

INVESTMENT ADVISER BROCHURE

EMBLEM GROUP, L.P.

**Emblem Group, L.P.
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<https://emblem.investments/>**

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Emblem Group, L.P. (“Emblem” or the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (781) 208-2409. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the “SEC”) or by any state authority.

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

Additional information regarding Emblem is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

This Brochure is being filed in association with the Management Company's initial registration. There have been no previous filings; therefore, no material changes have been made to this Brochure from any prior filing.

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ADVISORY BUSINESS

The Management Company, a Delaware limited partnership and registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. Emblem commenced operations in August 2023. The Management Company is a new investment adviser and, as of the date of this Brochure, does not manage any client assets. Within 120 days of the filing of this Brochure, the Management Company expects to manage in excess of \$100,000,000 in client assets on a discretionary basis.

Emblem's clients are expected to include:

- Emblem Investments Fund I, L.P. and Emblem Investments Fund I-A, L.P. (collectively, "**Fund I**")

(Fund I, together with any future private investment fund to which Emblem and/or its affiliates provide investment advisory services, the "**Funds**," and each, a "**Fund**").

Emblem also is permitted to serve as investment adviser to an "executive fund" offered to its personnel, affiliates and other investors with a relationship to Emblem or its personnel.

The following general partner and managing member entities are affiliated with Emblem:

- Emblem Investments GP I, L.P. ("**Fund I GP**")

(each, a "**General Partner**," and collectively, together with any future affiliated general partner entities, the "**General Partners**," and together with Emblem and their affiliated entities, the "**Firm**").

Each General Partner is subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with the Management Company.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as "portfolio investments." Emblem's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Where such investments consist of portfolio investments, the senior principals (the "**Principals**") or other personnel of Emblem or its affiliates generally serve on such portfolio investments' respective boards of directors or otherwise act to influence control over management of portfolio investments in which the Funds have invested.

Emblem's advisory services to the Funds are detailed in the relevant private placement memoranda or other offering documents (each, a "**Memorandum**"), limited partnership and/or other operating agreements of the Funds (each, a "**Partnership Agreement**" and, together with any relevant Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in the Funds

(generally referred to herein as “**Investors**” or “**Limited Partners**”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Firm and any Investor. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain Investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such Investors.

Additionally, as permitted by the Governing Documents, Emblem expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective Investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio investment management or personnel, Emblem personnel and/or certain other persons associated with Emblem and/or its affiliates (*e.g.*, a vehicle formed by Emblem’s Principals to co-invest alongside a particular Fund’s transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio investment at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio investment (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund Investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Emblem’s sole discretion, Emblem reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

Emblem is principally owned by Patrick Cook and Ryan Duffy.

FEES AND COMPENSATION

In general, the Firm receives a management fee and a carried interest in connection with the provision of advisory services to its clients. The Management Company or other Firm entities or affiliates receive additional compensation in connection with management and other services performed for portfolio investments of the Funds, and such additional compensation will offset in whole or in part the Management Fees (as defined below) otherwise payable to the Firm to the extent provided by the Governing Documents. In addition, the Firm is permitted to receive compensation for management and other services performed in connection with co-investments made in portfolio investments of the Funds. Investors in a Fund also bear certain expenses.

Management Fees

Fund I is expected to pay the Fund I GP (or an affiliate thereof), quarterly in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of aggregate capital commitments (“**Commitments**”) of Investors not designated as “affiliated partners” by the Fund I GP. Commencing with the first Management Fee due date after the expiration of the investment period of the Fund or earlier upon the occurrence of certain events as set forth in the Partnership Agreement, the Management Fee will equal 2% of (i) the aggregate investment contributions made (or payable to Fund I pursuant to capital call notices then issued or to be issued to repay indebtedness incurred by Fund I and/or used to fund an investment), less (ii) the aggregate amount of investment contributions with respect to the portion of each investment that has been disposed of or permanently written-down, in each case with respect to Investors not designated as “affiliated partners”; provided that investments in a portfolio investment will be treated as having been disposed of or permanently written down only to the extent that, as of the date of any such disposition or write-down, the aggregate fair market value of all remaining Fund I investments in such portfolio investment is less than Fund I’s aggregate investment contributions made with respect to such portfolio investment. The Management Fee may be reduced pursuant to a formula specified in the Partnership Agreement in exchange for structuring a portion of the Fund I GP’s Commitment as a profits interest. Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with Investors.

As is generally the case in private equity funds, Fund I’s Governing Documents provide that its Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in Fund I’s Governing Documents, from the effective date of Fund I until a date specified in its Governing Documents (the “**Stepdown Date**”), Management Fees generally will be charged based on a formula tied to the amount of Fund I’s aggregate Commitments. After the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by Fund I with respect to the Fund’s portfolio investments that have not been realized or permanently written down (such permanently written down investments, “**Impaired Value Investments**”).

Under Fund I’s Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a temporary write-down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a partial sale, reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments that have been fully realized or investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an investment that has not been fully realized or an Impaired Value Investment is less than the total amount of aggregate investment contributions relating to such investments, then the amount of Management

Fees otherwise payable relating to such investment will be reduced solely to the extent the fair market value of the aggregate remaining investment(s) is less than the amount of total investment contributions relating to such investment(s).

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

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

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

Emblem or another Firm entity will be permitted to receive certain supplemental fees and other amounts ("**Supplemental Fees**" or "**Transaction Fees**") consisting of (i) directors' fees, financial consulting fees or advisory fees paid to the relevant General Partner with respect to any Fund investment; (ii) transaction fees paid to the relevant General Partner with respect to any Fund investment; and (iii) breakup fees with respect to Fund transactions not completed that are paid to the relevant General Partner, in each case net of certain expenses, as set forth in the Partnership Agreement; but not including, in any event, (x) any amount received by the relevant General Partner, members of the Operations Group (as defined below) or other person from a portfolio investment, prospective portfolio investment or other person (A) as reimbursement for expenses directly related to such portfolio investment or prospective portfolio investment, (B) as payment for services provided to any portfolio investment or prospective portfolio investment in the ordinary course of such portfolio investment's business, (C) as compensation for services provided by the relevant General Partner or other person as an employee of or in a similar capacity for such portfolio investment or prospective portfolio investment (including via secondment of personnel of the General Partner or its affiliates) or (D) as reimbursement of compensation and expenses (including fees, salaries, bonuses, employee benefits, payroll taxes, retainers, incentive equity or other amounts) for any secondment or (y) any fees, expenses or compensation paid to, or received by or in respect of, members of the Operations Group (as defined below) from the Fund or any portfolio investment or prospective portfolio investment or (E) any other amounts approved by the relevant Fund's Limited Partner advisory board

(“**Advisory Board**”). To the extent set forth in the relevant Governing Documents, the Management Fee will be reduced by an amount equal to 100% of Transaction Fees attributable to persons not designated as “affiliated partners” by the relevant General Partner. Subject to the relevant Governing Documents, to the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, a payment will be made crediting Limited Partners unless a Limited Partner has elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result).

As a matter of practice, Emblem is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Emblem, service providers, third parties, current or former portfolio investment management or employees, sellers that have rolled their interest or reinvested proceeds in the portfolio investment and/or others); (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio investment, including interests owned by current or former portfolio investment management; or (iv) other equity holders of such portfolio investment, all of which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and Investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund’s acquisition, or following the Fund’s disposition, of the relevant investment. Similarly, to the extent a former Emblem employee becomes a consultant to, or employed by, a portfolio investment, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund’s General Partner or affiliated entity. Conversely, in the event that Emblem employs a person that previously received compensation from a portfolio investment, Limited Partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person’s employment with Emblem, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, Emblem expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. For the avoidance of doubt, Emblem also will not offset compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio investments. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Emblem over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Emblem to seek to increase such amounts.

Certain Governing Documents permit the relevant General Partner to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The Investors of the Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver would be expected to result in an acceleration (or delay) of Investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the relevant General Partner and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

Carried Interest

The Fund I GP will receive a carried interest with respect to Fund I equal to 20% of all realized profits, subject to an 8% compound preferred return, as more fully described in the Governing Documents. The carried interest distributed to the Fund I GP is subject to a potential clawback or giveback at the end of the life of Fund I if the Fund I GP has received excess cumulative distributions.

It is expected that any future Funds will have a similar compensation structure to Fund I.

Other Information

The relevant General Partner is permitted to exempt certain "affiliated partner" Investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Emblem and any other person designated by Emblem, such as "friends and family" of Emblem or its personnel, or other Investors meeting certain qualification requirements based on Commitment size or other strategic or relationship factors. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Emblem and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an Emblem professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the Governing Documents, certain General Partners have the right to permit Investors, affiliated with the General Partner or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest (such as an "executive fund"). In general, the Management Fee offsets described above apply only with respect to the Commitments of fee-paying Investors. The Firm retains flexibility to structure its compensation from Investors and expects in certain circumstances to agree to invoice an Investor directly for Management Fees or other compensation, rather than deducting such amounts from the Investor's capital account(s).

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

Principals or other current or former personnel of Emblem generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Emblem or its affiliates.

In addition to the Management Fee and carried interest payable to the Firm, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears all fees, costs, expenses, liabilities and obligations (referred to collectively as “costs”) relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, business and actual or potential investments to the extent not reimbursed by a portfolio investment or applied to reduce Management Fees, including: (i) activities with respect to the origination, identification and sourcing of investment opportunities for the Fund (including buy-side and sell-side finders’ fees and other similar deal sourcing payments, attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline), activities with respect to the pursuing, structuring, seeking, organizing, negotiating, acquiring, consummating, evaluating, diligencing (including any subscriptions to any periodicals, databases and/or research services), financing, bidding-on, refinancing, managing, owning, monitoring (including monitoring the financial condition and other relevant operating performance metrics of investments), operating, holding, hedging (including of any foreign exchange risk exposure), valuing, trading, dissolving, winding-up, liquidating, restructuring, recapitalizing, taking public or private, selling or otherwise disposing of, as applicable, the Fund’s portfolio investments and its actual and potential investments (including follow-on investments and other transactions involving the deployment of Fund capital) or seeking to do any of the foregoing (including any associated legal, financing, banking, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, financing sources, expert networks, third-party due diligence and deal sourcing providers, software and service providers, advisors, consultants, data providers and similar professionals in connection therewith, any costs associated with closing dinners, social and entertainment, or meals and transportation (including after-hours meals and transportation), and any costs related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful and whether or not such activities were undertaken prior to the Fund’s initial closing; (ii) indebtedness of, or guarantees made by, the Fund, the Management Company, the General Partner or any “affiliated partner” on behalf of the Fund and/or involving any portfolio investment (including any margin loan, credit facility, letter of credit or similar credit support or any indebtedness entered into pending participation by a co-investor in a portfolio investment or prospective portfolio investment), including the repayment of principal and interest with respect thereto, or evaluating, negotiating or conducting any other activities related to seeking to put in place or amend any such indebtedness or guarantee; (iii) broker (including real estate broker), dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, bonuses, guaranteed minimums, sales commissions, investment banker and similar services; (iv) brokerage, sale, custodial, depository, local paying agent, registered office (including costs associated with the General

Partner's registered office) and similar services (including any depository appointed pursuant to the Alternative Investment Fund Managers Directive ("AIFMD") or any rule or regulation relating to the implementation thereof in any relevant jurisdiction), and any Swiss representative, paying agent or ombudsman appointed pursuant to the Collective Investment Schemes Act ("CISA"), the Financial Services Act ("FinSA"), as well as any related law, rule or regulation relating to the implementation thereof, trustee, record keeping, account and similar services; (v) legal, intellectual property, accounting, research (including expert consultants (including industry executives and expert networks), research reports, subscriptions to any periodicals, databases and/or research services, research calls and meetings and research or industry conferences), auditing, technology (including data science, application development, cybersecurity and technology infrastructure), administration (including costs associated with compliance with any anti-money laundering laws and regulations and any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals, valuation information gathering software or other technology or pricing services), consulting (including consulting, advisory and retainer fees, salaries, bonuses, retainers and guaranteed minimums, expense reimbursement and other compensation, including fees, incentive equity or other stock awards and reimbursement of certain travel and other costs, paid to, and benefits or personnel costs (including employee benefits, payroll taxes, insurance, paid time-off, office space, technology and other overhead) provided to or on behalf of, the Operations Group (as defined below), or any of its members, or any consultants, including consultants performing investment initiatives, sourcing or identifying investment opportunities, or providing services related to environmental, social and governance ("ESG") investment considerations and policies and other consultants (including those with respect to go-to-market, supply chain, lean management and change management)), operations, talent assessment and recruiting (including executive recruiters for investments and any costs associated with recruiting, including headhunter fees, background checks or relocation expenses), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services and hiring); (vi) reverse breakup, termination and other similar arrangements, including a co-investor's or potential co-investor's share of such costs; (vii) financing, commitment, origination and similar costs; (viii) establishing, implementing, monitoring or measuring the impact of ESG policies and programs with respect to the Fund or any portfolio investment or prospective portfolio investment, including all costs incurred in connection with ESG tracking tools and any assessments, measurements, advice or reports prepared as part of establishing, implementing, monitoring and maintaining ESG policies and procedures with respect to the Fund or any portfolio investment or prospective portfolio investment; (ix) insurance (including directors and officers liability, fidelity bond, management liability, cybersecurity, property and casualty, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs related to any retention or deductibles and broker fees, costs and commissions) and the costs of any consultants, data providers or other advisors utilized in the procurement, review, maintenance and analysis of insurance policies; (x) filing, title, transfer, survey, environmental diligence, registration and other similar activities; (xi) printing, communications, mailing, courier, marketing, advertising and publicity; (xii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, K-2s, K-3s or similar forms or other communications with the General Partner or Limited Partners, any other administrative, compliance or regulatory filings or reports (including

