or the portfolio companies may also provide goods or services to or have business, personal, family, political, financial or other relationships with Aquiline. Such advisors and service providers may be investors in a Fund, members of the advisory committee of a Fund (“**Advisory Committee**”), affiliates of the General Partner of a Fund, sources of investment opportunities or co-investors or counterparties therewith. In addition, certain advisors and service providers (including law firms) will, in certain circumstances, temporarily provide their personnel to Aquiline or its affiliates, or portfolio companies pursuant to various arrangements, including at cost or at no cost. While often the Funds and other Aquiline clients and their portfolio companies are the beneficiaries of these types of arrangements, Aquiline is from time to time the beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the Funds or other Aquiline clients in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Aquiline, their affiliates and/or portfolio companies and any costs of such personnel may be allocated accordingly. These relationships may influence Aquiline in deciding whether to select or recommend any such advisor or service provider to perform services for a Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such Fund or such portfolio company, as applicable). Notwithstanding the foregoing, investment transactions for a Fund that require the use of a service provider will generally be allocated to service providers on the basis of Aquiline’s judgment as to best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research that Aquiline believes to be of benefit to the Fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Aquiline or its affiliates as compared to services provided to a Fund and its portfolio companies, which may result in more favorable rates or arrangements for Aquiline than those payable by such Fund or such portfolio companies (including services being provided without charge).

#### *Financial Services Sector Risk Factors:*

Financial services companies, including those in the insurance, investment management, fintech, payment and business and credit services industries, among others, have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services companies and may impact the value of financial instruments held by financial services companies. Fluctuations in interest rates, which affect the value of assets and the cost of

funding liabilities, are not predictable or controllable, may vary from country to country, and may impact economic activity in various regions.

The profitability of the financial services sector may be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services companies. There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income or its asset values in a changing interest rate environment. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment, and the availability and cost of credit may significantly affect the activity levels of customers with respect to size, number, and timing of transactions. A change in all or any of these factors would likely lead to a decline in the volume of transactions that financial services companies execute for their customers and, thus, lead to a decline in revenues from fees, commissions, and spreads.

The financial services sector is competitive, and it is expected that competitive conditions in the sector may continue or accelerate. Merger activity in the financial services sector has resulted in, and is expected to continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The financial services sector has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of E-commerce have made it possible for non-financial institutions to offer products and services that have been traditionally offered by financial services institutions. It is expected that cross-sector competition may continue and accelerate.

The financial services sector is highly dependent on communications and information systems and is exposed to many types of operational risks, including the risk of fraud by employees or other parties, record keeping error, errors resulting from faulty or “hacked” computer or telecommunication systems, computer failures, and accidental or intentional damage to computer and telecommunication systems caused by internal or external events. New technologies and improved products and services are continually being developed, rendering older technologies, products and services obsolete. Further, the failure of these systems could cause significant interruptions in the operations of a Fund’s portfolio companies and could harm the reputation of Aquiline, the Fund and/or such portfolio company, subject any such entity and their respective affiliates to legal claims and adverse publicity and otherwise affect their business and financial performance.

Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination, and enforcement by regulatory authorities. Failure to comply with any of these laws, rules, or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences including civil penalties, fines, suspension, forced closures or expulsion and potential termination of deposit insurance, which may have material adverse effects. In addition, the failure of any Fund’s portfolio company to comply with these laws, rules or regulations could negatively impact Aquiline’s management of another Fund’s portfolio companies. For example, if the portfolio company of one Fund is fined, Aquiline may be required to disclose such fine on all future regulatory applications, including with respect to another Fund’s portfolio companies. The regulations may require a financial services institution to meet specific capital adequacy guidelines or rules that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Compliance with capital or other similar requirements could limit the operations of financial services institutions. A change in such requirements, or the imposition of new rules affecting the scope, coverage, calculation or amount of such capital or other similar requirements, or a significant operating loss or any unusually large charge against capital may adversely affect the ability of a financial services institution to expand or maintain levels of business or to pay dividends. Financial services companies may also be subject to qualitative judgments by the regulators about interest rate risk, concentration of credit risk, lack of adequate risk management and other internal controls and other factors. Changes in laws, rules, regulations or regulatory interpretations governing financial services companies and in levels of enforcement activity against, and

governmental scrutiny of, financial services companies, including any such changes that could result from the recent changes in U.S. executive administration and Congressional leadership and other U.S. political and regulatory developments and events, could adversely affect the Funds and/or their portfolio companies, and thereby returns to investors. The subsequent adoption of a law or regulation or a change of a law or regulation or of the interpretation thereof by a court or governmental authority could require the Fund to divest some or all of its investments under unfavorable market conditions. Further, investments in financial services companies often require the approval of various regulatory bodies and there is no guarantee that such approval will be obtained. Failure to obtain regulatory approvals in particular jurisdictions or sectors could result in the Funds not being able to make portfolio investments in jurisdictions or sectors in which Aquiline might otherwise seek to invest. Aquiline may provide certain standard commitments to the Board of Governors of the Federal Reserve System intended to ensure that Aquiline would not be deemed to exercise a controlling influence over certain banking organizations for purposes of the Bank Holding Company Act of 1956.

#### *Early-Stage Growth Company Risks:*

Investments in early stage growth companies are subject to a variety of risks, including that such companies may (i) have a relatively short operating history, (ii) have a volatile financial history, (iii) offer services or products that are not yet ready to be marketed or for which a market may not develop as expected, (iv) be operating at a loss or have significant fluctuations in operating results, (v) be engaged in rapidly changing business environments, or (vi) need substantial additional capital to set up internal infrastructure, hire management and personnel, support expansion, or achieve or maintain a competitive position. Such companies may have a greater variability of returns and a higher risk of failure than more established companies. Such companies also may face intense competition, including competition from companies with greater financial resources; more extensive development, manufacturing, marketing and service capabilities; and a larger number of qualified managerial and technical personnel. Securities of such companies may not be traded on public or secondary markets and, to the extent there is any public market for securities of such companies, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to macroeconomic effects, industry downturns and financial failure. Such companies may also have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises, including but not limited to those in the technology and related industries, may not have significant or any operating revenues, and any such investments should be considered highly speculative and may result in the loss of the entire investment therein. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices, risking a partial or total loss of capital invested in such a company in the event of fraud. The foregoing factors may also increase the difficulty of valuing investments in early stage growth companies.

#### *Credit Risk Factors:*

While some of the loans in which the Credit Funds will invest may be secured, the Credit Funds may also invest in debt or equity securities that are either unsecured or subordinated to substantial amounts of senior indebtedness, or a significant portion of which may be secured. In such instances, the ability of a Credit Fund to influence an issuer's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under terms of subordination agreements, senior creditors are typically able to block the acceleration of the debt or other exercises by a Credit Fund of its rights as a creditor. Accordingly, the Credit Fund may not be able to take the steps necessary to protect their investments in a timely manner or at all. In addition, the debt securities in which the Credit Funds will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and may not be rated by a credit rating agency.

The borrowers of loans constituting the Credit Funds' assets may seek the protections afforded by bankruptcy, insolvency and other debtor relief laws. Bankruptcy proceedings are unpredictable. Additionally, the numerous risks inherent in the insolvency process create a potential risk of loss by the

Credit Funds of their entire investment in any particular investment. Insolvency laws may, in certain jurisdictions, result in a restructuring of the debt without the Credit Fund's consent under the "cramdown" provisions of applicable insolvency laws and may also result in a discharge of all or part of the debt without payment to the Credit Fund.

Debt securities are also subject to other risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance," (ii) the recovery of liens perfected or payments made on account of a debt in the period before an insolvency filing as a "preference," (iii) equitable subordination claims by other creditors, (iv) possible lender liability litigation by borrowers over a perceived violation of a duty (whether implied or contractual) of good faith and fair dealing (or other fiduciary duty) and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership, or distressed exchange, can significantly diminish the value of a Credit Fund's investment in any such company. The Credit Funds' investments may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the portfolio company repaying the principal on an obligation held by a Credit Fund earlier than expected. Accordingly, there can be no assurance that the Credit Funds' performance objectives will be realized.

One of the fundamental risks associated with the Credit Funds' investments is credit risk, which is the risk that a portfolio company will be unable to make principal and interest payments on its outstanding debt obligations when due. A Credit Fund's return to investors would be adversely impacted if an issuer of debt in which the Credit Fund invests becomes unable to make such payments when due.

Although a Credit Fund may make investments that the General Partner of the Credit Fund believes are secured by specific collateral, the value of which may initially exceed the principal amount of such investments or the Credit Fund's fair value of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. The Credit Funds may also invest in leveraged loans, high yield securities, marketable and non-marketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than senior secured loans. Furthermore, a Credit Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of a senior lender, to the extent applicable. Certain of these investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In addition, loans may provide for payments-in-kind, which have a similar effect of deferring current cash payments. In such cases, a portfolio company's ability to repay the principal of an investment may depend on a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

With respect to a Credit Fund's investments in any number of credit products, if the borrower or issuer breaches any of the covenants or restrictions under the credit agreement that governs loans of such issuer or borrower, it could result in a default under the applicable indebtedness as well as the indebtedness held by the Credit Fund. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. This could result in an impairment or loss of the Credit Fund's investment or a pre-payment (in whole or in part) of the Credit Fund's investment.

Similarly, while the Credit Funds will generally target investing in companies they believe are of high quality, these companies could still present a high degree of business and credit risk. Companies in which the Credit Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment or the continuation or worsening of the current (or any future) economic and financial market downturns and dislocations. As a result, companies that the Credit Funds expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or experience financial

distress. In addition, exogenous factors such as fluctuations of the equity markets also could result in warrants and other equity securities or instruments owned by the Credit Funds becoming worthless.

General fluctuations and volatility in financial markets, credit prices/spreads, valuations and/or interest rates may adversely affect the value of the investments held by the Credit Funds and may reduce the availability of attractive investment opportunities for the Credit Funds. See also “Inflation” risk above. The ability of portfolio companies to repay debt obligations (including making payments to the Credit Funds as a creditor with respect thereto) and/or refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing. In general, rising interest rates will negatively impact the price of a fixed-rate debt instrument and falling interest rates will have a positive effect on price.

#### *Air Travel Industry Risk:*

The airlines operate in a highly competitive business market and, as a result, continue to face pressure on offerings and pricing. These unfavorable conditions and the competitiveness of the air travel industry could cause one or more of airlines to file for bankruptcy. If one or more airlines were to file for bankruptcy, bankruptcy laws could give them rights to terminate their contracts, they could reduce their total fleet size and capacity and/or their total number of flights, and/or they could attempt to renegotiate the terms of their contracts.

#### *Investments in Which the Funds Have a Different Principal Investment:*

The Credit Funds may invest in debt securities and other obligations relating to portfolio companies or other entities in which other Funds have or are concurrently making a different principal investment (e.g., a different equity or debt investment) at the time of a Credit Fund’s investment (and *vice versa*). In addition, after the Credit Funds have made an investment in a portfolio company, other Funds may make a different principal investment in such portfolio company. In such situations, the Credit Funds and such other Funds may have conflicting interests. If the portfolio company in which the Credit Funds have a portfolio investment that is senior to the investment by such other Funds becomes distressed or defaults, Aquiline may have conflicting loyalties between its duties to the Credit Funds and to other Funds. In that regard, actions may be taken for the other Aquiline Funds, vehicles or accounts that are adverse to the Credit Funds (and *vice versa*). Except to the extent of fees paid to Aquiline specifically related to the Credit Funds’ commitment or investment of capital, the investors of the Credit Funds will in no way receive any benefit from fees paid to the Aquiline or its affiliates from a portfolio company in which another Fund has an interest.