Form PF, Bureau of Economic Analysis reports and any filings or reports contemplated by the AIFMD, the CISA, the FinSA, the Sustainable Finance Disclosure Regulation (“**SFDR**”) and the EU Taxonomy Regulation or any similar law, rule or regulation) or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) reporting, filings and other ongoing compliance contemplated by the AIFMD, Markets in Financial Instruments Directive 2014 (“**MifID II**”), the CISA, the FinSA, the SFDR and/or the EU Taxonomy Regulation (as required) or any similar law, rule or regulation, including any secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (xiv) developing, structuring, maintaining, operating and winding up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of the Fund (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the Fund’s share of any such costs of any such structure involving other persons managed by, or affiliated with, the Management Company, the General Partner or any of their respective affiliates); (xv) compliance with any tax or financial account reporting regime, including the Foreign Account Tax Compliance Act, the Organization for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard, Council Directive 2011/16/EU on administrative co-operation in the field of taxation (as amended) and any laws, rules and regulations implementing or having similar effect to any of these regimes, including any costs of any third-party service providers and professionals related to the foregoing; (xvi) developing, licensing, implementing, maintaining or upgrading any web portal, website, extranet tools, computer software (including accounting, investor tracking, investor reporting, customer relationship management, ledger systems, financial management and cybersecurity software) or other administrative or reporting tools (including subscription-based services); (xvii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with the General Data Protection Regulation (EU 2016/679) (as amended) or the Freedom of Information Act, 5 U.S.C. § 552 (“**FOIA**”), any state data protection or public records access laws, any U.S. state or other jurisdiction’s laws similar in intent or effect to FOIA or any other similar statutory or regulatory requirement that might result in the public disclosure of confidential information); (xviii) to the extent provided in the Partnership Agreement, or otherwise approved by the General Partner in its sole discretion, proceedings and activities of the Advisory Board (including any out-of-pocket costs and expenses incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board); (xix) indemnification (including legal and any other costs incurred in connection with indemnifying the General Partner or any Limited Partner or other person pursuant to the Partnership Agreement and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xx) actual, threatened or otherwise anticipated governmental inquiry, examination, investigation, proceeding, litigation, mediation, arbitration or other dispute resolution process, including the costs of any discovery related thereto and any judgment, fine, other award or settlement entered into in connection therewith, except as set forth in the Partnership Agreement; (xxi) any taxes, fees and other governmental charges levied against or otherwise borne by the Fund and/or any

alternative investment vehicle and all costs incurred in connection with any tax audit, inquiry, investigation, settlement or review of the Fund or an intermediate entity (including compliance with any foreign account reporting requirements) and/or any alternative investment vehicle (except to the extent that the Fund is reimbursed in connection therewith) and any costs of or related to the “partnership representative” of the Fund, provided that nothing in this clause shall affect the treatment of any such amount pursuant to the Partnership Agreement; (xxii) any annual Limited Partner meeting or other periodic or special, if any, meetings of the Limited Partners, any other conference, meeting or webcast or other video conference with any Limited Partner(s) and any periodic meeting, training program and/or event involving portfolio investment management or members of the Operations Group (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, and mementos, honorarium, events or speakers and other meeting or conference related costs) and any other activities necessitated by and incidental to the Fund’s global investor base, in each case to the extent incurred by the Fund, the General Partner or any other affiliate of the General Partner; (xxiii) compliance or regulatory matters related to the Fund, except as otherwise set forth in the Partnership Agreement, including compliance with the Partnership Agreement and/or any Side Letter or similar agreement (including any amendments, restatements, supplements, waivers, consents or approvals pursuant thereto); (xxiv) except as otherwise determined by the General Partner (and subject to the terms of the relevant Partnership Agreement), any cost relating to any alternative investment vehicle (including its formation, operation, termination, dissolution, winding up, liquidation, structuring and restructuring) or its activities, business, portfolio investments or actual or potential investments (to the extent not borne or reimbursed by an investment of such alternative investment vehicle) if it were incurred in connection with the Fund; (xxv) the termination, liquidation, winding up, structuring, restructuring or dissolution of the Fund, the General Partner and any legal entities owned directly or indirectly by the Fund, including portfolio investments and related entities, including in connection with a General Partner-led secondary transaction otherwise permitted under the Partnership Agreement; (xxvi) defaults by Limited Partners in the payment or timely payment of any capital contributions; (xxvii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, the General Partner, related entities, and any entities owned directly or indirectly by the Fund (including portfolio investments) and any alternative investment vehicle of the Fund, including the preparation, distribution and implementation thereof; (xxviii) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering (including any validation of any payments made in connection with any voluntary or compulsory review), sanctions, anti-terrorism and proliferation financing or sanctions, environmental, social or governance or other considerations), including any legal, administrator, consulting or other third-party service provider costs related thereto and any regulatory costs of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and/or any costs related to compliance with any investment considerations and policies of the General Partner and/or the Fund and/or (B) any costs related to the validation or other confirmation of any payments made to (or payment-related instructions received by) the Fund or the General Partner (including pursuant to or otherwise in connection with any anti-money laundering laws, counter terrorist financing and proliferation financing rules or regulations); (xxix) any consultants, experts or advisors, including independent appraisers, engaged in connection with the Fund considering, making, holding, disposing of, directly or indirectly, an investment in the same entity as, or transferring an investment from or to, one or

more other investment vehicles sponsored managed or controlled by the Management Company or affiliates; (xxx) unreimbursed costs incurred in connection with any transfer or proposed transfer by a Limited Partner or any Limited Partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxxi) distributions to the General Partner and Limited Partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses (including break-up or topping fees or other liabilities or obligations incurred for transactions not consummated); (xxxii) compensation and other costs paid in connection with the Operations Group and its members, including in connection with any unconsummated investment opportunities; (xxxiii) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the General Partner, the Management Company or any of their respective affiliates or any portfolio investment personnel, Operations Group members or consultants at any meeting, training program or conference (including those hosted by the Management Company or its affiliates), including any applicable registration costs and exhibition, sponsorship, venue, setup, room and board, dining, entertainment, honorarium, speaker or other presentation costs and expenses; (xxxiv) any travel (including the cost of using or chartering private aircraft or other private air travel (including the use of a private aircraft owned, partially owned or leased by the Management Company, any of its affiliates or any of their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives or affiliates) at a cost not to exceed an amount that the General Partner reasonably determines to be equivalent to a first class commercial airfare, as well as other air travel, ground transportation (including car and/or ride sharing services), and incidental travel expenses, or other modes of transportation), meals, lodging and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) legal counsel, consultants and/or other service providers engaged to procure, develop, establish, review, revise, customize and/or negotiate relationships relating to the foregoing items; (xxxvi) unreimbursed and unpaid costs of the Operations Group or its members, employees or other persons engaged by the Operations Group; (xxxvii) any of the items listed in the clauses above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful, whether undertaken prior to the initial closing date of the Fund or otherwise and/or that may have been offered to co-investors (including such co-investors' proportionate share of any costs and expenses related to an investment or other opportunity not consummated); (xxxviii) any organizational expenses of the Fund; (xxxix) any placement fees incurred in connection with the offering of the Fund; and (xl) any other costs approved by the Advisory Board. Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, any expenses relating to the diligence or evaluation of a prospective investment, including an unsuccessful or unconsummated investment (*i.e.*, a "broken deal"), generally are allocated among Investors within a Fund, regardless of whether any individual Investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio investment (or intermediate entity) pays expenses, including expenses of Emblem and/or its affiliates, as well as their share of expenses (including, without limitation, rent, office costs, travel, accommodations, personnel costs and compensation and corporate expenses) relating to fund administrative, corporate and similar services performed by a Fund's subsidiaries or other entities maintained by the Fund, the General Partner or their respective affiliates in connection

with certain local jurisdictions' requirements; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio investment management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio investments, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio investment. The General Partner reserves the right to agree with Operations Group members, joint venture or similar partners, service providers, portfolio investment management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment, any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial.

Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) ESG and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio investments and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to Investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in "Brokerage Practices."

In certain circumstances, one Fund will be permitted to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds or co-investors for the costs of establishing, negotiating or maintaining the facility as a whole. While Emblem believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Emblem, the relevant

General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain Investors to co-invest in portfolio investments alongside one or more Funds, subject to Emblem's related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed a Partnership Agreement or similar agreement to invest in such transaction through a Fund or other vehicle managed by Emblem, such co-investor is expected to bear its *pro rata* share of such broken deal expenses. The Management Company's practice of allocating broken deal expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent a Fund makes use of a credit facility to invest in a portfolio investment or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

Emblem and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio investment and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio investment's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Emblem and/or its affiliates on the other hand.

Operations Group

Additionally, as further described herein and in the Governing Documents, it is the practice of Emblem and its affiliates to employ, engage or retain certain individuals (including entities formed for the benefit of such individuals and/or to facilitate the provision of their services) that serve as members of an operations group (the "**Operations Group**") (including expert advisors and similar professionals, third party consultants, external executives, "strategic partners," "executive partners," "executive networks," "industry advisors," "Enablement Team" members and/or similar professionals), which include employees and affiliates of the Firm and employees or former employees of such affiliates and/or portfolio investments of other Funds managed by the Firm or its affiliates to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio investments in which one or more Funds invest. Operations Group members are expected to primarily provide operations, strategy, manufacturing, sales, marketing, technology, human resources (including recruiting), acquisition, sourcing and execution, legal, acquisition integration/rationalization, supply chain, logistics, finance, financing, accounting, strategy, management, performance, budgeting, forecasting, analytics, product strategy, purchasing, recruiting, distribution, product development, go to market, process optimization, data, change management, organizational design, compensation

and pricing and/or other operations services, sourcing, acquisition or other due diligence or similar services (or other services, as set forth in the relevant Memorandum) with respect to the Funds, portfolio investments and prospective portfolio investments. Operations Group members receive compensation, including, but not limited to, fees, salaries, bonuses, retainers, guaranteed minimums, incentive equity or other stock awards or other compensation, benefits and personnel costs (including employee benefits, payroll taxes, insurance, paid-time-off, office space, technology and other overhead), and any reimbursement of certain travel and other costs or other compensation. The amount of compensation paid to Operations Group members is typically determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Operations Group members, a percentage of the value of the portfolio investment, the invested capital exposed to such portfolio investment, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio investment. Compensation in the form of profits or equity interests in a portfolio investment or intermediate holding company generally has a dilutive impact on the relevant Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Operations Group member compensation, as well as fees, costs and expenses of structuring such arrangements. Operations Group members also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of Emblem's Operations Group and Enablement Team subjects the General Partners to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund. Emblem does not advise Funds not subject to a carried interest, although it is permitted to manage an "executive fund" that is subject to no carried interest and generally has the authority to waive carried interest with respect to certain affiliated partners, as described under "Fees and Compensation." Additionally, to the extent that Emblem has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Emblem personnel are assigned varying percentages of carried interest from the Funds, Emblem and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Emblem seeks to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Emblem or any personnel.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise would in the absence of such arrangement, although Emblem generally considers performance-based compensation to better

align its interests with those of its Investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

TYPES OF CLIENTS

Emblem provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to Emblem's related duties to and practices on behalf of its clients and/or Investors should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The Investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, Principals or other personnel of Emblem and its affiliates and members of their families, Operations Group members or other service providers retained by Emblem or a Fund, as well as executives of portfolio investments.

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

Fund I generally has a minimum investment amount of \$10 million for third-party Investors, and Fund I interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Emblem personnel). Emblem generally is permitted to waive such minimum investment amount.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Emblem seeks to invest in high quality businesses with structural and operational protections from risk in the form of valuation, structure, governance and value creation. Emblem intends to execute on this objective through origination of off-market investment opportunities; meticulous diligence, structuring; deep transactional experience; attractive portfolio investment value creation capability; and a highly rewarding environment for talent. Emblem's management principles, investment strategy, and organizational design have been constructed to identify, execute and manage attractive risk-adjusted return opportunities available across private markets.

Investment and Operating Strategy

Emblem intends to principally focus on control investments, or minority investments with approval over major decisions, in businesses in the U.S. and Canada, in the form of equity, structured equity, debt or some combination thereof. Emblem expects to invest across various industries, including the consumer, industrial, healthcare, technology, real assets and/or financial services industries.

Emblem is also permitted, on a selective and opportunistic basis, to (a) invest in non-U.S. and Canada-based businesses, (b) make private investments in public companies, (c) invest in real estate, asset interests or claims, and (d) purchase equity or debt securities on the secondary market. These non-core investments are expected to be focused on the industries in which the Principals and the broader Emblem team and network have deep knowledge, where there is potentially a proprietary competitive advantage in the investment dynamic, and where the investment characteristics and potential return profile fit Emblem's investment strategy.

Emblem will seek to apply the following investment criteria:

- Sector: consumer, industrial, healthcare, technology, real assets, and financial services
- Investment Structure: common equity, preferred or structured equity, convertible debt and debt with warrants
- Governance: focus on (i) control or (ii) minority investments with approval over major decisions
- Target Investment Size: \$50 million – \$200 million from the Fund (up to \$1 billion+ including direct co-investment)
- Revenue: \$50 million – \$1+ billion
- Enterprise Value: \$100 million – \$1+ billion
- Leverage: 0 – 60% depending on the requirements of the transaction

Risks of Investment

Each Fund and its Limited Partners bear the risk of loss that Emblem's investment strategy entails. The risks involved with Emblem's investment strategy and an investment in a Fund include, but are not limited to:

Business and Market Risks. The Fund's investment portfolio is expected to consist primarily of securities and/or other interests issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the companies in which the investment is made, changes in national or international economic and market conditions and changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war, pandemics and the effects of terrorist attacks. The possibility of partial or total loss of capital will exist and investors should not invest unless they can readily bear the consequences of such loss.