#### *Investments Alongside Other Aquiline Funds, Vehicles or Accounts:*

The Funds may co-invest with other funds, vehicles or accounts managed by Aquiline in investments that are suitable for both the Funds and such other vehicles or accounts. Even if the Funds and such other vehicles or accounts invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Funds and/or such other vehicles or accounts may not be the same. Additionally, the Funds and/or such other vehicles or accounts may have different expected termination dates and/or investment objectives (including return profiles) and Aquiline, as a result, may have conflicting goals and fiduciary duties with respect to the price and timing of further investment, disposition or restructuring opportunities. Moreover, it is possible that a counterparty, lender or other unaffiliated participant in a transaction may require or desire facing only one fund entity or group of entities, which may result in (i) any of the Funds and/or such other vehicles or accounts being solely liable with respect to its own and such third party for such other funds’, vehicles’ or accounts’ share of the applicable obligation and/or (ii) any of the Funds and/or such other vehicles or accounts being jointly and severally liable for the full amount of such applicable obligation, in each case which may result in the Funds and/or such other vehicles or accounts entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Funds and/or such other vehicles or accounts would be

compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third-party counterparty.

*Further Potential Value:*

The closed-end Funds may be unable to exit an investment during the standard life of such Fund, or there may be an investment that Aquiline believes would be suboptimal to exit during that time, for example because Aquiline believes that the investment has not reached an appropriate level of maturity or it still holds significant future upside. This could include, but is not limited to, a company for which a turnaround has not been completed, one that is not in the right part of the curve of a longer industry cycle, or one for which there is still a significant amount of value creation that can be done or future growth that is expected to occur. With respect to any investment that Aquiline does not believe it would be advisable to exit before the end of the life of the relevant closed-end Fund, it is possible that Aquiline would determine that the optimal solution is to sell an investment from an earlier Fund to another Fund or from such Fund to another Fund. In addition, Aquiline might also consider other possible solutions, such as the creation of a separate vehicle to hold long-lived assets, if permitted by and subject to any restrictions and requirements set forth in the applicable funds' partnership agreements, including but not limited to obtaining any advisory committee consent if required thereby. Such a transaction may crystallize the carried interest Aquiline is entitled to receive in respect of such investment, and Aquiline may not provide an option for limited partners, or investors in such other Fund, as the case may be, to continue their participation in such investment at all, or on the same terms.

In addition, in assessing legal, tax, regulatory, accounting and similar considerations that may impact allocation decisions, Aquiline may determine that, for a closed-end Fund after its investment period, particularly as it approaches the end of its term (including those whose term has been extended) or is in windup, it would not be appropriate to allocate one or more follow-on investments to such Fund, even if other Funds do make such follow-on investment(s).

*Venture Capital Investments:*

The Technology Growth Funds will make venture capital investments. Venture capital investments are expected to have a very high degree of risk, greater than the risk generally associated with investments in established companies. Typically, venture capital-backed portfolio companies may be in a conceptual or early stage of development, have limited or no operating histories, unproven technologies and products, untested management and unknown future capital requirements. Such portfolio companies often face intense competition, especially from established companies with greater financial and technical resources, more marketing and service capabilities and greater numbers of qualified personnel. Because early stage or start-up companies tend to have lower capitalizations and fewer resources, they are often more vulnerable to financial failure, the risk of which is currently heightened given recent market conditions. Investments in early stage companies should be considered highly speculative and may result in the loss of a Technology Growth Fund's entire investment. There can be no assurance that any such losses will be offset by gains (if any) realized on the Technology Growth Fund's other investments.

Venture capital-backed portfolio companies often require several rounds of venture capital infusions before such portfolio companies reach maturity. Any shortfall in additional financing may have a significant negative impact on both the portfolio company involved and the face value of a Technology Growth Fund's original investment. The need for additional financing is more likely in venture capital investments as such investments are more likely to be operating at a loss or have significant fluctuations in operating results than investments in more mature companies. There is no assurance that such financing will be available on terms beneficial to a Technology Growth Fund, or at all.

In many cases, it is expected that venture capital investments will be long term in nature and may require many years from the date of the Technology Growth Fund's initial venture capital investment before disposition. Further, the Technology Growth Funds may be prohibited, either by contract or for legal or regulatory reasons, from selling certain venture capital investments for a period of time (e.g., due to

limitations on sale arising from contractual lockups or obligations to receive consent to transfer interests or rights of first offer), and as a result may not be permitted to sell investments at a time it might otherwise desire to do so. The above limitations on liquidity of the Technology Growth Funds' venture capital investments could prevent a successful sale thereof, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized.

#### *Investments in PIPEs:*

The Technology Growth Funds may be involved in a private investment in public equity ("**PIPE**") or private financing of public companies. PIPE transactions may involve the sale of equity-like securities of an already public company. In a PIPE transaction, a Technology Growth Fund may bear the price risk from the time of pricing until the time of closing. In addition, a Technology Growth Fund may have to commit to purchase a specified number of shares at a fixed price, with the closing conditioned upon, among other things, the SEC's preparedness to declare effective a resale registration statement covering the resale, from time to time, of the shares sold in the private financing. In addition, since a Technology Growth Fund may take large ownership positions as part of PIPE transactions, even after the securities are saleable, it may take a significant period of time for them to be sold or distributed in an orderly manner during which time profit could have otherwise been realized or loss avoided and, in some cases, a Technology Growth Fund may be prohibited by securities laws or by contract from selling such public company securities for a period of time.

#### *Market Disruption and Geopolitical Risk:*

The occurrence of events similar to those in recent years, such as localized wars, instability, natural/environmental disasters, terrorist attacks in the United States and around the world, social and political discord, debt crises, sovereign debt downgrades, increasingly strained relations between the United States and a number of foreign countries, new and continued political unrest in various countries, the exit or potential exit of one or more countries from the European Union (the "**EU**"), continued changes in the balance of political power among and within the branches of the U.S. government, government shutdowns and other factors, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the United States and worldwide. While impossible to exhaustively list, examples of current developments in world affairs that could lead to heightened market disruptions and geopolitical risk are set forth in the paragraphs below and elsewhere in this Brochure. For certain other examples, please see the sections entitled "U.K. Withdrawal from the EU ("**Brexit**")" and "Russian Invasion of Ukraine" and "Terrorist Activities".

China and the United States have each imposed tariffs on the other country's products. These actions may trigger a significant reduction in international trade, the oversupply of certain manufactured goods, substantial price reductions of goods and possible failure of individual companies and/or large segments of China's export industry, which could have a negative impact on a Fund's performance. U.S. companies that source material and goods from China and those that make large amounts of sales in China would be particularly vulnerable to an escalation of trade tensions. Uncertainty regarding the outcome of the trade tensions and the potential for a trade war could cause the U.S. dollar to decline against safe haven currencies, such as the Japanese yen and the Euro. Events such as these and their consequences are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future.

On October 7, 2023, Hamas militants conducted a series of attacks on civilian and military targets along Israel's southern border. Following the attack, Israel's security cabinet declared war against Hamas. The extent and duration, as well as the political and economic impact of, the war in the Middle East region are impossible to predict, but could be severe and long-lasting, including substantial negative effects on regional and global economic markets for securities and commodities. As a result, these events could have an adverse effect on the value of a Fund's investments beyond any direct exposure to issuers in the Middle East.



### *U.K. Withdrawal from the EU (“Brexit”):*

As part of the process of the United Kingdom (“U.K.”) leaving the EU, the EU and the U.K. agreed on an EU-U.K. Trade and Cooperation Agreement (“FTA”) that governs the trading relationship between the U.K. and the member states of the EU from and after January 1, 2021. Broadly, the FTA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin, but is subject to the both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency.

U.K. regulated firms in the financial sector are adversely affected by these arrangements because the FTA does not provide for continued access by U.K. firms to the EU single market – whilst the U.K. and EU signed a Memorandum of Understanding (“MoU”) on June 27, 2023 that provides a platform for regulatory cooperation between the two jurisdictions with respect to financial services, this MoU does not contain any provisions that facilitate access for U.K. firms to the EU single market. However, there is the possibility that, in time, the U.K. may obtain a recognition of equivalence from the EU in certain financial sectors which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the U.K. vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the long-term profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU.

In addition, there are ongoing disagreements between the U.K. government and the EU regarding the Northern Ireland Protocol (“NIP”). The NIP is part of the arrangements put in place as part of the FTA to address cross-border trade in goods between Great Britain, Northern Ireland and the EU. The U.K. government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented and has indicated it may take action to suspend and/or override aspects of the NIP. The European Commission has stated it would take retaliatory measures in response to U.K. government actions.

It will take some time to observe the many and varied effects on U.K. and European Economic Area (“EEA”) businesses of the consequences of leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the U.K.’s economy, uncertainty, at least in the near term, about the effect of the FTA on the day-to-day operations of those businesses that engage in the cross-border trade of goods or services between member states of the EEA and the U.K. may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

The withdrawal of the U.K. from the EU could therefore adversely affect the Funds and their portfolio companies (especially if the Funds and their portfolio companies have exposure to businesses that have historically relied on access to the single market for customers or that have historically relied on sourcing goods, materials or labor from the single market). In addition, although it seems less likely following the expiration of the transition period than at the time of the U.K.’s referendum, the withdrawal of the U.K. from the EU could have a further destabilizing effect if any other member states were to consider withdrawing from the EU, presenting similar and/or additional potential risks and consequences to the Funds and their portfolio companies.

### *Russian Invasion of Ukraine:*

On February 24, 2022, Russian troops began an invasion of Ukraine and, as of the date of this Brochure, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing

conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of the Funds' investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Funds and the performance of their investments and operations, and the ability of the Funds to achieve their investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

#### *European Commission Action Plan on Financing Sustainable Growth:*

In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "**Action Plan**") setting up a sustainable finance strategy for the EU to transform the entire financial system and reorient capital flows towards sustainable investment. The reorientation of capital flows toward sustainable investment is to be achieved through the selection of appropriate investments by well-informed, or suitably advised, investors who may themselves be under an obligation to disclose to their own stakeholders how they integrate sustainability into their own decision-making.

It is difficult to predict whether the Action Plan will succeed in reorienting capital flows and, if it is successful, the impact it will have on the returns to investors. There is a risk that the value of investments made by the Funds in pursuing their investment strategy could be adversely affected by changes to economic conditions brought about by the Action Plan initiatives.

As part of the Action Plan, the European legislators have adopted the Sustainable Finance Disclosure Regulation (2019/2088) ("**SFDR**"), which took effect from 10 March 2021, and the Regulation on the establishment of a framework to facilitate sustainable investment (2020/852) (the "**Taxonomy Regulation**") which took effect from January 2022. Aquiline is required to comply with these regulations and provide certain sustainability related disclosures in respect of the integration of sustainability risks in its decisions and sustainability-related information with respect to the Funds that are registered for marketing in the EEA. The Funds' SFDR classification may affect the pool of investors that the Funds will be able to target.

On April 21, 2021, the European Commission also published as part of the Action Plan a number of delegated regulations amending MiFID II Delegation Regulation 2017/565 ("**Level 2 MiFID II**") and Commission Delegated Regulation (EU) 231/2013 ("**Level 2 AIFMD**"), to integrate environmental, social and governance ("**ESG**") considerations and sustainability risks into investment advice and portfolio management.