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

Concentration of Investments; Lack of Diversification. The Fund generally is permitted to invest a significant portion of its aggregate capital commitments in any single portfolio investment (including its direct or indirect subsidiaries and guarantees or other credit support), and will likely participate in a limited number of overall investments within a short period of time. To the extent that the capital raised is less than the targeted amount, the Fund likely will invest in fewer portfolio investments and thus be less diversified. If the Fund co-invests with another investment fund (including any other Emblem Fund), a Limited Partner invested in such other Fund has the potential to have exposure to a single portfolio investment through more than one vehicle, potentially multiplying such Limited Partner's losses. In addition, to the extent that the capital raised is less than the targeted amount, each Limited Partner will bear a comparatively higher portion of expenses.

Given the Principals' experience in certain core industries and the structural requirements of operating the Fund, the Fund could potentially seek to make investments in a single industry segment, in a limited geographic area, in a single asset type and/or within a short period of time, which could create the conditions for a portfolio of investments that exhibit, amongst themselves, a very high degree of correlated returns. As a result of the foregoing, the Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry, or the timing of the Fund's investments, may substantially affect the Fund's aggregate return.

In addition to the foregoing, because the Fund will only make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect total returns. If certain investments perform

unfavorably, then in order for the Fund to achieve attractive returns, one or more of its investments must perform very well, and there can be no assurances that this will be the case.

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

Lack of Sufficient Investment Opportunities. The success of the Fund and its ability to generate an acceptable rate of return will depend, in part, on its ability to identify and acquire the securities of attractive portfolio investments on favorable terms. The business of identifying, structuring and completing private equity investments in attractive opportunities is highly competitive and involves a high degree of uncertainty. The Fund will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, strategic industry acquirers and other financial investors, including hedge funds, publicly-traded special purpose acquisition companies (a "SPAC" or "SPACs") and other private equity funds, investing directly or through affiliates. Over the past several years, an ever-increasing number of investment funds have been or are being formed, and many fund sponsors have increased the size of successor funds as compared to their corresponding prior funds. Other investment funds with similar investment objectives to the Fund likely will be formed in the future by other unrelated parties. Some of the Fund's competitors for investment opportunities may have significantly more relevant experience, greater financial resources, a greater willingness to take on risk, and/or more personnel than the General Partner, the Fund and their respective affiliates.

In a highly competitive environment, valuations of potential target companies may rise to historically high levels as measured by multiples of revenue. The General Partner expects that competition for appropriate investment opportunities could increase, which could increase the likelihood that the Fund will participate in auctions for investments, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Fund and/or adversely affecting the terms upon which portfolio investments can be made.

In addition, it is possible that the Fund will never be fully invested if enough sufficiently attractive investments are not identified and consummated. However, regardless of the extent to which the Commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees through the Fund during the Investment Period based on the entire amount of the Limited Partners' Commitments as well as other expenses as set forth in the relevant Governing Documents.

Competition for Investments. The activity of identifying, buying and selling private equity investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. The Fund will encounter competition from other entities having similar investment objectives. Potential

competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the General Partner, the Fund and their affiliates. The General Partner expects that competition for appropriate investment opportunities may increase, which increases the likelihood that the Fund will need to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Fund and/or adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on the Fund with respect to pricing of a transaction. Furthermore, given the increasingly competitive environment, the General Partner may find it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate a transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, competitors for investment opportunities may be willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund-level guarantees. In the event a financing-related closing condition is not available to the Fund or if the Fund is required to provide a reverse break-up fee or guarantee in connection with a potential investment, the Fund may become obligated to consummate a transaction on less favorable terms or may be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that the Fund will be able to locate, complete and exit investments which satisfy the Fund's rate of return objectives, or realize upon their values, or that it will be able to invest fully its committed capital. To the extent that the Fund encounters competition for investments, returns to Limited Partners may decrease including as a result of higher pricing, foregoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, the Fund is expected to incur bid, due diligence, negotiating, consulting or other costs of investments, which may not be successful. As a result, the Fund may not recover all of its costs, which would adversely affect returns.

Dynamic Investment Strategy. While the General Partner generally intends to seek attractive returns for the Fund primarily through pursuing the investment strategy described herein, the General Partner is permitted to pursue additional investment strategies and to modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner is permitted to pursue investments outside of the industries and sectors in which Emblem's investment team (the "**Team**") has previously made investments or have internal operational experience.

The Fund is not restricted in terms of the percentage of its capital that can be invested in a particular industry. Many factors have the potential to contribute to changes in emphasis in the construction of a Fund's portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social situations in particular countries. As a result, the General Partner reserves the right to pursue additional

investment strategies and modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. The General Partner reserves the right to pursue investments outside of the industries and sectors in which the Principals have previously made investments or have internal operational experience.

Control Investments. The Fund, either alone or together with co-investors, is expected to hold controlling interests in the portfolio investments in which it invests. The exercise of such control by the Fund may result in additional risks of liability for violations of governmental regulations (including securities laws), failure to supervise management or other types of liability in which the general limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, the Fund might suffer significant and material losses. Even when the Fund prevails in any such claims for liability, it may incur significant costs of defending against those claims. If the Fund co-invests with another investment fund (including another Emblem Fund), an investor invested in such other investment fund may have exposure to a single portfolio investment through more than one fund, potentially multiplying such investor's losses.

Active Management. The Fund expects to take majority positions in certain portfolio investments, which may be alongside other investors, such as institutions, other pooled investment vehicles and management. Depending upon the amount of equity owned by the Fund, any relevant contractual arrangements between a portfolio investment and the Fund, and other relevant factual circumstances, such majority position could result in an extension of the ninety-day bankruptcy preference period to one year or longer with respect to payments made to the Fund. In addition, because of its equity ownership, representation on the board of directors, and/or contractual rights, the Fund may often be thought to control, participate in the management of or influence the conduct of such portfolio investments. This could expose the assets of the Fund to claims by such portfolio investment, its employees, its other security holders, its creditors, its customers or governmental agencies.

Lower Middle-Market and Middle-Market Companies. The Fund's investment strategy is permitted to include investments in lower middle-market and middle-market companies. While investments in lower middle-market and middle-market companies may present opportunities for growth and/or operational improvement, such investments may also entail larger risks than are customarily associated with investments in large companies. Small- and medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on a smaller management group. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets, technology and commodity volatility. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small and medium-sized companies, could make it difficult for the Fund to react quickly to negative economic or geopolitical developments.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the Fund intends to invest, including various segments of the consumer,

industrial, healthcare, technology, real assets and financial services industries, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While the Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, the foregoing industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the Fund invests.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Emblem and the Fund. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Emblem and its affiliates, the Fund and/or its investments. In addition, the Fund is expected to bear increased and significant costs as a result of such enacted and proposed rules, including costs related to Limited Partner reporting and disclosures to Investors. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Fund. In addition, following the applicable compliance date, such regulations will require the General Partner to disclose to prospective Investors and/or Limited Partners certain preferential investment terms that the General Partner provides to any Limited Partner in connection with its investment in the Fund, which could cause the General Partner to deny certain preferential terms to Limited Partners.

Illiquidity; Lack of Current Distributions. An investment in the Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The Fund's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Fund. 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 adversely affect the terms that could be obtained upon any disposition thereof. In addition, the ability to exit an investment through the public markets will depend upon favorable market conditions, including receptiveness to initial or secondary public offerings for the companies in which the Fund invests and an active mergers and acquisitions (or recapitalizations and reorganizations) market, among other factors. Public offering, merger and acquisition and recapitalization and reorganization opportunities may be limited or non-existent for extended periods of time, whether due to economic, regulatory or other factors. In view of these limitations on liquidity, the Fund generally will not be able to return capital or realize gains, if any, on an investment in a privately held entity until the partial or complete disposition of such entity. While an investment may be disposed of at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of

operating the Fund (including the Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments. The Fund is permitted to make use of leverage by incurring (or having a portfolio investment or intermediate entity incur) debt to finance all or a portion of certain investments, whether on a temporary or long-term basis in a given portfolio investment, including in respect of companies not rated by credit agencies. As security for such borrowing or guarantees, the Fund is authorized to guarantee an investment's debt and/or grant liens on any of the Fund's assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a Limited Partner to such assets in an insolvency event or proceeding. It is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. Co-investors are expected to receive the benefit of such guarantee, although as co-investors typically do not agree to participate in guaranty arrangements in negotiating to participate in a transaction, co-investors are not expected to bear a commensurate percentage of potential liability. Additionally, the Fund expects to borrow through a subscription-based credit facility (e.g., "subscription line"), which poses additional risks and potential conflicts of interest as further described below. The Fund also reserves the right to have a portfolio investment incur leverage through the use of the Fund's subscription line or otherwise to finance operations and/or add-on investments. Leverage generally magnifies both the Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by the Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain and impair its ability to operate its business as desired and/or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio investments will increase the exposure of the Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio investments in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio investment's creditworthiness is such that it must borrow at higher interest rates than are available to the Fund. In the event any portfolio investment cannot generate adequate cash flow to meet its debt service, the Fund may suffer a partial or total loss of capital invested in the portfolio investment as well as any guaranteed amounts, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio investment, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the Partnership Agreement, the Fund will not be obligated to borrow on behalf of a portfolio investment, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the

portfolio investment. If a portfolio investment is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, the Fund may hold a larger than expected equity investment in such portfolio investment and may realize lower than expected returns from the portfolio investment that would adversely affect the Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose the Fund to potential claims by sellers of businesses which the Fund may have been contracted to purchase. The Fund expects to periodically incur leverage on a joint and several basis with one or more other investment funds and entities managed by the General Partner or any of its affiliates and will potentially have a right of contribution, subrogation or reimbursement from or against such entities. However, it is possible that, if and when the Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent the Fund incurs leverage (or provides such guarantees), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund. Additionally, the incurrence of leverage or certain guarantees by the Fund or a flow-through entity in (or through) which the Fund invests may cause tax-exempt Investors to recognize UBTI.

Subscription Line, Asset-Backed Facilities and Fund-Level Borrowing. As indicated above, the Fund is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to Limited Partners, and the payment of expenses. Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital directly to the Fund's lenders and/or contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

With respect to any asset-backed facility entered into by the Fund (or an affiliate thereof), a decrease in the market value of the Fund's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Fund must either repay the borrowed funds to the lender, which would, subject to any limitations set forth in the relevant Governing Documents require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of the Fund's investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the Fund and could, if the value of its investments had declined significantly, cause the Fund to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, this would effectively reduce the amount of capital available for other investments and potentially adversely affect the diversification of the Fund's portfolio. In the event of a sudden, precipitous drop in the value of the Fund's assets, the Fund might not be

able to dispose of assets quickly enough to pay off its debt resulting in a foreclosure or other total loss of some or all of the pledged assets.

In addition, Fund-level borrowing will result in additional expenses that will be borne by Limited Partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, including amendment fees as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility (and any amendments or renegotiation thereof), as well as expenses relating to maintaining, renegotiating, amending or terminating the facility. Because a subscription line's interest rate is typically based in part on the creditworthiness of the Limited Partners and the terms of the relevant Governing Documents, it may be higher than the interest rate a Limited Partner could obtain individually.

To the extent a particular Limited Partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns. Calculations of performance in respect of the Fund as used in marketing and reported to Limited Partners are generally based on the payment date of capital contributions received from Limited Partners and not the date of an investment by the Fund. This treatment also applies in instances where the Fund utilizes borrowings under the Fund's subscription line in advance of receiving capital contributions from Limited Partners to repay any such borrowings and related interest expense. Conflicts of interest have the potential to arise in that the use of a subscription line or similar borrowing or guarantees generally will result in a higher reported performance than if the facility had not been utilized and instead such Limited Partners' capital had been contributed at or prior to the inception of an investment, thereby resulting in benefits to the General Partner and its affiliates such as increasing the likelihood that the preferred return component of the Fund's carried interest arrangement will be met. A portfolio investment financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances, the use of Fund-level borrowing can increase the base of the Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of the Fund's investment period, and cause or defer a related change in the basis of the Fund's Management Fee calculation under the relevant Governing Documents.

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses (including interest). Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Fund nor investors generally will be compensated for providing

the relevant guarantee(s) or being subject to the related costs, expenses (including interest) and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the Fund to make investments and pay expenses without calling capital, potentially for extended periods of time. To the extent provided in the relevant Governing Documents, any such borrowing may remain outstanding for such time as the General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that may decrease net returns of the Fund. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the General Partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a Limited Partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The General Partner reserves the right to use Fund-level borrowing to pay Management Fees and to reimburse the General Partner for expenses incurred on behalf of the Fund. The Fund is also permitted to utilize fund-level borrowings when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

For purposes of distributions by the Fund, subject to the relevant Governing Documents, Limited Partners would not receive a preferred return accrual on the amount invested by the Fund until such time as capital may be called from Limited Partners in respect of the investment.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related interest and expenses), and the net proceeds would be distributed without a preferred return accrual on the amount invested by the Fund (due to the absence of invested capital funded by Limited Partners prior to the determination of carried interest distributions). Accordingly, borrowings by the Fund may support the distribution of proceeds to Limited Partners and increase the potential carried interest for the General Partner; however, the interest incurred by the Fund due to such borrowing would reduce such distributions and the carried interest received by the General Partner. If an investment acquired with proceeds of such borrowing loses value, Limited Partners may be subject to capital calls to fund that loss as a Fund expense by repaying the credit facility, including related interest and expenses. Subject to the limitations in the relevant Governing Documents, if any, this conflict of interest may incentivize the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing Limited Partners; fund distributions to the Limited Partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio investment (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments. For example, any indebtedness obtained by any special purpose vehicle established by the Fund to hold a single, multiple or all investments (such as a lending facility collateralized or secured by a Fund’s holdings in some or all of its investments) generally would not be subject to the limits on borrowing or guarantees by the Fund in the Governing Documents. Additionally, letters of credit and/or other guarantees or forms of credit support are not subject to any limitation on indebtedness or any other limitation in the Governing Documents.