Compliance with the SFDR, the Taxonomy Regulation and other ESG related rules would result in increased legal, compliance, reporting and other associated costs and expenses which will be borne by the Funds, including costs and expenses of collecting and calculating data and the preparation, maintenance and ongoing review of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters, and such costs and expenses will reduce Investor returns. Aquiline reserves the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR, the Taxonomy Regulation and any other applicable legislation or regulations related to the Action Plan.

To conclude, the U.K. has announced that it will not implement SFDR into national law following Brexit. It has, however, signaled an intention to introduce a new legislative framework focused on implementing the recommendations of the Financial Stability Board Taskforce on Climate-related Financial Disclosures ("**TCFD**"), in particular by introducing mandatory TCFD-aligned disclosure requirements for firms based in the U.K., known as the Sustainability Disclosure Requirements ("**SDR**"). On November 28, 2023, United Kingdom Financial Conduct Authority ("**FCA**") published a policy statement setting out its rules under the SDR. Whilst the current scope of the rules indicates that the SDR will mainly only apply to U.K.-domiciled funds or managers, the SDR framework is still in development, and there remains uncertainty as to the potential impact of this new regime on Aquiline and the Funds.

#### *Cybersecurity Risk:*

Aquiline, the Funds' service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect a Fund and its investors, despite the efforts of Aquiline and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to a Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to these systems of Aquiline, a Fund's service providers, counterparties or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Aquiline's systems to disclose sensitive information in order to gain access to Aquiline's data or that of a Fund's investors. Third parties may also attempt to restrict a portfolio company's access to critical applications or data in an attempt to extort money from Aquiline or such portfolio company (so called, "ransomware" attacks). A successful penetration or circumvention of the security of Aquiline's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Fund, Aquiline or their service providers to incur substantial costs as the result of a cybersecurity breach, including those associated with regulatory penalties, litigation, adverse investor reaction, the dissemination of confidential and proprietary information, reputational damage, additional compliance costs or financial loss. Similar types of operational and technology risks such as a cybersecurity breach are also present for portfolio companies, which could have material adverse consequences for such portfolio companies, adversely affect their business and reputation, and may cause a Fund's investments to lose value.

#### *Artificial Intelligence and Machine Learning Risk:*

Aquiline may utilize artificial intelligence and machine learning (collectively, "AI") in providing services to the Funds. The use of AI poses a variety of regulatory, legal, and contractual risks to Aquiline and the Funds, including cyber and information security, privacy, and quality control. Aquiline cannot control the manner in which third-party products are developed or maintained, and therefore may also be exposed to the risks of AI if third-party service providers or any counterparties to the Funds use AI, whether or not such use is known or unknown to Aquiline. AI is generally reliant on the collection and analysis of large amounts of data and it is not possible or practicable to incorporate all relevant data into the datasets that AI utilizes to operate. Certain data in such datasets will inevitably contain a degree of inaccuracies and errors and may be flawed, which could degrade the effectiveness of AI. Any such inaccuracies, errors, or flaws could have an adverse impact on Aquiline and the Funds. AI continues to develop rapidly and it is impossible to predict the future risks that may arise from such developments.

#### *CFIUS; Non-U.S. National Security Regimes:*

Current laws and regulations in various jurisdictions give heads of state and regulatory bodies the authority to block acquisitions by foreign persons of local entities if that acquisition threatens to impair national security. In addition, many jurisdictions restrict foreign investment in infrastructure projects and assets (including renewable energy) by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. These U.S. and foreign laws could limit the Funds' ability to invest in some entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions, and could result in the Fund excluding (in whole or in part) the participation of certain investors in any such transaction.

In the United States, certain investments by the Funds involving the acquisition of a U.S. business or assets with a nexus to U.S. interstate commerce may be subject to review and approval from the Committee on Foreign Investment in the United States ("CFIUS"), an inter-agency committee authorized to review certain transactions involving a "U.S. business" and a "foreign person," including certain real

estate transactions. The Foreign Investment Risk Review Modernization Act (“**FIRREA**”) was enacted into law in 2018, and final regulations implementing this legislation went into effect in 2020. The legislation and its implementing regulations, among other things, expanded the scope of CFIUS’s jurisdiction to cover more types of transactions, made certain transactions subject to mandatory pre-closing notification requirements, and empowered CFIUS to scrutinize more closely investments in U.S. “critical infrastructure”, “critical technology” and “sensitive personal data” companies, including investments involving foreign limited partners that may be deemed non-controlling, “non-passive” investments.

A portfolio company’s failure to notify CFIUS of a transaction where such notification was required or otherwise warranted based on the national security considerations exposes such portfolio company to significant financial penalties for each transaction party as well as potential legal penalties, and/or other adverse reputational and financial effects, thus potentially diminishing the value of such investments held by the applicable Fund. CFIUS is actively pursuing transactions that it was not notified of and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. In the event that CFIUS reviews one or more of a Fund’s investments, CFIUS may recommend that the President block such investment. CFIUS may also impose conditions, limitations, or restrictions on, or prohibit, one or more of a Fund’s portfolio investments, certain of which may materially and adversely affect such Fund’s ability to execute its investment strategy, and there can be no assurances that such Fund will be able to maintain or proceed with such investments on terms acceptable to its General Partner. In addition, CFIUS may seek to impose conditions, limitations or restrictions on one or more of such portfolio investments, which may prevent the applicable Fund from maintaining or pursuing investment opportunities that such Fund otherwise would have maintained or pursued, which could adversely affect the performance of such Fund’s investments and thus the performance of the Fund.

Moreover, the foregoing risks are elevated due to the fact that Ignace van Waesberghe, one of the two Managing Partners of Aquiline, is a non-U.S. person and, in such capacity, will be deemed an indirect control person of the portfolio companies of the Funds, some of which may be subject to more stringent CFIUS review. In connection therewith, Aquiline has implemented certain control processes which may, under certain circumstances, such as regulatory restrictions, limit or restrict the involvement of any one Aquiline professional, which could result in such professionals having no oversight over the management of a particular Fund and/or portfolio company. For additional information with respect to such control processes, please see the section entitled “Reliance on the General Partner and Aquiline” below.

Finally, a Fund’s non-U.S. investments may also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes and related rapidly-changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, including in response to U.S. encouragement of other countries to impose CFIUS-like regulations on foreign investment in certain sectors and assets on national security grounds, which could have a corresponding effect of limiting a Fund’s ability to make investments in such countries if such investments are perceived to implicate national security policy priorities. In particular, as of April 2019, the EU has adopted an E.U.-wide framework to screen foreign investment on national security grounds, which could impede, restrict, and/or delay the Fund’s investments with a nexus to the European Union. And in Australia, legislation passed in 2020 expands the criteria used to determine whether a transaction must be notified to the country’s Foreign Investment Review Board and affords the government new “call-in” powers to review certain transactions that may pose a national security risk. In the United Kingdom, the National Security and Investment Act 2021 entered into force in January 2022, requiring mandatory notification for certain acquisitions in 17 strategic sectors and giving the UK government broad powers to review certain acquisitions in any economics sector. Other jurisdictions, such as the Netherlands, are in the midst of ongoing reform that may establish further restrictions and pose additional risk by enhancing governments’ powers to scrutinize, impose conditions on and potentially block mergers, acquisitions and other transactions. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio company. As a result, the above laws may prevent, delay,

impede or restrict syndication or sale of a Fund assets to certain buyers. Any review and approval of an investment or transaction by CFIUS or a non-U.S. regulator may have outsized impacts on transaction certainty, timing, feasibility and cost, among other things.

#### *Outbound Investment Controls:*

A presidential Executive Order regulating outbound investment transactions involving countries and companies deemed to be adverse to U.S. national security and foreign policy interests was issued in August 2023, and the U.S. Department of the Treasury published an Advance Notice of Proposed Rulemaking in September 2023 to preview the potential regulations that the Treasury Department is considering implementing pursuant to the Executive Order. Once the new regulations have been issued and enter into force, U.S. outbound investment will be restricted as it pertains to certain “covered foreign persons” and “covered national security technology and products.” At present, however, such restrictions are not in effect, and the Executive Order contemplates only outbound investments tied to China for a narrow set of technologies and products, which makes it unlikely that a Fund’s operations or investment opportunities will be affected. With that said, Aquiline cannot exclude the possibility that these restrictions on U.S. outbound investment could limit the universe of prospective investments available to the Funds, making it more difficult to deploy capital, and/or adversely affect the governance and operations of a Fund’s investments and thus the performance of such Fund.

#### *State-Level Restrictions:*

More than two dozen U.S. states have enacted or are considering legislation that would prohibit, restrict, or regulate foreign investment in real property in such states. Aquiline cannot exclude the possibility that some or all of these states may prohibit, restrict, or regulate (including requiring disclosure of) Fund investments, including based on the composition of a Fund’s investor base.

#### *Uncertainty of Estimates:*

Investment underwriting is based in significant part on estimates of future financial and economic performance, including current and future internal rates of return. Moreover, decisions on how to manage an investment during its hold period are informed by expectations of future performance and projections of operating results, which are often based on management judgments. All of these estimates of future results are based upon, among other considerations, assumptions made at the time that the estimates are developed, including assumptions regarding the performance of Fund assets, the amount and terms of available financing and the manner and timing of dispositions, including possible asset recovery, all of which are subject to significant uncertainty. There can be no assurance that the estimated results will be obtained, and actual results may vary significantly from the estimates. General economic conditions and other events, which are not predictable and may not have been anticipated, can have a material adverse impact on the reliability of such estimates. Moreover, other experts may disagree regarding the feasibility of achieving estimated returns. The Funds will make investments which may have different degrees of associated risk. The actual realized returns on unrealized investments may differ materially from the returns indicated herein or, with respect to a Fund’s future investments, from the returns estimated at the time of acquisition, which, in each case, are not a guarantee or prediction of future results.

#### *Data:*

Aquiline receives or obtains various kinds of data and information from the Funds, their affiliates and their portfolio companies, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data”. Aquiline may be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to this data and information from the Funds, their affiliates and their portfolio companies. Aquiline may enter into information sharing and use arrangements, which may give Aquiline access to data

that it would not otherwise obtain in the ordinary course, with the Funds, their affiliates, and their portfolio companies, related parties and service providers. Although Aquiline believes that these activities improve Aquiline's investment management activities on behalf of the Funds and their affiliates, information obtained from the Funds and their portfolio companies also provides material benefits to Aquiline or its affiliates without compensation or other benefit accruing to the Funds or their investors. For example, information from a portfolio company owned by a Fund may enable Aquiline to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Aquiline and its affiliates that do not own an interest in the portfolio company, without compensation or benefit to the applicable Fund or its portfolio companies.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Aquiline is generally free to use data and information from a Fund's and its portfolio companies' activities to assist in the pursuit of Aquiline's various other activities, including to trade for the benefit of Aquiline or another Aquiline vehicle. Any confidentiality obligations in the governing documents of a Fund do not limit Aquiline's ability to do so. For example, Aquiline's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of a portfolio company in the same or related industry. Such trading may provide a material benefit to Aquiline without compensation or other benefit to the Funds or their investors.

The sharing and use of "big data" and other information presents potential conflicts of interest and investors in a Fund acknowledge and agree that any benefits received by Aquiline will not be subject to the Management Fee offset provisions or otherwise shared with a Fund or its investors. As a result, Aquiline has an incentive to pursue portfolio investments that have data and information that can be utilized in a manner that benefits Aquiline or its affiliates.