No Market for Limited Partner Interests; Restrictions on Transfer; No Right of Withdrawal. Limited Partner interests in the Fund generally are not permitted to be, directly or indirectly, transferred, sold, assigned, pledged, encumbered, mortgaged, granted a security interest in or otherwise disposed of without the prior written consent of the General Partner, which is permitted to be withheld pursuant to the Partnership Agreement, and the General Partner reserves the right to restrict the volume of transfers permitted in any calendar year may be restricted in order to comply with certain safe harbors under the tax regulations promulgated under the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). Voluntary withdrawals from the Fund will not be permitted except in very limited circumstances generally involving situations in which retaining an interest in the Fund would violate certain laws or regulations. In addition, interests in the Fund are not redeemable. There will be no public market for interests in the Fund, and none is expected to develop. Interests in the Fund have not been, and are not expected to be, registered under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “**Securities Act**”), the securities laws of any U.S. state or the securities laws of any non-U.S. jurisdiction and therefore cannot be re sold unless they are subsequently registered under the Securities Act and other applicable securities laws, or unless an exemption from registration is available. It is not contemplated that registration of the interests in the Fund will ever be affected. Consequently, Limited Partners generally will not be able to liquidate their investments in the Fund prior to the end of the Fund’s life and must be prepared to bear the risks of an investment in the Fund for an extended period of time.

Distributions in Kind. Generally, there will be no readily available market for Fund investments, and hence, most of the Fund’s investments will be difficult to value. Although, prior to the termination of the Fund, the Fund generally intends to make distributions in cash or marketable securities, it is possible that under certain circumstances (including the winding up of the Fund), distributions of investments for which there is no readily available public market and/or which may be subject to substantial restrictions on sale or transfer will be made in kind. It may be difficult for Limited Partners to liquidate an investment received via an in-kind distribution at an attractive price or within a desired time period, and significant administrative burden and cost may be involved. Following an in-kind distribution by the Fund, in certain cases, some or all of the Partners in receipt of a distributed investment may determine to dispose of such investment within a short period of time, which could negatively impact the price of such investment. Limited Partners in receipt of a distributed investment will receive no guidance from the Fund or the General Partner with respect to when or how to dispose of such investment (including timing of such disposition). The price at which distributed investments may be sold by Limited Partners may be lower than the value of such investments determined pursuant to the relevant Governing Documents, including the value used to determine the amount of carried interest accrued to the General Partner with respect to such investment. In addition, the direct holding of certain investments may subject the holder to lawsuits or taxes in jurisdictions in which such investments are located.

Reliance on the General Partner. Limited Partners will not have any right or power to take part in the management of the Fund, and the General Partner generally will control the operations of the Fund (including decisions with respect to structuring, restructuring, negotiating, purchasing, financing and eventually divesting investments on behalf of the Fund). As a result,

the performance of the Fund's investments will depend largely on the business and investment acumen of the Principals, and the loss or reduction of service of one or more of the Principals could adversely affect the Fund's ability to achieve its investment objectives. In addition, subject to the provisions in the Partnership Agreement, the Principals currently, and are expected in the future to, manage or advise other investments, investment products (including SPACs) and/or investment funds other than the Fund, and the Principals expect that they will need to devote substantial amounts of their time and attention to the investment activities of such other investments, investment products and/or funds, which is expected to pose potential conflicts of interest. In particular, the Principals have entered into a consulting arrangement with their former employer with respect to assisting such employer's management of a portfolio of investments, and the Principals expect to raise additional investment products, other than the Fund, during the life of the Fund.

In addition, certain changes in the General Partner or circumstances relating to the General Partner may have an adverse effect on the Fund or one or more of its portfolio investments (including acceleration of potential debt facilities). The composition of the professionals making up particular investment teams may change over time. Certain of the professionals may leave Emblem during the life of the Fund). Furthermore, there can be no assurance that the Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, the Fund's investments could differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular portfolio investment, types of portfolio investment within a particular industry sector, amount of leverage used, structure and holding period.

Uncertainty of Projections. In certain situations, the Fund expects to use financial projections to help analyze potential investments, future capital raises and financing for portfolio investment, or for other transactions. In general, projected operating results of a portfolio investment will be based primarily on financial projections prepared by such portfolio investment's management, with adjustments to such projections made by the General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from a portfolio investment and third parties and assumptions made at the time the projections are developed. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize projected values. There can be no assurance that the results set forth in any projections will be attained, and actual results may differ significantly from projections.

Risks in Effecting Operating Improvements. The success of the Fund's investment strategy is likely to depend, in part, on the ability of the General Partner to assist in sustaining the growth rates of, and/or effecting improvements in, the operations of certain portfolio investments. Identifying and implementing operational improvements at portfolio investments entails a high degree of uncertainty. In addition, executing operational improvements may divert the attention of key portfolio investment personnel and disrupt normal business. There can be no

assurance that the General Partner will be able to successfully assist in sustaining growth rates and/or identifying and implementing operational improvements.

Additionally, it is expected that the Operations Group members will provide assistance to one or more portfolio investments. The General Partner and its affiliates exercise discretion over the allocation of Operations Group members time and attention, which time and attention and recommendations, as applicable, generally will not be focused evenly across the Fund's portfolio investments, or across the portfolio investments of the Fund and those of other funds managed by the General Partner or its affiliates. There can be no assurances that any assistance provided by the Operations Group members will have the intended impact or improve the performance of any portfolio investment, and portfolio investments that receive less Operations Group members time and attention relative to other portfolio investments may not have similar performance improvements.

Changes in Tax Laws. All statements contained herein concerning the tax consequences of an investment in the Fund are based on existing law and interpretations thereof. Recent or future changes in and/or the enactment of new tax laws, regulations or other administrative guidance and interpretations thereof in a jurisdiction in which the Fund or one of its subsidiaries operates, is managed, is advised, is promoted or invests, or in which any of the Investors is resident, that are adverse to the Fund, its subsidiaries or its Investors could occur during the life of the Fund. Both the level and basis of taxation may change. Changes to taxation treaties or interpretations of taxation treaties between one or more such jurisdictions and the countries through which the Fund or any of its subsidiaries holds investments or in which an Investor is resident, or the introduction of, or change to, EU directives may adversely affect the Fund's ability to efficiently realize income or capital gains and to efficiently repatriate income and capital gains from the jurisdictions in which they arise to Investors. Consequently, it is possible that the Fund or its subsidiaries may face unfavorable tax treatment in such jurisdictions that may materially adversely affect the value of the Fund's investments or the feasibility of making investments in certain countries. Any such tax developments could materially affect the tax consequences of an Investor's investment in the Fund, and the tax treatment of the Fund and the Fund's investments, in each case possibly with retroactive effect. While certain changes in tax law may be beneficial, others could negatively affect the after-tax returns of the Fund and the Investors. Accordingly, no assurance can be given that the currently anticipated tax treatment of an investment in the Fund, or of the Fund or investments made by the Fund, will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect, to the detriment of the Investors.

Conflicting Investor Interests. Limited Partners can be expected to have conflicting investment, tax, and other interests with respect to their investments in the Fund, including conflicts relating to the structuring and timing of investment acquisitions and dispositions. Conflicts will potentially arise in connection with decisions made by the General Partner regarding investments that will potentially be more beneficial to certain Limited Partners than to others, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partner generally will consider the investment, tax and other relevant objectives of the Fund and the Partners as a whole, rather than the investment, tax or other objectives of any Limited Partner individually. Additionally, the General Partner is authorized to

elect to exclude certain Limited Partners from particular investments for legal, tax, regulatory, accounting or other reasons applicable to any such investment, in which case non-excluded Limited Partners will be allocated a greater proportionate interest in such investment. It is also possible that the Fund or the portfolio investments will be counterparties or participants in agreements, transactions, or other arrangements with a Limited Partner or an affiliate of a Limited Partner. Such transactions have the potential to include agreements to pay performance fees to service providers affiliated with Limited Partners in connection with the investment therein, which will reduce the Fund's returns and will not necessarily be subordinated to the return of the Limited Partner's capital contributions. Such Limited Partners described in the previous sentences may therefore have different information about the General Partner and the Fund than Limited Partners not similarly positioned. In addition, potential conflicts of interest will arise in dealing with any such Limited Partners, and the General Partner and its affiliates will not always be motivated to act solely in accordance with its interest relating to the Fund. Similarly, not all Limited Partners monitor their investments in vehicles such as the Fund in the same manner. For example, certain Limited Partners may periodically request from the General Partner information regarding the Fund and its investments that is not otherwise set forth (or has yet to be set forth) in the reporting and other information required to be delivered to all Limited Partners. In such circumstances, the General Partner is permitted to provide such information to such Limited Partner, which does not mean the General Partner will be obligated to affirmatively provide such information to all Limited Partners (although the General Partner will generally provide the same information upon request and treat Limited Partners equally in that regard). As a result, certain Limited Partners may have more information about the Fund than other Limited Partners, and the General Partner will have no duty to ensure all Limited Partners seek, obtain, or process the same information regarding the Fund and/or its investments.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. Certain media, regulatory and political discourse has been and continues to be focused on enhancing governmental scrutiny and/or increasing regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Fund's activities, including the ability of the Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. The Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater substance in certain jurisdictions in which the Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits).

In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. Consortium bids are deals in which two or more unaffiliated entities either provide equity financing or divide the target business being acquired. These transactions can range in size from the large private equity club deals in which the target remains intact to much smaller deals in which a target is broken up and sold to multiple strategic buyers. Private equity firms that engage in potentially anti-competitive practices in an otherwise permissible and lawful club deal could be liable for monetary damages to former shareholders of target companies and could be subject to U.S. Department of Justice (the "DOJ") investigation and civil and criminal

prosecution resulting in fines. There can be no assurance that the Fund will not be subject to third party litigation and/or investigations involving consortium bids.

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

Additionally, the Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater presence in certain jurisdictions in which the Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities (for example, through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert the General Partner's time, attention and resources from portfolio management activities.

In light of the heightened regulatory environment in which the Fund operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for the Management Company and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or the Fund, the General Partner or the Management Company in particular may result in increased expenses associated with the Fund's activities and additional resources of the Management Company being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for investors in the Fund or have an adverse effect on the ability of the Fund to effectively achieve its investment objective. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the Management Company, and may furthermore place the Fund at a competitive disadvantage to the extent that the Management Company is required to disclose sensitive business information.

As private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has recently been subject to criticism by some politicians, regulators and market commentators. Elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio investments. There can be no assurance that the foregoing will not have an adverse impact on the Management Company or the Fund or otherwise impede the Fund's activities.

Labor Matters. Certain portfolio investments could have a unionized work force and/or employees who are covered by a collective bargaining agreement, which could directly or indirectly subject a portfolio investment to complex laws, rules and regulations as well as to labor relations disputes or difficulties generally. Business operations at one or more facilities or sales processes may be interrupted as a result of work stoppages and delays in the process of renegotiating collective bargaining agreements. For example, sales processes in Europe may be disrupted or otherwise impacted by negotiations involving European Works Councils.

Availability and Adequacy of Insurance; Availability of Insurance Against Certain Catastrophic Losses. While the Fund may seek to make investments where insurance and other risk management products (to the extent available on commercially reasonable terms) are utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived in a timely manner from covered risks may be inadequate to completely or even partially cover a loss of revenues (e.g., business interruption insurance may not provide any or adequate coverage relating to shutdowns caused by pandemic health emergencies), an increase in operating and maintenance expenses and/or a replacement or rehabilitation. Certain losses of a catastrophic nature, such as those caused by wars, earthquakes, severe weather, terrorist attacks, force majeure or other certain events, may be either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism can be difficult and expensive to insure against. Some insurers are excluding terrorism coverage from their all-risks policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, not all investments may be insured against all potential causes of damage or loss. If a major uninsured loss occurs, the Fund could lose both invested capital in and anticipated profits from the affected investments. In addition, the availability of adequate insurance (including general partner liability and directors and officers policies) are subject to market factors and recent trends have increased both the cost of (in some cases substantially) and the difficulty of obtaining such policies, which trend may continue depending upon various market conditions.

Misconduct of Emblem Personnel, Independent Contractors and Third-Party Service Providers. Misconduct or misrepresentations by personnel and independent contractors of the General Partner or the portfolio investments, or by third-party service providers could undermine the due diligence or other efforts of the Fund and/or the General Partner and cause significant losses to the Fund. Misconduct of Emblem personnel and independent contractors may include binding the Fund or a portfolio investment to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize transactions and misappropriating assets. In addition, Emblem personnel, independent contractors and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Fund's business prospects or future marketing activities, failing to comply with applicable laws or regulations, and the

concealing of any of the foregoing. Such misconduct may result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the Fund. There can be no assurance that such misconduct will be able to be identified or prevented. Despite the General Partner's due diligence efforts, misconduct and intentional misrepresentations may be undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by the General Partner will identify or prevent any such misconduct.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Fund as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Similar rules may operate in other jurisdictions. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as the Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the fund's income (and which may be taxed at lower rates than ordinary income). Any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with the Fund, the General Partner, or Emblem who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Fund. In addition, any such holding period requirement for long-term capital gains treatment in respect of carried interest may create the potential for conflicts of interest between the General Partner and Limited Partners. For example, the General Partner may cause the Fund to borrow more frequently, in greater amounts, or for longer periods; hold investments for longer than it would absent adverse tax consequences to the General Partner from a shorter holding period; or waive or defer the distribution or allocation of carried interest to the General Partner, potentially changing the character or amount of income allocated to Limited Partners.

Alternative Investment Fund Managers Directive. The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors in the EEA and the UK respectively.

To the extent the Fund is actively marketed to investors domiciled or having their registered office in the EEA or the UK: (i) the Fund, the General Partner and/or the Management Company will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund, the General Partner and/or the Management Company may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in the Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Fund; (iii) the General Partner and/or the Management Company will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA or UK portfolio investments, including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure a portfolio investment within the first two years of ownership, which may in turn affect the operations of the Fund generally. In addition, it is possible that some EEA jurisdictions will elect to restrict or

prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for the Fund to raise its targeted amount of Commitments.

The European Commission published proposals for a Directive to amend AIFMD (“**AIFMD II**”) in November 2021. Proposed changes include: (i) minimum substance considerations that EU regulators will need to take into account during the AIFM authorization process; (ii) enhanced requirements around delegation, including additional reporting requirements in relation to delegation arrangements; (iii) new requirements applying to AIFMs managing funds that originate loans; (iv) increased investor pre-contractual disclosure requirements, notably around fees and charges; and (v) a prohibition on non-EU AIFMs and AIFs established in jurisdictions identified as “high risk” countries under the European Anti-Money Laundering Directive (as amended) or the revised EU list of non-cooperative tax jurisdictions. Technical negotiations have completed, and the final text is expected to be published in 2024, with AIFMD II due to be implemented by EU Member States in 2026. It is possible that AIFMD II may require additional costs, expenses and/or resources, as well as restricting or prohibiting certain activities, including in relation to loan-originating funds and managers or funds established in jurisdictions outside the EU identified as having AML and/or tax failings.

Weather and Climate Risk. Global climate change is widely considered to be a significant threat to the global economy. Industrial and real estate assets in particular may face risks from the physical effects of climate change, such as risks posed by increasing frequency or severity of extreme weather events and rising sea levels and temperatures. The Paris Agreement and other initiatives by international, federal, state, and regional policymakers and regulatory authorities as well as private actors seeking to reduce greenhouse gas emissions may expose industrial and real estate assets to so-called “transition risks” in addition to physical risks, such as: (i) political and policy risks (*e.g.*, changing regulatory incentives and legal requirements, including with respect to greenhouse gas emissions, that could result in increased costs or changes in business operations) regulatory and litigation risk (*e.g.*, changing legal requirements that could result in increased permitting and compliance costs, changes in business operations, or the discontinuance of certain operations, and litigation seeking monetary or injunctive relief related to climate impacts), (ii) technology and market risk (*e.g.*, declining market for products and services seen as greenhouse gas intensive or less effective than alternatives in reducing greenhouse gas emissions); and (iii) reputational risk (*e.g.*, risks tied to changing customer or community perceptions of an asset’s relative contribution to greenhouse gas emissions). The General Partner cannot rule out the possibility that climate risks could result in unanticipated delays or expenses and, under certain circumstances, could prevent completion of investment activities once undertaken, any of which could have a material adverse effect on an investment or the Fund.

Further, certain industrial companies and assets are particularly sensitive to weather and climate conditions. There can be no assurance that weather and climate patterns will remain constant or be predictable throughout the term of the Fund. Accordingly, the profitability of certain of the Fund’s investments may be adversely affected by weather and climate changes, thereby potentially decreasing aggregate returns to the Fund.

Need for Follow-On Investments. Following its initial investment in a given portfolio investment, the Fund is permitted to decide to provide additional funds to such portfolio investment or consider the opportunity to increase its investment in a successful portfolio investment (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that the Fund will make follow on investments or that the Fund will have sufficient funds to make all or any of such investments. Any decision by the Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio investment in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments may result in a lost opportunity for the Fund to increase its participation in a successful portfolio investment or the dilution of the Fund's ownership in a portfolio investment if a third party or co-investor is permitted to invest in such portfolio investment. Alternatively, the Fund may decide to sell, either directly or through such portfolio investment, developed or undeveloped technologies of such portfolio investments to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

Non-U.S. Investments. The Fund is permitted to invest in portfolio investments that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the Fund and/or the Partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the Partners.

Additional risks of non-U.S. investments include: (i) economic dislocations in the host country; (ii) less publicly available information; (iii) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (iv) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (v) civil disturbances; (vi) government instability; (vii) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies; and (viii) restrictions on or required governmental approvals for repatriation of capital interest and dividends paid on securities held by the Fund.

Liability of Limited Partners. Although Governing Documents provide that Limited Partners will have no right to participate in the management of the Fund or to make any decisions with respect to the investments made by the Fund, Limited Partners may lose limited liability in certain circumstances if they have, or are deemed to have, taken part in the control or management of the business of the Fund. Limited liability may also be lost as a result of false statements in documents required to be maintained under or filed under, or other non-compliance with, legislation governing limited partnerships, and in jurisdictions where there is a risk of non-

recognition of the protection of limited liabilities with respect to creditors of the Fund whose claims derive from liabilities incurred in such jurisdictions.

Generally, and subject to the previous paragraph, Limited Partners do not have personal liability for the obligations of the Fund. However, under applicable law, Limited Partners could be required to return distributions previously made by the Fund if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the relevant Governing Documents (including, if necessary, in order for the Fund to satisfy indemnity obligations). Where a Limited Partner has received the return of all or part of the amount contributed to the Fund, the Limited Partner is nevertheless liable to the Fund or, where the Fund is dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Fund to all creditors who extended credit or whose claims otherwise arose before the return of the contribution.

Investments Longer than Term. The Fund may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Fund will be dissolved, either by expiration of the Fund's term or otherwise, or the Fund's term may be extended to facilitate the wind-down of the Fund. Although the General Partner expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the General Partner has a limited ability to extend the term of the Fund, the Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of the Fund the General Partner will be required to use its best efforts to reduce to cash and cash equivalents such assets of the Fund as the General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the Limited Partners will occur.

Significant Adverse Consequences for Default. The Partnership Agreement provides for significant adverse consequences in the event a Limited Partner defaults on its Commitment or any other payment obligation. In addition to reductions in its capital account balance, preclusion from further investment in the Fund, the General Partner reserves the right to cause a defaulting Limited Partner to transfer its interest in the Fund, which may result in such Limited Partner transferring its interest in the Fund for an amount that is less than the fair market value of such interest and payment for its interest in the Fund over a long period of time, without interest. If a Limited Partner fails to pay installments of its Commitment when due, and the amount of capital contributions made by the non-defaulting Limited Partners plus any borrowings made by the Fund is inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, the Fund may be subjected to significant penalties that could materially and adversely affect returns to Limited Partners (including to non-defaulting Limited Partners). Whether and how to exercise the General Partner's remedies against a defaulting Limited Partner will be in the sole discretion of the General Partner, and the General Partner reserves the right to require the non-defaulting Limited Partners to contribute capital to make up for the shortfall created by such defaulting Limited Partner.

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

Reserves. As is customary in the industry, the General Partner will establish reserves for investments by the Fund, operating expenses of the Fund, Fund liabilities, and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to the Limited Partners. If reserves are inadequate, the Fund may be unable to take advantage of attractive investment opportunities or may not be able to pay its liabilities or expenses as they come due. If reserves for liabilities or expenses are excessive, the Fund may decline attractive investment opportunities.

Distressed Investments. The Fund is authorized to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. It may take a number of years for the market price of distressed securities to reflect their intrinsic value. In liquidation (both in and out of bankruptcy) and other forms of corporate reorganization, there exists the risk that the reorganization either will be unsuccessful (*e.g.*, due to failure to obtain requisite approvals), or will be delayed (*e.g.*, until various liabilities, actual or contingent, have been satisfied). In the event that a portfolio investment does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

Non-Controlling Investments and/or Investments with Third Parties. The General Partner reserves the right to cause the Fund to hold non-controlling interests in certain portfolio investments, including where the Fund has limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any portfolio investment. Similarly, the Fund may co-invest with third parties through joint ventures, other entities or similar arrangements, thereby acquiring non-controlling interests in certain investments. In such instances, the Fund may have limited or no management and/or control rights with respect to the operation of such companies and may be entirely dependent on the decisions of the portfolio investment and/or third-party investors. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling

stakes. The Fund will therefore be significantly reliant on the existing management, board of directors and other shareholders of portfolio investments, which may include representation of other investors with whom the Fund is not affiliated and whose interests may conflict with the interests of the Fund. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company or were otherwise granted control and/or management rights alongside any such company and/or third-party investor. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or to seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business objectives and goals. In addition, portfolio investments may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that the management team of a portfolio investment or any successor will be able to operate such company in accordance with the Fund's expectations or that a portfolio investment will be able to attract, develop, integrate and retain suitable members of its management team.

Options; Warrants. The Fund reserves the right to invest in or otherwise receive options, warrants or rights. Warrants, options and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants, options and rights are generally similar to risks associated with the use of options. Unlike most options, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights may limit the Fund's ability to exercise the warrants or rights at such time, or in such quantities, as the Fund would otherwise wish.

When the Fund holds an option or warrant, it runs the risk that it will lose its entire investment in such option or warrant in a relatively short period of time, unless the Fund exercises such option or warrant or enters into a closing transaction with respect to such option or warrant during the life of such option or warrant. If the price of the underlying security does not rise or fall to an extent sufficient to cover the option or warrant premium and transaction costs, the Fund will lose part or all of its investment in such option or warrant. There is no assurance that the Fund will be able to effect closing transactions at any particular time or at any acceptable price.

Credit Risk. The Fund will potentially invest in debt and debt-related instruments, which are subject to interest rate and credit risks. "Interest rate risk" refers to the risks associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument directly (particularly in the case of instruments the rates of which are adjustable) and indirectly (particularly in the case of fixed rate securities). 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. Adjustable-rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other

factors). Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules.

“Credit risk” refers to the likelihood that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due or otherwise defaults on its obligations to the Fund and/or that the guarantors or other sources of credit support for such persons do not satisfy their obligations. Financial strength and solvency of an issuer and any applicable guarantors are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Although the Fund may make investments that the General Partner believes are secured by specific collateral the value of which may initially exceed the principal amount of such portfolio investments or the Fund’s fair value of such portfolio 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 portfolio investment, or that such collateral could be readily liquidated. Under certain circumstances, collateral securing a portfolio investment may be released without the consent of the Fund or the Fund’s expected rights to such collateral could be voided or disregarded. In particular, the Fund’s investments in secured debt may be unperfected for a variety of reasons, including the failure to make required filings by lenders and, as a result, the Fund may not have priority over other creditors as anticipated. The Fund’s aggregate returns would be adversely impacted if an underlying issuer of debt portfolio investments or a borrower under a loan in which the Fund invests became unable to make such payments when due.

Credit risk may change over the life of an instrument. Although the Fund does not intend to acquire debt securities on the secondary market or otherwise invest in syndicated loans, to the extent it does so, evaluating credit risk will involve greater uncertainty, because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Debt instruments that are rated by rating agencies are often reviewed and may be subject to downgrade, which generally results in a decline in the market value of such instrument.

The ratings assigned by Moody’s or S&P to loans or other debt instruments that may be acquired by the Fund reflect only the views of those agencies. Explanations of the significance of ratings should be obtained from Moody’s or S&P. No assurance can be given that ratings assigned will not be withdrawn or revised downward if, in the view of Moody’s or S&P, circumstances so warrant.

Nature of Mezzanine and Other Subordinated Investments. A portion of the Fund’s investments may consist of loans, securities and/or other instruments, or interests in pools of securities and/or other instruments that are subordinated or may be subordinated in right of payment and ranked junior to other securities and/or instruments issued by, or loans made to, obligors. Mezzanine and other subordinated debt investments involve a high degree of risk with no certainty of any return of capital. Although subordinated debt is senior to common stock and other equity securities in the capital structure, it may be subordinated to large amounts of senior debt and are often unsecured.

While subordinated debt investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking ahead of such investments and may benefit from cross-default provisions, some or all of such terms may not be part of particular investments. In addition, the ability of the subordinated debt holders to influence a company'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 mezzanine debt or other exercises by the subordinated creditors of their rights. Accordingly, the Fund may not be able to take the steps necessary to protect its investments in a timely manner or at all. Further, the unsecured debt in which the Fund may invest may not be protected by financial covenants or limitations upon additional indebtedness, could have limited liquidity and may not be rated by a credit rating agency.

Subordinated debt investments may increase the Fund's exposure to adverse economic factors such as significantly rising interest rates, severe downturns in the economy or deterioration in the condition of the portfolio investment on the subordinated debt investment. Conversely, mezzanine loans and other subordinated debt investments are often less risky than equity investments because the claims of subordinated debt investors are typically senior to those of equity holders in the company. In the event that any portfolio investment on a mezzanine loan or other subordinated debt investment is unable to generate sufficient cash flow to meet the principal and interest payments on its indebtedness, the value of the Fund's investment in such loan could be significantly reduced or even eliminated.