#### *Leverage:*

Certain of the Funds' portfolio investments include portfolio companies whose capital structures have substantial leverage. In addition, portfolio investments may be consummated through the use of significant leverage. Leveraged capital structures and the use of leverage in financing investments increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry and make the portfolio company more sensitive to declines in revenues and to increases in expenses. In certain circumstances, all or a portion of a Fund's investment in a portfolio company may be structured in the form of debt or a convertible preferred or other instrument, which generally will increase the amount of leverage at the portfolio company.

If a portfolio company defaults on secured indebtedness, the lender may foreclose and a Fund could lose its entire investment in the portfolio company. Moreover, rising interest rates may significantly increase portfolio companies' interest expense, causing losses and/or the inability to service debt levels. In the event a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of a Fund's investment in such company could be significantly impaired or even eliminated. To the extent there is not ample availability of financing for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) a Fund's ability to consummate certain transactions could be impaired.

In addition, subject to certain limitations, a Fund may borrow (or enter into similar arrangements) on a secured or unsecured basis to make a portfolio investment, pay Fund expenses, pay management fees or provide funds for the payment of amounts to withdrawing investors. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the investments purchased or carried.

Further, the borrowing utilized by a closed-end or open-end Fund to leverage its investments, including in connection with a net-asset-value facility or hybrid facility, may be collateralized by any assets of such Fund

(and may be cross-collateralized with the assets of any parallel vehicle, subsidiary, financing vehicle or alternative investment vehicle of such Fund or with the assets of any other affiliates or other persons and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such borrowings). Accordingly, a Fund may pledge its assets (including, in the case of a closed-end Fund, commitments of its investors) in order to borrow additional funds or otherwise obtain leverage for investment or other purposes (including in support of the obligations of any parallel vehicle, subsidiary, financing vehicle or alternative investment vehicle of such Advisory Client or with the assets of any other affiliates or other persons). Certain restrictions on borrowings by a closed-end Fund only apply to borrowings secured by unfunded commitments; accordingly, borrowings secured by other assets of such Fund would not be subject to such restrictions .

In connection with the foregoing, Aquiline shall have the right to agree (i) to subordinate distributions to the investors to payments required in connection with any borrowings, guarantees or other extensions of credit and (ii) that during the term of any borrowings or guarantees, a Fund will not initiate bankruptcy, insolvency, liquidation, reorganization, winding up, dissolution proceedings or any analogous proceedings without the consent of any lender to a Fund.

In some circumstances, the exercise of borrowing powers and similar arrangements may result in a Fund being leveraged for the purposes of AIFMD. This could adversely affect a Fund by increasing the regulatory compliance burden and costs of operating and managing a Fund, for example through the increased frequency of providing periodic reports to the relevant EEA competent authorities and the Financial Conduct Authority in the U.K. (as applicable).

#### *Hedging Transactions:*

In connection with certain portfolio investments, a Fund may employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates and other risks. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates and other factors may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. The Fund's General Partner may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. A Fund may enter into transactions intended to hedge certain risks that, in whole or in part, do not successfully hedge those risks. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments. The Funds will bear any expenses related to hedging activities.

#### *Currency and Exchange Rate Risks:*

A portion of a Fund's portfolio investments, and the income received by the Fund with respect to such portfolio investments, may be denominated in currencies other than U.S. dollars. However, the books of a Fund will be maintained, and capital contributions to and distributions from a Fund generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of portfolio investments, interest and dividends received by a Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by a Fund. In addition, a Fund will incur costs in converting investment proceeds from one currency to another. A Fund's general partner may enter into hedging transactions designed to reduce such currency risks.

#### *Disclosure of Information:*

Aquiline and/or certain investors in a Fund may be required by law, regulation or otherwise to disclose certain confidential information relating to a portfolio investment of the Fund. Such disclosure may adversely affect the ability of a Fund to realize its investment in such portfolio investment, may adversely affect the

price that the Fund is able to obtain upon any subsequent realization or may otherwise adversely affect the Fund.

*Portfolio Company Management, Service Providers and Vendors:*

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

Members of portfolio company management may in some cases have relationships with Aquiline apart from their roles at the portfolio companies. For example, members of portfolio company management may be investors in other Aquiline Funds. These relationships may create conflicts of interest with respect to Aquiline's ongoing evaluation of portfolio company management and the operations of the Aquiline Funds, including Aquiline's selection and compensation of service providers. Aquiline may engage other service providers which may be current, prospective or future portfolio companies of affiliated funds of Aquiline for services with respect to a Fund and its portfolio companies (including, without limitation, payroll and benefits, cybersecurity, mortgage technology, robotic process automation, enterprise software alternatives, insurance and other services), and such fees, costs and expenses will be borne by such Fund. Consistent with past practice, Aquiline intends for the terms governing the provision of any such services to be negotiated at arms'-length; however, there is no guarantee that such terms will be as favorable to Aquiline as would have been the case if Aquiline had utilized an unaffiliated third-party service provider. Portfolio companies may from time to time provide discounts in their discretion.

Aquiline will generally select a Fund's service providers and will determine the compensation of such providers without review by or consent of such Fund's investors, limited partner advisory committee or other independent parties. A Fund, regardless of the relationship to Aquiline of the person performing the services, will generally bear the fees, costs and expenses related to such services. This may create an incentive for Aquiline to select service providers based on the potential benefit to Aquiline or its portfolio companies or their affiliates rather than such Fund. As a result of these dual roles, there may be actual or perceived conflicts of interest in connection with the selection and compensation of service providers. Any such fees paid by a Fund or its portfolio entities (or discounts provided) or value created by other portfolio companies to another portfolio company of the Fund do not offset or reduce the Management Fees payable by the investors of a Fund and are not otherwise shared with the applicable Funds.

In addition, even though members of portfolio company management are generally compensated by the portfolio company (and therefore indirectly by a Fund), they may be consulted by Aquiline with respect to market insight and other matters related to other funds, vehicles or accounts managed by Aquiline or its affiliates.

*Reliance on the General Partner and Aquiline:*

Decisions made with respect to the management of a Fund will be made by the General Partner and Aquiline. The General Partner and Aquiline will have exclusive responsibility for the activities of a Fund, and other than as expressly set forth in a Fund's organizational agreements, investors will not be able to make investment or other decisions with respect to the management of a Fund. The investors will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by the General Partner in its selection of investments, nor to receive the detailed financial information issued by portfolio companies that is available to the General Partner. The success of a Fund will depend on the



ability of the General Partner and Aquiline to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of the investments of a Fund at a profit.

There can be no assurance that Mr. La Ruffa, Mr. van Waesberghe, or any one professional will continue to be associated with the General Partner and Aquiline throughout the term of a Fund, and there can be no assurance that any one professional will be involved in the investment decisions regarding a Fund or a portfolio company. In addition, Aquiline has implemented certain control processes which may, under certain circumstances, such as regulatory restrictions, limit or restrict the involvement of any one professional (including, by way of example, by implementing information “walls” and otherwise limiting the level of oversight certain professionals — including a Managing Partner — may have over particular Funds and portfolio companies), which could result in such professionals having no oversight over the management of a particular investment. The loss or limitation of such professionals’ services would adversely affect the ability of a Fund to pursue its investment program successfully.

#### *Indemnification:*

A Fund will generally be required to indemnify Aquiline and its partners, officers, directors, agents, employees, advisors, affiliates and other personnel for liabilities incurred by reason of each such indemnitee’s activities on behalf of the Fund, subject to certain limitations where the relevant liability was incurred as a result of disqualifying conduct on the part of Aquiline and/or its representatives, in each case, as more fully described in the relevant Fund’s governing documents. Such liabilities may be material. The indemnitees will also be entitled to the benefit of certain exculpation provisions set forth in the governing documents of the Fund. The indemnification obligation of the Fund would be payable from the assets of the Fund. If the assets of the Fund are insufficient, Aquiline may in certain cases recall distributions previously made to investors in the Fund.

#### *Effect of Performance-Based Compensation:*

The existence of the General Partner’s performance-based compensation, including carried interest or an incentive fee, may create an incentive for the General Partner to make riskier or more speculative investments on behalf of the Fund than it would otherwise make in the absence of such performance-based arrangement, although the Aquiline team’s commitment of capital to the Fund should somewhat reduce this incentive. In addition, if distributions are made of property other than cash, the amount of any such distribution will be accounted for at the fair market value of such property, as determined in accordance with procedures specified in the governing documents of each Fund. An independent appraisal generally will not be required and is not expected to be obtained. In certain limited circumstances, the amount of performance-based compensation will be calculated based on the fair market value of in-kind distributions, even though an investor may have elected to receive a distribution of cash in lieu thereof. In addition, the manner in which the General Partner’s entitlement to performance-based compensation is determined may result in a conflict between its interests and the interests of investors with respect to the sequence and timing of disposals of investments. For example, the ultimate beneficial owners of the General Partner are generally subject to U.S. federal and local income tax (unlike certain of the Limited Partners). The General Partner may be incentivized to operate the Fund, including to hold and/or sell investments, in a manner that takes into account the tax treatment of its carried interest. Investors should note in this regard that there is a lower capital gains tax rate in respect of investments held for at least three years. While the General Partner generally intends to seek to maximize pre-tax returns for the Fund as a whole, the General Partner may nonetheless be incentivized, for example, to hold investments longer to ensure long-term capital gains treatment and/or realize investments prior to any change in law that results in a higher effective income tax rate on its carried interest. Further, determinations made by the General Partner (including, for example, whether and to what extent a “Disposition” (as defined in the Limited Partnership Agreement of a closed-end Fund) has occurred, whether to treat a partially disposed Portfolio Investment as a separate Portfolio Investment and to what portfolio investment funded with borrowings to apply proceeds received from another portfolio investment) may impact the General Partner’s entitlement to carried interest or the timing of payment thereof.

*Material, Non-Public Information; Access to Information:*

By reason of their responsibilities in connection with their other activities, Aquiline professionals may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. A Fund will not be able to act upon any such information. Due to these restrictions, Aquiline may not be able to initiate a transaction on behalf of a Fund that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Information is expected to be shared between the Funds and other Aquiline affiliates to enhance the synergies and enable the Funds to capitalize on attractive investment opportunities (including opportunities relating to investments in portfolio companies in which other Aquiline Funds have or may acquire an interest), subject to compliance with applicable law and regulation regarding the sharing of information and Aquiline's policies and procedures related thereto. Further, policies and procedures implemented by Aquiline from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across Aquiline's areas of operation or expertise that the Funds expect to draw on for purposes of pursuing attractive investment opportunities. However, there can be no assurance that a violation of such policies and procedures will not occur and, in the event any unlawful trading was to occur, the Funds and their affiliates could be exposed to liability.

*Epidemics, Pandemics, Outbreaks of Disease and Public Health Issues:*

Aquiline's business activities, as well as the activities of the Funds and their operations and investments, could be materially adversely affected by outbreaks of disease, epidemics and public health issues in Asia, Europe, North America, the Middle East and/or globally, such as COVID-19 (and other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics, pandemics, outbreaks of disease or public health issues.

In particular, coronavirus, or COVID-19, spread rapidly around the world after its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy, global equity markets and supply chains (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks). Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus) cannot currently be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, such as H5N1, H1N1 and the Spanish flu, had material adverse effects on the economies, equity markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which would be reasonably likely to adversely affect the business, financial condition and operations of Aquiline and the Funds. Should these or other major public health issues (including pandemics) arise, Aquiline and the Funds could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on Aquiline's or the Funds' operations and business activities and governmental actions limiting the movement of people and goods between regions.

*Allocation of Investment Opportunities:*

If Aquiline is presented with an investment opportunity that falls within the investment objectives and criteria of more than one of its Funds, Aquiline will allocate such opportunity (including any related co-investment opportunity) among the Funds on a basis that Aquiline determines in good faith to be fair and reasonable over time taking into account the size and state of the investment, the relative amounts of capital available for investment, the investment objectives, focus and strategy of each Fund and other considerations deemed relevant by Aquiline in good faith in accordance with the underlying Funds' agreements. If required by the relevant Fund's governing documents, Aquiline will notify each relevant Fund's Advisory Committee

of such allocation and the basis therefor. Furthermore, decisions made by Aquiline with respect to the structuring and negotiation of a potential investment (including, for example, the type of security invested in or leverage levels) are made in its sole discretion and those decisions may influence whether an investment opportunity is within the investment objective and strategy of, and therefore whether it will be allocated to, a Fund.

#### *Diverse Investor Group:*

The Funds' investors, including the Aquiline team, may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of dispositions of investments. As a consequence, conflicts of interest may arise in connection with decisions made by Aquiline, including decisions regarding the nature, structuring or disposition of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. Further, Aquiline may, but is not required to, consider the preferences or perceived preferences that certain investors have with respect to potential investments, including the sector or business model thereof. In addition, the Funds may make portfolio investments which may have a negative impact on related investments made by investors in the Funds in separate transactions outside of the Funds. In selecting, structuring and disposing of investments for the Funds, Aquiline will consider the investment and tax objectives of its investors as a whole, not the investment, tax or other objectives of any investors individually. To the extent members of the advisory committee or limited partners in a Fund vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby (including cross-fund transactions or other transactions between or involving multiple Funds), any such limited partners may have an interest in or provide services to other Funds and their respective portfolio companies, and, as a result, may not be motivated to vote solely in accordance with its interests related to the Fund. Moreover, such limited partners are unrestricted from voting, and may affirmatively vote, in a manner that is adverse to the interests of other limited partners and a Fund. In such circumstances, it is not necessarily the case that a member of an advisory committee or limited partner would seek to recuse itself or otherwise be excluded from those voting.

#### *Side Letters:*

The Funds or Aquiline may enter into arrangements with individual investors with respect to a Fund without any further act, approval or vote of any other investor, which would have the effect of establishing rights under, altering or supplementing the terms of the governing document of a Fund with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Unless otherwise agreed with an investor, the General Partner on behalf of a Fund will not be required to notify any or all of the other investors of any such side letters or any of the rights or terms or provisions thereof, nor will the General Partner be required to offer such additional or different rights or terms to any or all of the other investors. The other investors will have no recourse against the Funds or any of its affiliates in the event that certain limited partners receive additional or different rights or terms as a result of such side letters.

#### *Co-Investment Opportunities:*

All decisions regarding whether, to whom, and in what amounts to offer co-investment opportunities are made in the applicable General Partner's sole discretion. No investor should have any expectation of receiving co-investment opportunities. Where possible and appropriate, a General Partner may, but will be under no obligation to, provide co-investment opportunities to certain investors before making such opportunities available to non-investors. In respect of non-investors, a General Partner may offer co-investment opportunities to investors that the General Partner believes will add value to Aquiline's, the applicable Fund's or the applicable portfolio company's activities, including, without limitation, investors that commonly serve as lenders, placement agents, underwriters and purchasers of debt, equity and equity related securities of portfolio companies and investors that have particular expertise in the industry in which the prospective portfolio company operates. Decisions regarding whether and to whom to offer

co-investment opportunities are made at the sole discretion of the applicable General Partner and may be offered to some, but not other, investors. Allocations of co-investment opportunities to investors may differ from such investors' proportionate investments in the applicable Fund and may be based on a number of factors, including, without limitation, an investor's expressed interest in co-investments, an investor's ability to co-underwrite an investment, the size of such investor's capital commitment or subscription, as applicable, other business relationships with Aquiline or its portfolio companies, investment in other or future Aquiline Funds, vehicles or accounts, information understandings or arrangements with an investor, and the General Partner's assessment of such investor's ability to both fund and timely execute a co-investment. In addition, a General Partner may put its own interests ahead of those of investors in a Fund in determining the allocation of co-investment opportunities. In addition, the General Partner and its affiliates, including Aquiline employees, may make an investment in any vehicle formed for a co-investment opportunity. In particular, a General Partner and/or its affiliates will be incentivized to offer potential co-investors the opportunity to co-invest since the amount of performance-based compensation and/or Management Fee to which the General Partner and/or its affiliates are entitled under the arrangements with such co-investors with respect to such co-investors' participation in the Fund and/or other Funds may depend on, among other things, the extent to which such co-investors participate in or are allocated co-investments.

Investing in a Fund does not entitle any investor to allocations of co-investment opportunities and such opportunities may be offered to some and not other investors or to third parties who are not investors in the Fund. Transaction-specific returns, and an investor's overall returns from its exposure to a Fund's portfolio companies, may be affected significantly by the extent to which investors are offered and choose to participate in co-investment opportunities. Prospective investors should also note that investors are not required to participate in co-investments offered by the applicable General Partner. There can be no assurances with respect to the amount of any investment opportunity that will be allocated to a Fund.

Aquiline has entered into side letters or other similar agreements that include special rights with respect to co-investment, including guaranteeing an investor an opportunity to participate in all co-investment opportunities and establishing a discretionary Co-Investment Vehicle for an investor. Aquiline has also entered into side letters or other similar agreements acknowledging a strategic business relationship with investors.

#### *Certain Transactions Involving Multiple Funds:*

From time-to-time certain Funds ("**Acquiring Funds**"), either unilaterally or in conjunction with third parties (which may include investors of current Funds or prospective investors), seek to acquire or make follow-on investments in certain portfolio companies held by certain other Funds ("**Selling Funds**"). While such transactions are principally driven by Aquiline's desire to de-risk the Selling Funds' overall portfolio and increase investment exposures for the Acquiring Funds at prices that Aquiline believes in good faith are favorable to both the Acquiring Funds and the Selling Funds and their investors, these transactions provide certain tangible and intangible benefits to Aquiline and its affiliates, including, but not limited to, carried interest distributions therefrom and potential marketing and reputational benefits from the realization of the portfolio companies. In addition, conflicts of interest may arise from the fact that Selling Funds may in certain instances alternatively hold the portfolio companies longer (e.g., for the duration of the Selling Funds' terms) and possibly realize a higher return than would be the case if the portfolio companies were sold in such a transaction. It is therefore possible that the continued ownership of a portfolio company for dispositions at a later date would result in a more favorable price than a sale effected as part of any such transaction. Conversely, conflicts may arise from the possibility that the relevant portfolio company may depreciate in value subsequent to any such transaction, with the result that the Acquiring Funds incur losses that they otherwise would not have to incur had the Selling Funds continued to hold the portfolio company.

In certain cases, investors of the Selling Funds may be offered the opportunity to "roll-over" some or all of their indirect investments in the to-be-sold portfolio companies into new Funds organized to acquire the portfolio companies, but Aquiline will be under no obligation to offer any such "roll-over" investments to such investors. If such roll-over investments are offered, investors who roll-over their investments ultimately may earn higher or lower returns attributable to the underlying portfolio companies than would be the case

if they did not roll-over their investments. It is possible that Aquiline may roll-over a percentage of its interests (whether as a capital interest or in respect of its carried interest) and such roll-over percentage may differ than the percentage roll-over, if any, offered to investors in the Selling Funds. Accordingly, Aquiline may ultimately earn higher or lower returns on its investment than investors of the Selling Funds as a result of its interests. Possible conflicts may also arise from the fact that Selling Funds could alternatively sell a portfolio company to a nonaffiliated third party and possibly realize a higher return or better terms than would be the case where an Acquiring Fund is involved. Additionally, conflicts may arise with respect to Acquiring Funds participating in the buyer group, particularly where there may be limited or no market check on the valuation of the transaction. Aquiline's financial incentives (including because of potentially disparate financial interests in each of the funds) may be in favor of either the Selling Funds or the Acquiring Funds participating in the buyer group, depending upon the specific terms of the transaction. Furthermore, it is possible that a dispute could arise between and among the Selling Funds, the Acquiring Funds, the relevant portfolio companies, and/or third parties participating in any such transaction. As a result of Aquiline managing investment vehicles on both the sell-side and buy-side of a transaction, Aquiline may be disincentivized from bringing claims against other Funds it manages or a portfolio company held by two or more Funds it manages. Additional conflicts of interest, which are expected to be unique, may arise in such transactions. See the section entitled "Certain Conflicts of Interest Related to Continuation Funds" for a summary of related conflicts of interest arising in the context of an Aquiline-sponsored continuation fund.

Aquiline seeks to mitigate potential conflicts of interest by, among other things, (i) obtaining fairness opinions or valuation reports prepared by independent third parties, (ii) engaging advisors separate from advisors to the lead-investor participating in such transaction, and/or (iii) deferring or rolling over all or a portion of Aquiline's carried interest distributions in connection with such transaction, in each case solely to the extent it determines reasonable and appropriate under the circumstances to do so. In all cases, Aquiline will seek to ensure that any transaction involving multiple funds is: (i) in compliance with the relevant Fund's governing documents, including any investment guidelines or restrictions for those Funds; and (ii) entered into only after obtaining any required Advisory Committee or investor approvals of the transaction's terms and conditions, if applicable.

#### *Non-United States Investments:*

A Fund may invest in companies organized and/or headquartered outside the United States. Non-U.S. securities have exposure to certain risks not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Fund's foreign portfolio investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in, and relative illiquidity of, some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic, or social instability; and the possibility of expropriation or confiscatory taxation, nationalization of business enterprises, and adverse economic and political development; (iv) the possible imposition of foreign taxes on income recognized with respect to such securities; (v) less developed laws regarding corporate governance, creditors' rights, fiduciary duties and the protection of investors; (vi) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (vii) political hostility to investments by foreign or private fund investors; and (viii) less publicly available information. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. The Funds generally do not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect

private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability or other economic or political developments could adversely affect portfolio companies of the Fund holding assets or engaged in business in a particular country.

In addition, portfolio companies located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide a Fund with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, a Fund's investments in any such portfolio company may be adversely affected. While Aquiline intends, where appropriate, to manage the Funds in a manner that will minimize exposure to the foregoing risks, to the extent practicable, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain countries.

The General Partners will analyze risks in the applicable countries before making such investments, but no assurance can be given that a political or economic climate, or particular legal or regulatory risks (whether or not identified by a General Partner), may not adversely affect an investment by a Fund.

#### **Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry:**

There continues to be significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund industry. On July 21, 2010, then-President Obama signed into law the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") to nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a "nonbank financial company" as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the "**FSOC**"), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve (including capital, leverage and liquidity requirements) if it determines that such company is systemically important, in that it poses a risk to the U.S. financial system. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds, although no such funds have been designated as systemically important by the FSOC to date.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity funds and hedge funds and other provisions that affect the private fund industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called "Volcker Rule," which takes the form of Section 13 of the U.S. Bank Holding Company Act of 1956. Among other things, the Volcker Rule (as amended by the Reform Act) prohibits any "banking entity" (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets or significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law, and any affiliate or subsidiary of the foregoing entities), as principal, from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the 1940 Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, to avoid being treated as "investment companies" under the 1940 Act. The Volcker Rule also requires certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above) to comply with additional capital requirements and comply with certain other quantitative limits on such activities, although such entities are not expressly prohibited from engaging in proprietary trading or sponsoring or investing in such funds. Potential investors that are "banking entities" should consult their bank regulatory counsel prior to making an investment. The Dodd-Frank Act, as well as future

related legislation, may have an adverse effect on the private fund industry generally and/or on Aquiline or the Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on Aquiline or otherwise impede the Funds' activities.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private fund industry generally and/or the Funds or Aquiline, specifically. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "**Reform Act**") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the so-called "Volcker Rule" to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the "**Covered Fund Amendments**"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments are expected therefore to expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and these regulatory developments on the Funds and their activities remain uncertain. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on, or otherwise impede, the Funds' or Aquiline's activities.