If a portfolio investment becomes subject to insolvency proceedings in any jurisdiction, the rights of holders of mezzanine and subordinated debt may be adversely affected. Such proceedings and related laws and remedies may vary substantially from jurisdiction to jurisdiction, may create the right of such portfolio investment to avoid certain unfavorable contracts or obligations and may result in significant delay and/or limitations on repayment of amounts owed to the Fund. With respect to the Fund's investments in the form of subordinated debt instruments, upon any distribution to the relevant borrower's creditors in a bankruptcy, liquidation or reorganization or similar proceeding, the holders of such borrower's senior and/or secured indebtedness (to the extent of the collateral securing such obligation) will be entitled to be paid in full before any payment may be made on the Fund's investment. In the event of a bankruptcy, liquidation or reorganization or similar proceeding relating to such a borrower, the Fund will typically participate with all other holders of such borrower's indebtedness in the assets remaining after the borrower has paid all of its senior and/or secured indebtedness (to the extent of the collateral securing such obligation). Such borrower may not have sufficient funds to pay all of its creditors, and the Fund may receive nothing, or less, ratably, than the holders of senior and/or secured indebtedness of such borrower or the holders of indebtedness that is not subordinated.

The Fund may make equity investments in connection with its mezzanine investments. Certain mezzanine investments may be convertible, by the terms thereof, into equity securities after a triggering event. These equity securities will generally be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss.

Depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless.

Interest Rate Risk. Credit portfolios are subject to interest rate risks; changes in the prevailing market interest rates could negatively affect the value of the credit investments in the Fund's portfolio. The ability of companies or businesses in which the Fund may invest to refinance debt instruments or repay debt obligations (including making payments to the Fund as a creditor with respect thereto) may depend on their ability to obtain financing, including by selling new securities or instruments in the high yield debt or bank financing markets, which at certain points over the last several years have been extraordinarily difficult to access at favorable rates. Volatility and instability in the securities market may also increase the risks inherent in the Fund's investments. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate credit instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner, although generally to a lesser degree. Interest rate sensitivity is generally more pronounced and less predictable in instruments with uncertain payment or prepayment schedules. Additional factors that may affect market interest rates include inflation, slow or stagnant economic growth or recession, unemployment, international disorders and instability in domestic and foreign financial markets. The Fund expects that it will periodically experience imbalances in its assets and liabilities as a result of changes in interest rates. In a changing interest rate environment, the Fund may not be able to manage this risk effectively. If the Fund is unable to manage interest rate risk effectively, the Fund's performance could be adversely affected. While the Fund may seek to do so, it is not required to hedge its interest rate risk.

Prepayment of Investments. While an investment may have a stated maturity, borrowers may prepay their loans prior to such maturity. Early prepayment, particularly by good credits, may reduce the Fund's opportunity to make long-term compounded returns. Later prepayment, particularly by weaker credits, can tie up the Fund's capital in investments which may have a greater risk of default. Either way, the shortening or lengthening of the holding period may prevent the Fund from realizing its projected returns. When credit market conditions become more attractive to issuers, the rate of prepayment of the Fund's credit portfolio investments would be expected to increase as issuers refinance to take advantage of such improved conditions, which may negatively impact the Fund. Additionally, the Fund may be unable to reinvest any prepaid loan amounts into other similarly situated investment opportunities or at all.

Uncertain Exit Strategies. Due to the illiquid nature of some of the positions in which the Fund may acquire, the General Partner is unable to predict with confidence what the exit strategy will ultimately be for any given position, or that one will definitely be available at an attractive price, or at all. Exit strategies which appear to be viable or profitable when an investment is initiated may be precluded or unprofitable by the time the investment is ready to be realized due to market, economic, legal, political or other factors.

Borrower Fraud. Of key concern in loan and other debt investing is the possibility of material misrepresentation or omission on the part of the issuer. Such inaccuracy or

incompleteness may adversely affect the valuation of the Fund's credit investments. The Fund will rely upon the accuracy and completeness of representations made by issuers to the extent the General Partner believes to be reasonable, but it cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Participation on Creditors' Committees. The Fund may serve on committees formed by creditors ("Creditors' Committees") to negotiate with the management of financially troubled companies that may or may not be in bankruptcy. The Fund may also seek to negotiate directly with debtors with respect to restructuring issues. Even if the Fund chooses to join a Creditors' Committee, there can be no assurance that the Fund would be successful in obtaining results favorable to it in such proceedings, and the Fund may incur significant legal fees and/or other expenses in attempting to do so, as Creditors' Committees generally consist of many participants, each of which attempts to obtain an outcome that is in its individual best interests. As a result of the Fund's service on such Creditors' Committees, the Fund may be deemed to have duties to other creditors represented by the Creditors' Committees, which might thereby expose the Fund to liability to such other creditors who disagree with the Fund's actions. The General Partner, on behalf of the Fund, may elect to serve on Creditors' Committees, equity holders' committees or other groups to ensure preservation or enhancement of the Fund's position as a creditor or equity holder. A member of any such Creditors' Committee or group may owe certain obligations generally to all parties similarly situated that the Creditors' Committee represents. If the General Partner concludes that its obligations owed to the other parties as a Creditors' Committee or group member conflict with its duties owed to the Fund, it may resign from that Creditors' Committee or group, and the Fund may not realize the benefits, if any, of the General Partner's service on the Creditors' Committee or group. Additionally, if the Fund is represented on a Creditors' Committee or group, it may be restricted or prohibited under applicable law from disposing of its investments in the subject company while it continues to be represented on such Creditors' Committee or group.

Lender Liability Considerations; Equitable Subordination. A number of judicial decisions in the United States have upheld the right of borrowers to sue lenders or bondholders on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon lender liability, the potential for such a cause of action exists. In addition, under common law principles that in some cases form the basis for lender liability claims, if a lender or bondholder (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engages in other inequitable conduct to the detriment of such other creditors, (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder

to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination”. Although the Fund does not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon the equitable subordination doctrine, the potential for such a cause of action exists. The preceding discussion is based upon principles of United States federal and state laws. Insofar as subsidiaries of the Fund or investments are formed under the laws of non-United States jurisdictions, the laws of such non-United States jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under United States federal and state laws.

Risks Associated with Bankruptcy Cases. The Fund may invest in financially troubled companies and companies either currently in, or that may enter into, chapter 11 bankruptcy or insolvency proceedings. The markets in bankruptcy claims are not generally regulated by U.S. federal securities laws or the SEC. Many of the events within bankruptcy or insolvency proceedings are adversarial and are often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that bankruptcy courts would decide favorably toward, or consistent with the interests of, the Fund. Furthermore, there are instances where creditors and equity holders lose their ranking and priority as such if they are considered to have taken over management and/or functional operating control of a debtor. As the duration of bankruptcy cases can be only roughly estimated, the reorganization process can involve substantial legal, professional, and administrative costs to a company and/or the Fund, and is subject to unpredictable and lengthy delays. In addition, during the process, a company’s competitive position may erode, key management may depart, and the company may not be able to invest adequately in the operations of its business. In some cases, a company may not be able to reorganize and may be required to liquidate assets. Decisions by the Fund to invest primarily in the debt of such companies may not be protective of the Fund’s economic interests, as the debt of companies in the process of financial reorganization generally will not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental value. Such investments can result in a total loss of principal. U.S. bankruptcy law permits the classification of “substantially similar” claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that the Fund’s influence with respect to a class of claims can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims (for example, claims for taxes) that have priority by law over the claims of certain creditors may be quite high. The Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction or forfeiture by the Fund.

Non-U.S. Bankruptcy Laws. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification,

seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Non-Payment of Principal and Interest; Adequacy of Collateral. The Fund's investments are subject to the risk of non-payment of scheduled interest or principal by the issuers with respect to such investments. Such non-payment would likely result in a reduction of income to the Fund and a reduction in the value of the investments experiencing non-payment. Although the Fund may make investments that the General Partner believes are secured by specific collateral, the value of which typically exceeds the principal amount of the investment at the time of initial investment, there can be no assurance that the liquidation of any such collateral would satisfy the issuer's obligation in the event of payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of an issuer, the Fund could experience delays or limitations with respect to its ability to realize the benefits of the collateral securing an investment. Under certain circumstances, collateral securing a Fund investment may be released without the consent of the Fund. Moreover, the Fund's secured loans may be unperfected for a variety of reasons, including the failure to make required filings and, as a result, the Fund may not have priority over other creditors as initially anticipated. First lien loans made by the Fund may, in certain cases, provide a first priority lien over some, but not all, of the assets of the relevant company. The Fund may also invest in second lien loans, high-yield securities, marketable and nonmarketable common and preferred equity securities and other unsecured investments, each of which involves a higher degree of risk than first lien secured loans. Furthermore, the Fund's right to payment and its security interest, if any, may be subordinated to the payment rights and security interests of other secured lenders with respect to some or all of the assets of a company. Certain investments may have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a company's ability to repay the principal of an investment may be dependent upon a liquidity event or the long-term success of the company, the occurrence of which is uncertain.

Risk of Borrower Default. The return of principal of our Fund loans will depend in large part on the creditworthiness and financial strength of the borrowers of such loans, all or a portion of which borrowers may not be cash flow positive and/or may not have generated substantial revenue at the time of the Fund's investment therein. The General Partner intends to monitor on an ongoing basis the creditworthiness of borrowers of loans in which the Fund will invest. If there is a default by the borrower under any of the Fund's loans, the General Partner will under most circumstances have contractual remedies pursuant to the loan agreements, potentially including the sale of collateral. However, exercising such contractual rights may involve delays or costs, and any available collateral may prove to be unsaleable or saleable only at a price less than the loan amount, which could result in a loss to the Fund. A default by the borrower under any of the Fund's loans may result in the Fund being unable to liquidate such loans prior to the termination of the Fund (including in connection with any necessary restructuring of such loans). As a result, upon the termination of the Fund, the Limited Partners therein may receive in-kind distributions in respect of such loans and may be unable to protect their interests effectively.

Public Company Holdings. The Fund's investment portfolio is expected from time to time to contain equity securities and debt issued by publicly held companies. Such investments

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

Director Liability. The General Partner expects that the Fund will often seek to obtain the right to appoint one or more representatives to the boards of directors (or similar governing bodies) of the portfolio investments in which it invests (each, a “**Board Representative**”). In those instances where the Fund is not the sole shareholder of the applicable portfolio investment, a Board Representative may have duties to persons and/or entities other than the Fund. Serving on the board of directors (or similar governing body) of a portfolio investment will expose a Board Representative, and ultimately the Fund, to potential liability. Not all portfolio investments may obtain insurance with respect to such liability, and the insurance that portfolio investments do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in any litigation related to such liability can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from the General Partner's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by the Management Company) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by the Fund.

Risks Relating to Due Diligence of and Conduct at Portfolio Investments; Expedited Transactions. Before making an investment, the General Partner will generally conduct such due diligence as it deems reasonable and appropriate based on the known facts and circumstances applicable to such investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, environmental, regulatory and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto, and the General Partner may rely on the advice received from such third parties. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the General Partner's reduced control of the functions that are outsourced. In addition, if the General Partner is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. Investment analyses and decisions by the General Partner will often be undertaken on an expedited basis in order for the Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in an investment being successful or even ensure a return on invested capital.

There can be no assurance that the Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the portfolio investments on an ongoing basis. Conduct occurring at portfolio investments, even activities that occurred prior to the Fund's investment therein, could have an adverse impact on the Fund. In the event of fraud or other criminal behavior by any portfolio investment or any of its affiliates, the Fund may suffer a partial or total loss of capital invested in that portfolio investment. In addition, investments are subject to the possibility of material misrepresentation or omission on the part of the portfolio investment or the seller. Such inaccuracy or incompleteness may adversely affect the value of the Fund's securities and/or other instruments issued by such portfolio investment. Where applicable, the Fund will rely upon the accuracy and completeness of representations and warranties made by portfolio investments and/or such portfolio investments' former owners to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Moreover, the Fund may have limited or no recourse in the event of a material breach of such representations and warranties, particularly if the portfolio investment was a public company.

Limitation of Recourse and Indemnification. The relevant Governing Documents will limit the circumstances under which the General Partner and its affiliates will be held liable to the Fund subject to applicable law. As a result, Limited Partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant Governing Documents will provide that the Fund will indemnify the General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund and may receive advances for any fees, costs and expenses incurred in the defense or settlement of any claim that may be subject to a right of indemnification. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from the Fund's indemnification obligations will generally be paid by or otherwise satisfied out of the assets of the Fund, including the unpaid capital obligations of the Limited Partners. In addition, if the assets of the Fund are insufficient to satisfy the Fund's indemnification obligations, the General Partner may recall distributions previously made to the Limited Partners, subject to certain limitations set forth in the Governing Documents. The General Partner may cause the Fund to purchase insurance for the Fund, the General Partner, the Management Company and their personnel, agents and representatives, including to cover actions that would not be indemnifiable under the Governing Documents, although there can be no assurance that any such insurance will be sufficient, available to satisfy the specific claims that may arise or generally available on commercially reasonable terms. Such indemnification obligations could materially impact the returns to Limited Partners.

Changes to Benchmark Rates. To the extent that the Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("**LIBOR**"), Secured Overnight Financing Rate ("**SOFR**") or other rates (each, a "**Benchmark Rate**"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes

the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Fund and its portfolio investments; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Litigation. The transactional nature of the Fund's business exposes the Fund, the General Partner and their respective affiliates generally to the risk of third-party litigation. In the ordinary course of its business, the Fund and its portfolio investments may be subject to litigation from time to time. Under the Partnership Agreement, the Fund generally will be responsible for indemnifying the General Partner and certain of its affiliates for costs they incur with respect to such litigation not covered by insurance. The outcome of litigation proceedings may adversely affect the value of the Fund in a material manner, and such litigation may continue without resolution for extended periods of time. Additional regulation could also increase the risks of third-party litigation. Any litigation may consume substantial amounts of the General Partner's and the Principals' time and attention, and such time and attention, as well as the devotion of other resources, spent in connection with such litigation may, at times, be disproportionate to the amounts at stake in such litigation.