In May of 2022, the SEC proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning investment advisers' incorporation of environmental, social, and governance (ESG) factors (the "**ESG Proposed Rule**"). The ESG Proposed Rule seeks to categorize certain types of ESG strategies broadly and require advisers to both provide census type data in Form ADV Part 1A and provide more specific disclosures in adviser brochures based on the ESG strategies they pursue.

In February 2023, the SEC proposed extensive amendments to the custody rule for SEC-registered investment advisers (the "**Proposed Custody Rule**"). If adopted, the amendments would require, among other things, the adviser to: obtain certain contractual terms from each advisory client's qualified custodian; document that privately offered securities cannot be maintained by a qualified custodian; and promptly obtain verification from an independent public accountant of any purchase, sale or transfer of privately offered securities. The amendments also would apply to all assets of a client, including real estate and other assets that generally are not considered securities under the federal securities laws.

The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the Funds and their investors. In addition, these amendments could increase the risk of exposure of the Funds, the General Partners and Aquiline to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which in turn would be expected to adversely (potentially materially) affect Aquiline and the Funds' reputation, and to negatively impact the Funds in conducting their business (thereby materially reducing returns to Funds investors). Further, as described above, as these amendments could impose limitations regarding preferential treatment of investors in private funds, the General Partners and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive the Funds investors of the previously negotiated benefits of such agreements.

These proposed rules, if adopted, may result in material alterations to how Aquiline operates its business and/or the Funds, as well as Aquiline's implementation of the Funds' investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on Aquiline, the General Partners, the Funds, their portfolio companies and/or the investors. To the extent permitted under the governing documents for a Fund, the incremental costs of compliance by Aquiline, the General Partners and/or the Funds with any new SEC rules may be borne by the Funds, which may be significant.

In addition, in August 2023, the SEC adopted final rules promulgated under the Advisers Act intended to promote investor protection by focusing on the areas of conflict mitigation and transparency (the "**Private Funds Rules**"). Although certain aspects of the Private Funds Rule took effect in 2023, most provisions are scheduled to become effective in 2024 and 2025 and will require changes to the operations and compliance programs of private investment funds and their sponsors, including the Funds and their respective General Partners.

The Private Funds Rules, among other things, (i) prohibit certain types of preferential treatment of investors through side letters and require disclosure to all investors of other preferential terms, (ii) restrict the ability of a fund adviser to take certain actions including borrowing from a fund or charging certain fees and expenses to the fund without disclosure to and, in some cases, consent from, fund investors and (iii) impose new quarterly reporting requirements on fund advisers. The full extent of how the Private Funds Rules will impact the industry is unclear but there is a general expectation that the Private Funds Rules will increase compliance costs, much of which is expected to be borne by the Funds and could reduce flexibility of their General Partners to engage in conduct that they would otherwise believe to be in the best interests of the Funds. As the final Private Funds Rules have only recently been adopted, they are still subject to ongoing interpretation and it also remains unclear how the Private Funds Rules will ultimately be implemented by private investment funds and enforced by the SEC.

There have been many other SEC rule-makings recently in addition to the Private Funds Rules. Among others, the SEC's amended rules for investment adviser marketing (the "**Marketing Rule**") went into effect in November 2022, and have been the subject of several SEC enforcement actions. As is the case with the Private Funds Rules, the Marketing Rule and other recent SEC rule-makings are similarly expected to increase the costs of compliance and may negatively impact Aquiline's business and the Fund's performance.

#### **Recent Developments in the Banking Sector:**

Recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions — in particular smaller and/or regional banks — have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the Fund and/or its portfolio companies) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, may be similarly impacted, and it is uncertain what steps (if any) regulators may take in such circumstances. As a consequence, for example, the Funds and/or their portfolio entities may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and investors may be impacted in their ability to honor capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-lenders, syndicate lenders or other parties to undertake and/or execute transactions with the Funds, which in turn may result in fewer investment opportunities being made available to the Funds, result in shortfalls or defaults under existing investments, or impact the Funds' ability to provide additional follow-on support to portfolio entities. In addition, in the event that a financial institution that provides credit facilities and/or other financing to a Fund or its portfolio entities closes or experiences distress, there can



be no assurance that such bank will honor its obligations or that the Fund or such Portfolio Entity will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that the Funds or their portfolio entities will establish banking relationships with multiple financial institutions, and the Funds and their portfolio entities are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures — and general concern regarding the financial health and outlook for other financial institutions — could have an overall negative effect on banking systems and financial markets generally. These recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Funds, their portfolio entities or their respective financial performance.

#### *Cayman Islands Monetary Authority:*

Registration of the applicable Funds by the Cayman Islands Monetary Authority (the “**Monetary Authority**”) does not constitute an obligation of the Monetary Authority to any investor as to the performance or creditworthiness of the applicable Fund. Furthermore, in registering a Fund, the Monetary Authority shall not be liable for any losses or default of such Fund or for the correctness of any opinions or statements expressed in any prospectus or offering document.

#### *Force Majeure Risk:*

A Fund and its portfolio companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes or other natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events could adversely affect the ability of a Fund, a portfolio company or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by a Fund or a portfolio company. Certain force majeure events, such as war or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy, thereby affecting a Fund and Aquiline. Additionally, a major governmental intervention into an industry, including the nationalization of an industry or the assertion of control, could result in a loss to a Fund if an investment or portfolio company is affected, and any compensation provided by the relevant government may not be adequate. Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

#### *Natural Disasters:*

Certain regions in which a Fund invests, may invest or conduct activities related to investments are susceptible to natural disasters and disease outbreaks that could have a severe impact on the value of, and even destroy, assets in those regions. Health or other government regulations adopted in response to natural calamities may require temporary closure of corporate and governmental offices upon a disaster, which would severely disrupt a Fund’s operations in the affected area. Catastrophic losses may either be uninsurable or insurable at such high rates as to make coverage impracticable. If a major uninsured loss were to occur with respect to any of a Fund’s investments, the Fund could lose both invested capital and anticipated profits.

#### *Terrorist Activities:*

Terrorist attacks in major global cities and any significant military or other response by the U.S. or other countries could materially and adversely affect international financial markets and local economies alike. Any terrorist attacks that occur at or near significant strategic assets of a Fund’s investments having a national or regional profile would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result

of a terrorist attack or terrorist activities in general, a Fund may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all.

#### *OFAC and FCPA Considerations:*

Economic sanction laws in the United States and other jurisdictions may prohibit Aquiline, Aquiline's professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict a Fund's investment activities in certain emerging market countries.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. Aquiline, the Aquiline professionals and the Funds intend to comply with the U.S. Foreign Corrupt Practices Act ("**FCPA**") and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, a Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for a Fund to act successfully on investment opportunities and for portfolio companies to obtain or retain business. In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, with the enactment in 2010 of the Bribery Act, the United Kingdom has significantly expanded the reach of its anti-bribery laws. Practices designed to ensure strict compliance by Aquiline and its personnel with the FCPA may not be effective in all instances to prevent violations. In addition, in spite of adequate policies and procedures, affiliates of portfolio companies, particularly in cases where a Fund does not control such portfolio company, may engage in activities that could result in FCPA violations. Any determination that Aquiline has violated the FCPA or other applicable anti-corruption laws could subject a Fund to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect Aquiline's business prospects and/or financial position, as well as the Fund's ability to achieve its investment objective and/or conduct its operations. The Funds may incur costs and expenses associated with engaging external counsel or other third-party consultants or professionals in connection with inquiries or investigations relating to FCPA or other applicable anti-corruption laws or anti-bribery laws.

#### **Transactions with Potential and Actual Investors and Co-Investors:**

The General Partners and their affiliates from time to time have business, ownership, family or other relationships with or engage in transactions with prospective and actual investors and co-investors (or controlling or influential persons of such investors and co-investors) that entail business benefits to such investors or Aquiline, Aquiline or its Funds or their portfolio companies. Such transactions may be entered into prior to, or coincident with, an investor's admission to a Fund (or commitment to co-invest) or during the term of their investment. The nature of such relationships and transactions can be diverse and may include benefits relating to Aquiline, the Funds and their respective portfolio companies. Examples include strategic advice or other services to or in respect of the Funds or portfolio companies, the ability to co-invest alongside the Funds, the ability to make investments in other Funds, the ability to act as a lender or otherwise provide financing to portfolio companies of the Funds, sales of portfolio companies of the Funds to investors and recommendations to underwriters for allocations in initial public offerings or loans to co-investors (or joint venture partners) by Aquiline or the Funds.

#### *Cessation of LIBOR:*

The FCA, which regulates the administration of the London Interbank Offered Rate (“**LIBOR**”) announced that it will no longer compel panel banks to submit rates for LIBOR after the end of 2021. The FCA and LIBOR’s administrator, ICE Benchmark Administration (“**IBA**”) ceased publication of most LIBOR settings (which reflect LIBOR rates quoted in different currencies over various time periods) from the end of 2021 and ceased publication of the most widely used U.S. Dollar LIBOR settings from June 30, 2023. Subsets of LIBOR settings have been and will continue to be published on a “synthetic” basis, but such publications are considered non representative of the underlying market.

Market participants have been transitioning from sterling LIBOR to the Sterling Overnight Index Average, or “**SONIA**,” in line with guidance from the regulators in the UK. Markets continue to develop in response to SONIA and other new alternative reference rates in other currencies that have been and continue to be published.

The discontinuation of LIBOR or changes to other reference rates or any other changes or reforms to the determination or supervision of reference rates has, and could continue to have, an adverse impact on the market for, or value of, any securities or payments linked to those reference rates, which may adversely affect the performance of the Funds. Uncertainty and risk also remain regarding the ability of issuers and lenders to include revised provisions in new and existing contracts or instruments. Consequently, the transition from LIBOR to other reference rates may lead to increased volatility and illiquidity in markets that are tied to LIBOR, fluctuations in values of LIBOR-related investments or investments in issuers that utilize LIBOR, increased difficulty in borrowing or refinancing and diminished effectiveness of hedging strategies, potentially adversely affecting a Fund’s performance. Neither the long-term effect of the LIBOR transition process nor its ultimate success can yet be known.

#### *Certain Conflicts of Interest Related to Continuation Funds:*

As introduced in the section entitled “Certain Transactions Involving Multiple Funds,” from time to time Selling Funds will enter into transactions pursuant to which the Selling Funds (together with certain of their respective co-investment vehicles, the “**Selling Aquiline Funds**”) agree to sell certain portfolio company interests held by the Selling Aquiline Funds (such interests, the “**CV Portfolio Interests**” and such portfolio companies, the “**CV Portfolio**”) to a newly formed continuation fund sponsored by Aquiline (the “**Continuation Fund**”) (any such transaction, a “**CV Transaction**”). Aquiline may or may not form separate holding vehicles to facilitate any investment elections offered to limited partners in connection with any such CV Transaction (such vehicles, the “**Holding Vehicles**”). Aquiline will sponsor and hold interests in each of the Selling Aquiline Funds, the Holding Vehicles and the Continuation Fund, and will also wholly own the general partner of each such entity. Moreover, Aquiline wholly owns and controls the entity that will manage the assets of any such Selling Aquiline Funds, the Holding Vehicles and the Continuation Fund and will make recommendations to the general partners of such entities. Aquiline will form and manage the Continuation Fund, which will be the buyer of CV Portfolio Interests from the Selling Aquiline Funds.

Given its participation in the management of the Selling Aquiline Funds, Holding Vehicles and the Continuation Fund, Aquiline will be on both sides of a CV Transaction. Following the consummation of a CV Transaction, Aquiline will continue to manage the Selling Aquiline Funds alongside the Continuation Fund and the Holding Vehicles, which will result in conflicts of interest in connection with a CV Transaction including but not limited to those described in the section entitled “Certain Transactions Involving Multiple Funds.” For example, the interest of the general partner of the Continuation Fund (the “**Continuation Fund GP**”) and its affiliates in respect of the Continuation Fund as an indirect “buyer” of CV Portfolio Interests will directly conflict with those of the limited partners of the Selling Aquiline Funds as the “seller” of such Portfolio Company Interests. As such, Aquiline’s interest on behalf of the Selling Aquiline Funds and such participating limited partners to maximize the purchase price for CV Portfolio Interests may conflict with the

interest of the Continuation Fund and the Continuation Fund GP as the indirect buyer of CV Portfolio Interests in a CV Transaction. The purchase price for a CV Transaction may or may not be determined pursuant to arm's-length negotiations with third parties in a robust process with multiple bidders. There is no assurance as to whether a higher or a lower value for CV Portfolio Interests (as compared to selling the CV Portfolio Interests to the Continuation Fund) might have been realized in the future if there were to be a sale of such CV Portfolio Interests to a third party or an initial public offering by a portfolio company within the CV Portfolio.

It is possible that the affiliations described above may influence certain of the terms that Selling Aquiline Funds obtain as part of a CV Transaction (other than the purchase price) which could be less favorable than terms Selling Aquiline Funds might have been able to obtain had the proposed sale of its CV Portfolio Interests been to an independent party. For example, a lead third party investor in the Continuation Fund (the "**Lead Investor**") may have a preexisting business relationship with Aquiline by virtue of the fact that it (i) holds interests in certain Aquiline-sponsored co-investment vehicles and/or (ii) is evaluating an investment in a future Aquiline investment fund. The existence of a prior relationship between Aquiline and the Lead Investor may incentivize Aquiline to agree to terms that are more preferential to the Lead Investor (and the other third-party syndicate investors in the Continuation Fund) than would have otherwise been agreed to in a transaction involving a party other than an affiliate of Aquiline.

In addition, Aquiline and its affiliates would be expected to receive benefits from a CV Transaction, and this expectation may influence Aquiline's decision to pursue a CV Transaction relative to alternative transactions. Assuming a full exit by the Selling Aquiline Funds, the completion of a CV Transaction may result in the full return of capital contributions to investors including Aquiline, as well as the payment of the preferred return pursuant to the partnership agreement of a Selling Aquiline Fund. Accordingly, Aquiline would receive distributions of carried interest with respect to investors that elect the liquidity option ("**Selling Investors**") and may also receive distributions of carried interest with respect to investors that elect to roll their indirect interests in a CV Portfolio into the Continuation Fund ("**Rolling Investors**"). Aquiline may also receive management fees from both (i) the Continuation Fund and (ii) the investors that elect to retain their existing indirect exposure to the CV Portfolio. Moreover, following the consummation of a CV Transaction, Aquiline will typically have an economic interest in the CV Portfolio in the form of any carried interest accrued with respect thereto and its capital commitment to the Continuation Fund. The management fees that Aquiline will receive with respect to the Continuation Fund and any investors retaining interests in the CV Portfolio over their terms are likely greater than the management fees that Aquiline would have received in respect of the CV Portfolio had it remained in the applicable Selling Aquiline Funds.

Furthermore, Aquiline may be owed management fees and other expense/reimbursement amounts from a Selling Aquiline Fund, a portion of which may be paid to Aquiline out of proceeds from future dispositions that would otherwise be due to Rolling Investors and investors retaining interests in the CV Portfolio.

If there are little or no remaining unpaid capital commitments in a Selling Aquiline Fund, Aquiline would not receive payment for any accrued management fees and expenses in respect of such Selling Aquiline Fund until a liquidity event. Accordingly, since a CV Transaction will generate liquidity that can typically be recycled pursuant to the Selling Aquiline Fund limited partnership agreement, a conflict of interest arises insofar as the CV Transaction would enable Aquiline to receive accrued management fees and expenses that it would not otherwise be entitled to receive.

Given the different expected hold periods, Aquiline may have conflicting goals and fiduciary duties with respect to the timing of the disposition of any CV Portfolio and other existing assets held by the Selling Aquiline Funds. In addition, conflicts may arise with respect to any potential follow-on investment in the CV Portfolio given the different expected termination dates and availability of capital for such follow-on investments.

## **Item 9 — Disciplinary Information**

Aquiline and its employees have not been involved in any legal or disciplinary matter that would be material to a client's evaluation of the Firm's advisory business or the integrity of its management.

## Item 10 — Other Financial Industry Activities and Affiliations

Aquiline provides investment advisory services through the following affiliates, which include relying advisers and related persons, such as General Partners of the Funds (each, a “**Related Adviser**”): Aquiline Capital Partners LP, Aquiline Capital Partners GP LLC, Aquiline Capital Partners GP (Offshore) Ltd., Aquiline Capital Partners II GP (Offshore) Ltd., Aquiline Capital Partners III GP (Offshore) Ltd., Aquiline Capital Partners IV GP (Offshore) Ltd., Aquiline Capital Partners V GP (Offshore) L.P., Aquiline Capital Partners II GP (AIV) L.L.C., Aquiline Co-Invest III GP Ltd., Aquiline Co-Invest IV GP Ltd., Aquiline Q Co-Invest IV GP Ltd., AFSF IV Co-Invest GP Ltd., Aquiline Capital Partners III GP (AIV) L.L.C., Aquiline Technology Growth GP Ltd., Aquiline Technology Growth II GP Ltd., Aquiline Q Co-Invest ATG II GP Ltd., Aquiline Credit Opportunities GP Ltd., Aquiline Aviation Opportunities GP Ltd., Aquiline BitPay Holdings GP LLC, AFSF II Co-Invest GP Ltd., Aquiline (Sanba) Co-Invest Fund V GP Ltd., AFSF V Co-Invest GP Ltd., and Aquiline Capital Partners Ltd.. All of the Related Advisers’ investment advisory activities are subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of a Related Adviser are subject to the supervision and control of Aquiline.

Because the Funds invest in portfolio companies in the financial services sector, it is possible that a Fund (or one of its portfolio companies) may engage in transactions with a portfolio company of another Fund, which could be considered to give rise to potential conflicts of interest, although Aquiline believes that such affiliations do not create a material conflict of interest with its Funds. Such portfolio companies are operated by independent management teams. Aquiline can provide investors a list of such portfolio companies upon request.

For example, in the past, several portfolio companies of certain of the Funds that are related persons of Aquiline (or their affiliates) have been registered broker/dealers (“**Portfolio Company B/Ds**”), and additional portfolio companies (or their affiliates) may apply for registration as a broker/dealer. Aquiline has in the past directed and may again in the future direct the Funds’ brokerage transactions through the Portfolio Company B/Ds; however, in doing so, Aquiline is subject to its obligation to seek to obtain best execution on the Funds’ transactions under prevailing market conditions. Additionally, various Aquiline personnel will generally review the appropriateness of such transactions and document the rationale for Aquiline’s use of the Portfolio Company B/Ds. Aquiline does not foresee that its use of the Portfolio Company B/Ds gives rise to any material conflicts of interests since the Portfolio Company B/Ds are portfolio companies of certain of the Funds. Therefore, any benefits that would accrue from the use of the Portfolio Company B/Ds would accrue to the Funds that have an interest in such Portfolio Company B/Ds. As described in the “Client Referrals and Other Compensation” section below, Aquiline has in certain instances, and may again in the future, elected to utilize Portfolio Company B/Ds as placement agents for certain of its Funds.

A portfolio company of one of the Funds currently provides fund administration services to some of Aquiline Funds and may in the future provide such services to additional Aquiline Funds. The portfolio company is providing such services to a Fund at market rates and appropriate levels of service.

From time to time, a portfolio company will seek to raise debt on the best possible terms available at that time. Given Aquiline’s financial services network, Aquiline may assist a portfolio company in identifying potential debt providers, which have included and may in the future include investors of Funds managed by Aquiline. Regardless of whether a potential lender is an investor or otherwise connected to the Aquiline network, Aquiline will only recommend that a portfolio company obtain financing from a lender based on the portfolio company’s assessment of the financial terms offered and not based on any other factors, including the lender’s affiliation with Aquiline or the Funds. However, Aquiline may face conflicts of interest in making such determinations, given its various relationships with potential lenders.

There may be other situations from time to time where a portfolio company in which Aquiline invests may enter into a business relationship (or other arrangement) with another portfolio company, including in the ordinary course of business (or in some cases may already have in place a business arrangement at the time of Aquiline’s investment). In connection with such relationships, Aquiline may also make referrals

and/or introductions to portfolio companies (which may result in financial incentives and/or milestones benefitting Aquiline or such Aquiline Fund that are tied or related to participation by portfolio companies). Such situations could potentially give rise to conflicts of interest, particularly in circumstances where the two portfolio companies entering into the business relationship (or other arrangement) are owned by different Funds. A Fund and its investors will not share in any fees or economics accruing to Aquiline or another Aquiline Fund as a result of these relationships and/or participation by portfolio companies and any such fees or economics will not offset the Management Fee of any Fund. Regardless of how an introduction occurs between two (or more) Aquiline portfolio companies, Aquiline generally will not participate in the proposal, negotiation or setting of any contractual terms governing a business arrangement between portfolio companies, other than in the case of extraordinary events, such as mergers or acquisitions involving two or more portfolio companies, where Aquiline's participation is appropriate or required. However, with respect to transactions or agreements with portfolio companies, Aquiline may be involved in the negotiation and execution of agreements between such portfolio company on the one hand, and the portfolio company of another Fund, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. The measures Aquiline may use to mitigate such conflicts include review of the market for commercially reasonable terms.

One or more Aquiline Fund portfolio companies are, or may be, investors directly or indirectly in other Aquiline Funds. Such investors' votes are taken into account in determining the vote of the majority (or other specified percentage) in interest of the combined investors in the Fund. However, it should be noted that any Firm Advisor and/or employee of the General Partner and/or Aquiline who were serving on the board of directors of any such portfolio companies at the time such investment decision was made by any such portfolio company, have and will continue to recuse himself from any discussions and/or votes pertaining to such investment in Fund II, Fund III, Fund IV, Fund V, ATG I, ATG II, ACO, AAO or any subsequent Fund.

The Funds' portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds or other Aquiline affiliates that, although Aquiline determines to be consistent with the requirements of such Funds' governing agreements, may not have otherwise been entered into but for the affiliation with Aquiline, and which may involve fees and/or servicing payments to Aquiline-affiliated entities which are not subject to the management fee offset provisions. Portfolio companies of a certain Fund may do business with, support, or have other relationships with competitors of another Fund's portfolio companies, and prospective investors should not assume that other Funds or companies related to or otherwise affiliated with Aquiline will only take actions that are beneficial to or not opposed to the interests of the Fund and its portfolio companies.