General Tax Considerations. An investment in the Fund involves complex U.S. and potentially foreign tax considerations that will differ for each investor depending on the investor's particular circumstances. The investment decisions of the General Partner and the Management Company will be based primarily upon economic, not tax, considerations and could result, from time to time, in adverse tax consequences to some or all Investors. There can be no assurance that the structure of the Fund or of any investment will be tax efficient for any particular Investor. Prospective Investors are urged to consult their own tax advisors with reference to their specific tax situations.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional or global health crises including but not limited to the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social and economic risks previously mentioned and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which are likely to have adverse effects on the operating performance of affected portfolio investments. A climate of uncertainty, including the spread of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of the Fund and its portfolio investments to execute their respective strategies and to receive an attractive

multiple of earnings on the disposition of businesses. This may slow the rate of future investments by the Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the spread of infectious viruses or diseases, or general economic downturn may have an adverse effect upon the Fund's portfolio investments.

General Economic and Market Conditions. The private equity industry generally and the success of the Fund's investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Fund and may affect the Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Fund's investments and could have a negative impact on the performance and/or valuation of the Fund's portfolio investments. The Fund's performance can be affected by deterioration in the capital markets and by market events, including events similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011 and the COVID-19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio investments and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio investments and the Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of the Fund to sell and/or partially dispose of its portfolio investments. Such adverse effects may include the requirement of the Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect the Fund's ability to obtain funding to support its investment objective. Any of the foregoing events could result in substantial or total losses to the Fund in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a portfolio investment's capital structure and may be magnified by the expected limited geographic diversity of the Fund's investments.

Terrorist Activities. Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and could prevent the Fund from meeting its investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and natural disasters have created many economic and political uncertainties in the past and may do so in the future, which may adversely affect the United States and world financial markets and the Fund for the short or long-term in ways that cannot presently be predicted.

Force Majeure Events. Certain force majeure events (*i.e.*, those events beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, earthquakes, war, terrorism, labor strikes, pandemics, outbreaks of an infectious disease or any other serious public health concern) may adversely affect the ability of Emblem, its affiliates, the Fund, its portfolio investments, counterparties of the foregoing or other persons or entities to perform their respective obligations. The cost of repairing or replacing assets damaged by a force majeure event could be considerable. In addition, repeated or prolonged service interruptions resulting from a force majeure event may result in a permanent loss of customers, substantial litigation or significant penalties for regulatory or contractual non-compliance, though in some cases, agreements may be terminable if a force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. The occurrence of a force majeure event may, directly or indirectly, have a material adverse effect on the Fund and/or any of its portfolio investments.

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

Limited Access to Information. The Limited Partners' rights to information regarding the Fund, the General Partner or the Management Company generally will be specified, and in many cases strictly limited, by the Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to the Fund's investments that will not be disclosed to Limited Partners because such disclosure is prohibited, among other reasons, as a result of contractual, legal or similar obligations outside of the General Partner's control. Decisions by the General Partner or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its limited partner interest in the Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information also may make it difficult for a Limited Partner to monitor the General Partner and the General Partner's performance. Additionally, it is anticipated that the Limited Partners that designate representatives to participate on the Advisory Board may, by virtue of such participation, have more or earlier information about the Fund and its portfolio investments in certain circumstances than other Limited Partners generally and may be disseminated information in advance of communication to other Limited Partners generally. The Partners generally will bear the expenses of responding to disclosure requests, including in connection

with state public records, similar freedom of information and other laws, whether or not the Fund succeeds in asserting confidentiality for requested documents and other materials, and the General Partner reserves the right to withhold certain information from investors subject to such laws for reasons relating to the Management Company's or its affiliates' public reputation, business strategy or other reasons.

Material, Non-Public Information. As a result of the extensive operations of the Management Company, its affiliates and Operations Group members, as well as in connection with officerships or directorships of Management Company personnel, the Management Company frequently comes into possession of confidential or material, non-public information. Therefore, the Management Company, its affiliates and Operations Group members may have access to material, non-public information that may be relevant to an investment decision to be made by the Fund. Consequently, the Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Management Company's internal policies. Due to these restrictions, the Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Each of the Fund and the General Partner anticipates that, to minimize the impact of such restrictions, the Fund may elect not to receive material, non-public information in certain situations in which such an election is available.

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

National Security Investment Clearance. In some cases, investments by the Fund involving the acquisition of or investment in a U.S. business or assets with a nexus to U.S. interstate commerce (including a U.S. subsidiary or branch of a company domiciled outside of the United States) may be subject to review and approval by the Committee on Foreign Investment in the United States ("**CFIUS**") and/or non-U.S. national security/investment clearance regulators depending on, among other things, the beneficial ownership and control of interests in the Fund. CFIUS' jurisdiction extends to multiple types of investments and empowers CFIUS to scrutinize more closely investments in U.S. technology, data, and infrastructure companies, including investments involving foreign limited partners and foreign co-investors that may be deemed "non-passive."

In the event that CFIUS or another regulator reviews one or more investments, there can be no assurances that the General Partner, the Management Company or the Fund will be able to maintain or proceed with such portfolio investments on acceptable terms and any review and approval of a Fund investment may have outsized impacts on transaction certainty, timing, feasibility, and cost, among other things. Additionally, CFIUS may seek to impose limitations on

one or more such portfolio investments that may prevent the Fund from maintaining or pursuing investment opportunities that the Fund otherwise would have maintained or pursued, or syndicating interests to foreign persons, which could adversely affect the performance of the Fund's investment in such portfolio investments and thus the performance of the General Partner and the Management Company. Moreover, parties to certain transactions involving foreign persons and U.S. "critical technology" companies must submit filings to CFIUS at least 30 days in advance of closing. Many of the Fund's transactions may involve investments into "critical technology" companies. Failure to notify CFIUS of a transaction where such notification was required or otherwise warranted based on the national security considerations presented by an investment target may expose the General partner, the Management Company, the Fund and/or a portfolio investment to significant financial penalties, as well as reputational damage and potential legal restrictions on future investments, thus diminishing the value of the Fund's investments. Moreover, the Fund may invest in companies that are, or may become, subject to CFIUS requirements based on pre-existing foreign ownership and control; in such case, CFIUS requirements may adversely impact a portfolio investment's ability to obtain or retain business or otherwise make it more difficult for the Fund to realize a profit from an investment. In addition, CFIUS is actively pursuing transactions that were not notified to it and may ask questions regarding, or impose restrictions or mitigation on, transactions post-closing. Such restrictions and mitigation can include, among other things, restrictions on foreign persons' ability to influence or govern a target company, pre-approval by the U.S. government of certain business decisions, and/or divestiture of some or all of a target company's business.

Certain of the Limited Partners of the Fund are expected to be non-U.S. investors, and in the aggregate, may comprise a substantial portion of the Fund's aggregate commitments, which may increase the risks of such limitations or restrictions on investments being imposed. While the General Partner may take steps (including, but not limited to, placing limitations on Limited Partners' governance rights) to help ensure that Fund investments are not within the jurisdiction of CFIUS or to improve the Fund's regulatory profile to help obtain approval of CFIUS, there can be no assurance that any restrictions implemented on any such Limited Partner or any such group of Limited Partners will allow the Fund to maintain, or proceed with, any investment, that the Fund's investments will be exempt from CFIUS requirements, or that CFIUS will not seek to ask questions about a transaction or will approve a particular transaction.

Moreover, other countries continue to strengthen their own national security investment clearance regimes (including with respect to technology, infrastructure, and data-related transactions), and the Fund's investments outside of the U.S. may also face delays, limitations, or restrictions as a result of compliance with these legal regimes. Heightened scrutiny of foreign direct investment worldwide may make it more difficult for the Fund to identify suitable buyers for investments upon exit and may constrain the universe of exit opportunities for an investment in a portfolio investment and may make it more difficult for the Fund to realize value from such investments.

Current legislation pending before the United States Congress contemplates regulating outbound investment to countries and companies deemed to be averse to U.S. national security and foreign policy interests. Even if such legislation is not enacted, similar outbound investment controls are being developed pursuant to the recently issued Executive Order "Addressing United

States Investments in Certain National Security Technologies and Products in Countries of Concern.” Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to the Fund making it more difficult to deploy capital, and/or adversely affect the governance and operations of the Fund’s investments and thus the performance of the Fund.

Moreover, 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. The Fund cannot exclude the possibility that some or all of these states may prohibit, restrict, or regulate (e.g., by requiring public disclosure of) the Fund’s investments, based on certain factors including information pertaining to the composition of the Fund’s Limited Partner base. Collectively, these laws also elevate the likelihood that the Fund will be required to disclose to U.S. federal and/or state regulators information about the Fund, its structure, and its beneficial ownership and control.

Other Regulatory Restrictions. Anti-money laundering, anti-boycott, export and import controls, and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent the General Partner or the Fund from entering into transactions with certain individuals, jurisdictions and industry sectors. The United States Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”) and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to certain individuals or entities owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. The Fund’s portfolio investments may be required to terminate or wind-up business that becomes unlawful due to intervening changes in sanctions laws and regulations, which may adversely affect the Fund’s financial position. The Fund and/or its portfolio investments may periodically be subject to similar sanctions regulations in non-U.S. jurisdictions. The economic sanctions and related laws of different jurisdictions in which the Fund makes investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by the General Partner, the Fund or any of the Fund’s portfolio investments to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties.

The Fund will require each investor to make representations and warranties with respect to compliance with anti-money laundering and sanctions regulations, including those promulgated by OFAC. Where an investor or a related person is or becomes the target of sanctions or otherwise violates or would cause the Fund to violate applicable law, the Fund may be required immediately and without notice to such investor to cease any further dealings with the investor and/or the investor’s interest in the Fund and/or freeze such investor’s assets in the Fund’s possession until the investor ceases to be subject to such sanctions or violations (a “**Sanctioned Persons Event**”), and to report such actions to the competent regulator(s). The Fund and the General Partner have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all

other professional costs and expenses) incurred by any investor as a result of a Sanctioned Persons Event.

The U.S. Foreign Corrupt Practices Act (“**FCPA**”), the U.K. Bribery Act (“**UKBA**”) and other anti-corruption and anti-bribery laws may impact the General Partner, the Fund and the Fund’s portfolio investments. The Fund may be adversely affected or miss out on opportunities because of the General Partner’s unwillingness to participate in transactions that potentially violate such laws and regulations. Such laws and regulations may make it difficult in certain circumstances for the Fund to act successfully on investment opportunities or to obtain or retain business. In recent years, U.S. regulators have been increasingly focused on private equity sponsors’ compliance with the FCPA. Any determination that the General Partner, the Fund, its portfolio investments or any of their respective officers, directors or employees has violated the FCPA, the UKBA or other applicable anti-corruption laws, anti-bribery laws or U.S. anti-boycott regulations, could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and/or a general loss of investor confidence, any one of which could adversely affect the Fund’s business prospects and/or financial position, as well as its ability to achieve its investment objective and/or conduct its operations.

Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to the acquisition of a portfolio investment by one fund managed by the Management Company or its affiliates may preclude the Fund from making an attractive acquisition or require the Fund to sell all or a portion of certain portfolio investments owned by them.

Unfunded Pension Liabilities of Portfolio Investments. In at least one circuit, a court found that, in certain circumstances, an investment fund could be treated as a “trade or business” for purposes of determining pension liability under ERISA. Therefore, where an investment fund owns 80% or more (or, possibly, under certain circumstances, less than 80%) of a portfolio investment, such fund (and any other 80%-owned portfolio investments of such fund) might be found liable for certain pension liabilities of such a portfolio investment to the extent the portfolio investment is unable to satisfy such liabilities. The Fund is permitted to invest in a portfolio investment that has unfunded pension fund liabilities, including structuring the investment in a manner where the Fund owns an 80% or greater interest in such a portfolio investment. If the Fund (or other 80%-owned portfolio investments of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which the Fund invests. This discussion is based on current court decisions, statutes and regulations regarding control group liability under ERISA, as in effect as of the date of this Memorandum, which may change in the future as the case law and guidance develops.

Valuation of Investments. Generally, the General Partner will determine the value of all the Fund’s investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of the Fund’s

investments because, among other things, the securities of portfolio investments held by the Fund generally will be illiquid and not quoted on any exchange. There can be no assurance that the General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of the General Partner with respect to an investment will represent the value realized by the Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the Fund's investment portfolios and risks, and may also affect the diversification and management of the Fund's portfolio of investments.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the Fund and/or the General Partner generally expect to be required to make (and/or be responsible for another person's or entity's breach of) certain representations and warranties (e.g., about the business and financial affairs of the applicable portfolio investment, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses) and be responsible for the content of certain disclosures under applicable securities laws. The Fund and/or the General Partner also generally expect to be required to indemnify the purchasers or underwriters of such investment to the extent that any such representations or disclosures are inaccurate. Such arrangements have the potential to result in contingent liabilities, which would be borne by the Fund and, ultimately, the Limited Partners. In such a situation, the General Partner reserves the right to require Limited Partners to return distributions received by them to pay such indemnification obligations, subject to certain limitations provided in the Partnership Agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act (the "Act"), each Limited Partner that receives a distribution in violation of the Act will, under certain circumstances, be obligated to re contribute such distribution to the Fund.