Aquiline personnel who serve as directors of portfolio companies of Aquiline funds have certain fiduciary or other legal obligations to consider the best interests of the portfolio companies and their shareholders, which interests may or may not align with the interests of a Fund. Pursuant to these fiduciary or other legal obligations, such Aquiline personnel may, under certain circumstances, be required to first offer an investment opportunity presented to them (including, for the avoidance of doubt, an investment opportunity that falls within a Fund's investment strategy and objective) to the portfolio company on whose board they serve before that opportunity can be presented to Aquiline as a potential investment for a Fund. Additionally, Aquiline or other investment funds, vehicles or accounts managed by Aquiline (including, without limitation, ATG or ATG II) may hold equity or other investments in companies or businesses (even if they are not "affiliates" of Aquiline) that provide services to or otherwise contract with portfolio companies of a Fund. In connection with such relationships, Aquiline may also make referrals and/or introductions to portfolio companies (which may result in financial incentives (including additional equity ownership) and/or milestones benefitting Aquiline that are tied or related to participation by portfolio companies). The Funds and the investors will not share in any fees or economics accruing to Aquiline as a result of these relationships and/or participation by portfolio companies.

With respect to transactions or agreements with portfolio companies, if unrelated officers of a portfolio company have not yet been appointed, Aquiline may be negotiating and executing agreements between Aquiline and/or the Funds on the one hand, and the portfolio company or its affiliates, on the other hand,

which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length. Among the measures Aquiline may use to mitigate such conflicts is involving outside counsel to review and advise on such agreements and provide insights into commercially reasonable terms.

Employees of Aquiline serve, and in some instances are expected to continue to serve, on the board of directors of one or more former portfolio companies of the Funds, in each case to the extent permitted under the governing documents of the applicable Funds. There may be conflicts of interests between the employee's duties with respect to Aquiline and the Funds, on the one hand, and the employee's duties as a director of the former portfolio company, on the other hand. Officers and employees of Aquiline may serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of a Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer of Aquiline and such individual's duties as a director of such portfolio company. In addition, there may be conflicts between a portfolio company of a Fund and a portfolio company of another fund, vehicle or account managed by Aquiline.

In addition to their responsibilities with respect to the Funds and the other financial services activities of Aquiline, Aquiline personnel (i) serve as executives or on boards of directors of public and private companies and are also investors of Aquiline Funds, and retain fees for such services for such person's own account, (ii) engage in such civic, trade association (or similar organization), industry and charitable activities as such person shall choose, (iii) conduct and manage such person's personal and family investment and related activities and (iv) engage in any other activities not prohibited by the Fund's governing documents. Conflicts may arise as a result of such activities and in allocating management time services and functions, as well as if such other entities have interests that are adverse to those of the Fund, including if any entities associated with such activities compete with the Fund for investment opportunities or other resources. Furthermore, as a result of other investments and activities, Aquiline personnel, especially those who serve as executives of or on company boards of directors, may from time to time of acquire confidential information that they will not be able to use for the benefit of the Fund.



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

### ***Participation or Interest in Client Transactions***

Aquiline and/or a related person serve as the General Partner, investment manager, and/or investment adviser to the Funds. The General Partner of each Fund together with its employees have a material investment in the Funds, and as discussed in “Fees and Compensation” above, Aquiline receives a carried interest or incentive fee, as applicable, with respect to the Funds. Therefore, Aquiline may be considered to participate indirectly in transactions effected for those clients. The existence of Aquiline’s performance-based compensation may create an incentive for Aquiline to make riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such performance-based arrangements, although the Aquiline team’s commitment of capital to the Funds should mitigate this potential conflict of interest by alignment of interest.

Section 206(3) of the Advisers Act places restrictions on Aquiline’s ability, acting for its own account (or the account of an affiliate), to buy a security from or sell a security to a client’s account. Such transaction is known as a “principal transaction.” Section 206(3) of the Advisers Act requires an investment adviser to provide written disclosure to a client and obtain the client’s consent prior to settlement of any “principal transactions.” Aquiline will comply with the Advisers Act (and any more restrictive limitations included in a Fund’s governing documents) when engaging in principal transactions with a Fund, to the extent that any occur.

In the event that a vehicle formed to facilitate the participation of co-investors in a portfolio investment being made by another Aquiline Fund has not held a closing at the time of the consummation of the portfolio investment, the Aquiline Fund that initially made the investment may transfer a portion of its interest in the portfolio company to a Co-Investment Vehicle following the consummation of the investment. Because this transaction would be between two clients of Aquiline, it could potentially be viewed as a conflict of interest. However, the possibility of this type of transaction would be disclosed in the applicable Fund’s offering documents, and a mechanic to address the potential conflict of interest would be included in the applicable Fund’s governing documents. For example, a Fund’s governing documents may provide that a portion of the Fund’s interest in a portfolio company may be transferred to a Co-Investment Vehicle within a specified period of time and at a specified price.

From time to time, certain Aquiline Fund portfolio companies that are asset management companies themselves offer investment opportunities to accredited investors, and in such instances certain employees of Aquiline or any of its affiliates may invest in such opportunities on the same market terms as available to other similarly situated accredited investors. An Aquiline Fund may also participate in such investment opportunities on the same or different terms.

### ***Code of Ethics and Personal Trading***

Aquiline has adopted a written Code of Ethics (the “**Code**”) designed to address and avoid potential conflicts of interest as required under Rule 204A-1 under the Advisers Act (the “**Rule**”).

The Rule requires Aquiline to adopt a code of ethics that sets forth a standard of business conduct and compliance with federal securities laws by all of Aquiline’s employees as well as certain Firm Advisors. Aquiline’s Code contains policies and procedures that ensure that all personal securities trading by Aquiline’s such persons is conducted in such a manner as to avoid actual or potential conflicts of interest or any abuse of an individual’s position of trust and responsibility. Aquiline prohibits personal trading in certain securities or instruments; requires pre-clearance before purchasing investments in financial services firms, IPOs, private placements, and private investment funds (including those managed by firms in which the Funds may be invested); requires periodic reporting of employees’ personal securities transactions and holdings; and requires prompt internal reporting of Code violations.

A copy of Aquiline's Code is provided to any client, investor or prospective client or investor upon request.

## **Item 12 — Brokerage Practices**

When using a broker/dealer in connection with Fund transactions, Aquiline seeks to obtain the best execution, taking into account the following factors, among others: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, and stability of the broker/dealer; (iv) the competitiveness of commission rates in comparison with other broker/dealers satisfying Aquiline's other selection criteria; (v) clearance and settlement capability and (vi) the provision of research and other services. These criteria apply when Aquiline elects to transact through both Portfolio Company B/Ds (as described in greater detail above) as well as unaffiliated broker/dealers that also happen to be affiliates of investors (or investors) in one or more of the Funds.

### ***Brokerage Transactions and Use of Soft Dollars; Capital Introduction***

Aquiline may place orders with broker/dealers who also provide brokerage- and research-related goods and services. If Aquiline determines in good faith that the amount of commissions charged by a broker/dealer is reasonable in relation to the brokerage and research services provided by the broker, the Funds may pay commissions to such broker/dealer in an amount greater than the amount another firm may charge. Such research and brokerage services include, but are not limited to, (i) research reports on companies, industries and securities; (ii) economic surveys and analysis; (iii) financial publications that are not mass-marketed; (iv) certain proxy services; (v) consulting services utilized in connection with an investment strategy; (vi) computer data bases; (vii) statistics or pricing services; and (viii) research-oriented computer hardware, software and other services. The use of the Funds' excess commissions to pay for brokerage and research services is referred to as a "soft dollar" arrangement. To the extent Aquiline receives such services in exchange for soft dollars, Aquiline receives a benefit because it does not need to pay out-of-pocket for such services. Aquiline may thus be incentivized to choose a particular broker in order to receive research and other services, rather than select the broker/dealer that would provide a Fund with best execution. In addition, such services may be used by Aquiline to manage Funds in addition to, or other than, the particular Fund that generated the soft dollars used to pay for the relevant service. Aquiline intends that its use of soft dollar arrangements will fall within the safe harbor created by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, and it has adopted procedures intended to ensure that soft dollars are managed in accordance with applicable law. These procedures dictate the criteria by which Aquiline will determine whether to engage in a soft dollar arrangement, and its protocol for reviewing and adopting a new soft dollar arrangement and for overseeing existing arrangements.

Certain broker/dealers occasionally provide capital introduction services to Aquiline whereby Aquiline interacts and discusses services with prospective investors in the Funds. Aquiline receives these services at no additional cost, which presents an additional conflict of interest in regard to its selection of brokers insofar as Aquiline is incentivized to direct transactions to broker/dealers that refer prospective investors even where other broker/dealers may offer more favorable execution for a given transaction.

### ***Order Aggregation***

If Aquiline determines that an investment opportunity is suitable for more than one client, Aquiline will typically combine orders for all such clients. If any order is not filled at the same price, clients participating in aggregated trades will be allocated securities based on the average price received for such trades.

### **Item 13 — Review of Accounts**

The Funds' investments are reviewed on a regular basis by Aquiline's investment professionals. Particular attention is given to changes in company fundamentals, company management, industry outlook, market outlook, and price levels.

The Funds to which Aquiline provides discretionary investment advice generally furnish each investor with written annual reports that include audited annual financial statements prepared in accordance with generally accepted accounting principles and written periodic reports that include unaudited financial statements.

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

Aquiline has caused and may in the future cause a Fund to pay placement fees to third parties for referring prospective investors to it. Any placement fees paid to third parties are then offset against the Management Fee with respect to such Fund. Aquiline has utilized and may utilize in the future Portfolio Company B/Ds and former Portfolio Company B/Ds to serve among its placement agents.

## Item 15 — Custody

Aquiline is deemed to have “custody” of the Funds’ assets (within the meaning of Rule 206(4)-2 under the Advisers Act (the “**Custody Rule**”)) because an Aquiline affiliate serves as the General Partner of each Fund. Fund assets are held in custody by unaffiliated broker/dealers or banks as required by and in accordance with the Custody Rule and associated guidance issued by the Staff of the SEC. Investors will not receive statements from the custodians. Instead, the Funds are subject to an annual audit, and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the applicable Fund’s fiscal year end.

## **Item 16 — Investment Discretion**

Pursuant to the Advisory Agreement of each Fund and subject to the control of the General Partner of each such Fund, Aquiline generally has full discretionary authority over each of the Funds and performs the day-to-day investment operations of each Fund in accordance with the terms and conditions of the Advisory Agreement and governing documents of each such Fund.

## **Item 17 — Voting Client Securities**

Aquiline has authority for voting proxies on behalf of the Funds relating to the portfolio companies in which they invest. Aquiline's policy on proxy voting with respect to client accounts is to vote proxies consistent with its fiduciary duty to clients. Where Aquiline exercises voting authority over the proxy voting activities of a Fund, Aquiline shall vote client proxies in a way that it believes will maximize shareholder value, which may include a decision not to vote. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. If a material conflict of interest between Aquiline and its clients with respect to voting proxies is deemed to exist, Aquiline may form and subsequently convene a proxy voting committee to determine how to vote the proxy in the best interests of the applicable clients. Depending on the nature of the material conflict of interest, such proxy voting committee may consult with, or refer the vote to, the relevant Fund's Advisory Committee.

Investors may request a copy of the policy and the voting records relating to proxies by contacting Aquiline.



## **Item 18 — Financial Information**

Aquiline has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.