Cyber Security Breaches and Identity Theft. Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners, may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. The General Partner, the Management Company, the Fund's service providers and its portfolio investments' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, the General Partner, the Management Company, the Fund's service providers and its portfolio investments may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

The General Partner, the Management Company, the Fund's portfolio investments, the Fund's 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 the Fund and the Limited Partners, despite efforts 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 the Fund and the Limited Partners. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partner, the Management Company, the Fund's portfolio investments, the Fund's service providers, counterparties, or data within these systems, including through phishing or ransomware attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of the General Partner's or the Management Company's systems to disclose sensitive information in order to gain access to the General Partner's data or that of the Management Company or the Limited Partners (including Limited Partner account and wire instructions). Similarly, third parties may attempt to fraudulently issue capital call notices or other requests to Limited Partners that purport to come from the General Partner or the Management Company, and/or induce Limited Partners to disclose wire and account information. To the extent that the General Partner, the Management Company, the Fund or a portfolio investment is subject to cyber-attack or other unauthorized access is gained to such entity's systems, such entity would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or company financial information; (iii) software, contact lists, or other databases; (iv) proprietary information or trade secrets; (v) loss of capital; or (vi) other items. In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments.

If technology or security systems are compromised, become inoperable for extended periods of time or cease to function properly, the General Partner, the Management Company, the Fund and/or a portfolio investment may incur specific time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the General Partner's, the Management Company's, the Fund's and/or a portfolio investment's operations, including the ability to make distributions to Limited Partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the General Partner's, the Management Company's, the Fund's and/or a portfolio investment's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, the General Partner's, the Management Company's, the Fund's and/or a portfolio investment's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

Privacy Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or information security laws and regulations ("**Privacy Laws**") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Management Company, the

General Partner, the Fund and/or its portfolio investments, and as such could increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Management Company, the General Partner, the Fund and/or its portfolio investments, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Such laws broadly impact businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties.

Other jurisdictions, including other U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability for regulated entities, which could include the General Partner, the Management Company, the Fund and/or its portfolio investments.

Artificial Intelligence and Machine Learning Developments. Recent technological advances in artificial intelligence and machine learning technology (collectively, “**Machine Learning Technology**”), including OpenAI’s release of its ChatGPT application, pose risks to Emblem, the Fund and the Fund’s portfolio investments. Emblem is permitted to utilize Machine Learning Technology in connection with its business activities, including investment activities. Even to the extent Emblem adopts any policy regarding Machine Learning Technology, Emblem personnel, senior executives and other associated persons of Emblem or any affiliates of Emblem could, unbeknownst to Emblem, utilize Machine Learning Technology in contravention of such policy. Emblem, the Fund and the Fund’s portfolio investments could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Emblem, also use Machine Learning Technology in their business activities. Emblem will not be in a position to control the use of Machine Learning Technology in third-party products or services, including those provided by Emblem’s and its affiliates’ service providers.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material non-public information)—either by third parties in contravention of non-disclosure agreements, or by Emblem personnel and affiliates in contravention of Emblem’s policies, contractual or other obligations or restrictions to which any of the foregoing or any of their affiliates or representatives are subject to, or otherwise in violation of applicable laws or regulations relating to treatment of confidential and/or personally identifiable information (including material non-public information) —into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that Emblem, the Fund or the Fund’s portfolio investments are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Emblem, the Fund or the Fund’s portfolio investments. Conversely, to the extent competitors of Emblem and its portfolio investments utilize Machine Learning Technology more extensively than Emblem and its portfolio investments, there is a possibility that such competitors will gain a competitive advantage.

Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

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

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

These conflicts may have a significant adverse impact and result in significant losses to the Fund. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of the Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory

frameworks and systems in ways that are adverse to the investment strategy which the Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

Inflation. High rates of inflation and rapid increases in the rate of inflation generally have a negative impact on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation and interest rates, including by increasing interest rates or reducing fiscal or monetary stimuli, often have negative effects on the level of economic activity. Certain countries, including the U.S., have recently seen increased levels of inflation or interest rates, and persistently high levels of inflation could have a material and adverse impact on the Fund's investments and its aggregated returns. For example, if a portfolio investment were unable to increase its revenue while the cost of relevant inputs was increasing, such portfolio investment's profitability would likely suffer. Likewise, to the extent a portfolio investment has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, such portfolio investment could increase revenue by less than its expenses increase. Conversely, as inflation declines, a portfolio investment may see its competitors' costs stabilize sooner or more rapidly than its own. This has recently resulted in a strengthening of the US dollar vis-à-vis many other currencies but there can be no assurances that such trends will continue and/or that this trend will not reverse such that the U.S. currency is weakened vis-à-vis other currencies. Additionally, because the preferred return is not linked to the rate of inflation, as the rate of inflation increases the proportion of real returns (*i.e.*, the nominal rate of return less the rate of inflation) treated as preferred return decreases and the proportion of real returns subject to performance-based compensation increases. There can be no assurance that high rates of inflation will not have a material adverse effect on the investments of the Fund.

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

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition, and performance of any particular industry or business, is impossible to predict but could have a significant adverse impact and result in significant losses to the Fund. The extent of the impact on the Fund and its portfolio investments' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality, and reductions in the availability of capital. These same factors may limit the ability of the Fund to source, diligence, and execute new investments and to manage, finance, and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal, and regulatory frameworks in ways that are adverse to the investment strategy the Fund intend to pursue, all of which could

adversely affect the Fund's ability to fulfill its investment objectives. They may also impair the ability of portfolio investments or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Fund, its portfolio investments, the General Partner and Emblem may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements, and other factors related thereto, including their potential adverse impacts on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Financial Institution Risk; Distress Events. An investment in the Fund is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund's (or any portfolio investment's) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by various factors including eroding market sentiment, significant withdrawals (*e.g.*, a bank run in which depositors collectively withdraw their balances within a short period of time), fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, the Management Company, the General Partner, the Fund and/or its portfolio investments may not be able to access deposits, borrowing facilities or other services, either for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance (including Fund assets maintained with qualified custodians pursuant to Rule 206(4)-2 under the Advisers Act) are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such governmental intervention undertaken will be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of the General Partner to manage the Fund and its investments, and on the ability of the General Partner, the Fund and/or any portfolio investments to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions. Such adverse effects could include: a loss of funds; an obligation to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, or acquire or dispose of such investments at prices that the relevant General Partner

believes reflect the fair value of such investments; and the inability of portfolio investments to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that a Fund or a portfolio investment will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital, or otherwise). Although the General Partner expects to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Fund and its portfolio investments are subject to similar risks if a Financial Institution utilized by investors in the Fund or by suppliers, vendors, service providers or other counterparties of the Fund or a portfolio investment becomes subject to a Distress Event, which could have a material adverse effect on the Fund.

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

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

Each of these transactions has the potential for conflicts between the interests of the Fund or Limited Partner and those of Emblem or any buyer group that typically are not applicable to

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

Social Media and Publicity Risk. The use of social networks, message boards, internet channels and other platforms has become widespread within the United States and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation, without independent or authoritative verification. Any such information or misinformation regarding Emblem, the Funds or one or more portfolio investments could have a material and adverse effect on the value of the Funds.

Conflicts of Interest

Emblem and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other

Funds, and providing transaction-related, legal, management and other services to Funds and portfolio investments. Emblem will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Emblem conducting its activities, the interests of a Fund likely will conflict with the interests of Emblem, one or more other Funds, portfolio investments or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Emblem will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Board of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by Emblem Principals through such Fund, subject to certain limited exceptions set forth in the Governing Documents and Emblem's Allocation Policy. Without limitation, Emblem's Principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. Emblem personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Emblem's Principals and Emblem's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Emblem's Principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, Emblem Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in Emblem's sole discretion, Emblem and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Emblem personnel are permitted to serve on boards or act in other roles unaffiliated with Emblem, the Funds or their portfolio investments, including boards of charitable and educational institutions, public companies and former portfolio investments, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Emblem expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Emblem. In determining which investment vehicles should participate in such investment opportunities, Emblem and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, Emblem is not obligated to recommend any investment to any particular investment vehicle.

Over time, certain investment opportunities suitable for a Fund are likely also to be suitable for other investment vehicles sponsored by Emblem or its affiliates. In determining which Funds should participate in such investment opportunities, subject to the relevant Governing Documents, the Firm, the Principals and their affiliates are subject to potential

conflicts of interest among the investors in a Fund and Investors in the other Funds. To determine whether a Fund will participate in the relevant investment opportunity, the Firm generally assesses whether an investment opportunity is appropriate for each relevant Fund based on the terms of such Fund's Governing Documents, as well as factors including but not limited to: (i) investment objectives, investment strategies and guidelines of the Funds, (ii) the level of control expected with the investment, (iii) the overall equity expected to be invested by the applicable Fund(s) with respect to such opportunity, including for follow-on investments, (iv) the expected hold period for such opportunity, (v) the sector and geography/location of the investment, (vi) the specific nature (including size, type, amount, liquidity, anticipated maturity and minimum investment criteria) of the investment, (vii) the expected risk adjusted return of the investment, (viii) the expected leverage on the investment, (ix) the amount of uncalled capital available to be invested by any applicable Fund(s), including taking into account future capital requirements, (x) the amount of time remaining in the investment period or term of any applicable Fund(s), (xi) any applicable limitations in the Governing Documents or Side Letters of any applicable Fund(s), including concentration limits and the requirement to excuse any Investor of any such Fund from investing in such opportunity, (xii) the existing or anticipated future portfolio construction of any applicable Fund(s), (xiii) mandatory minimum investment rights and other contractual obligations applicable to participating Funds and/or to their Investors, (xiv) relative exposure to market conditions and trends, (xv) the avoidance of *de minimis* allocations to one or more participating Funds, (xvi) the potential dilutive effect of a new investment, (xvii) the relation to existing investments in a Fund, if applicable (e.g., "follow on" to existing investment, joint venture or other partner to existing investment, or same security as an existing investment), (xviii) the overall risk profile of a portfolio, (xix) facts, circumstances and preferences applicable to any Investor of any applicable Fund(s), (xx) conflicts considerations (e.g., in scenarios where there is an investment opportunity in a service provider or supplier to an existing portfolio investment of an Emblem Fund, Emblem could determine it is either in or against the best interests of such Emblem fund to allocate such investment opportunity to another Emblem Fund to avoid common ownership), (xxi) investment diversification considerations of any applicable Fund(s), (xxii) co-investor participation, (xxiii) legal, tax, regulatory, policy, restrictions and other similar considerations, (xxiv) strategic benefits associated with any applicable Fund(s) and (xxv) any other factors deemed relevant by the Firm and its affiliates. After determining an allocation to a Fund, the Firm reserves the right to allocate a portion of any investment among other Funds or Limited Partners and/or other third-parties (e.g., Operations Group members, vendors and service providers) as set forth below in accordance with the relevant Governing Documents, as well as Side Letters, and its allocation and co-investment policies and procedures. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by a Fund, and because co-invest opportunities generally appeal to Fund Investors and third parties, the Firm expects to be subject to potential conflicts of interest in determining the amount of the investment opportunity that should be allocated to a Fund. Co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents.

Emblem reserves the right in its sole discretion to offer strategic and other investors (including one or more Limited Partners) the opportunity to participate in one or more Partnership investments on a side-by-side basis, subject to its allocation procedures. The terms of any such investment opportunity will be determined by the General Partner, including any

management fee or carried interest charged in connection therewith, and will likely vary with respect to any such investment opportunity. In addition, Emblem and Emblem personnel are permitted to manage assets for one or more advisory clients through a separate account or similar arrangement employing an investment strategy investing in parallel with, or similar to, the strategy of the Fund. Such arrangements generally will afford those clients different terms than the Limited Partners with respect to fees and expenses, subscription, withdrawal and redemption rights and the content and frequency of reports.

Emblem reserves the right, in the future, to expand its investment management services to offer other products, which would give rise to potential additional conflicts of interest not specifically described herein. There can be no assurance that Emblem will identify or resolve all such conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to any particular Emblem Fund. Emblem expects that the investment activities of the other products would generally give rise to additional conflicts of interest in connection with allocating investment opportunities. The potential investments and activities of the other products may increasingly overlap with the potential investments and activities of the Emblem Funds, and another product is permitted to invest in the same portfolio investments as one or more other Emblem Funds or in a target that would otherwise be suitable for one or more other Emblem funds. There can be no assurance that all investment opportunities identified by Emblem and its affiliates will be made available to a Fund. Notwithstanding the actual and potential conflicts of interest that arise, Emblem generally expects to determine the allocation of investment opportunities among a Fund and any other products. If any other products are formed, investment opportunities are permitted to be allocated in any number of ways between the Funds and/or such other products, and there can be no assurance that the application of Emblem's allocation policies and procedures will result in the allocation of any particular investment opportunity to a particular Fund. In addition, the application of Emblem's allocation policies may result in allocations of investment opportunities among Funds and/or other products on an other than *pari passu* basis. As a result, a Fund may not fully participate in all investment opportunities falling within its investment objective.

The Firm's allocation of investment opportunities among a Fund and any other Fund often will not be proportional. Therefore, such allocations potentially will be more advantageous to one or more other Funds. While the Firm will allocate investment opportunities in a way that it believes is appropriate under the circumstances over time considering such factors as the Firm deems appropriate (including those set forth above), there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Firm expects to be subject did not exist.

The Firm is authorized to, in its sole discretion, provide or commit to provide co-investment opportunities to one or more Limited Partners and/or other persons, including the Firm and other affiliates of the Firm, Firm personnel and/or certain other persons associated with the Firm and/or its affiliates, Special Consultants (as defined below), advisers and service providers, finders, portfolio investment board of directors and management teams, other sponsors, strategic investors and market participants, in each case on terms to be determined by the Firm in its sole discretion and subject to the Firm's policies and procedures. Conflicts of interest are likely to arise in the allocation of such co-investment opportunities. The allocation of

co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the Firm in its sole discretion, have the potential to not be in the best interests of the applicable Fund(s) or any individual Limited Partner. In exercising its sole discretion in connection with such co-investment opportunities, the Firm may consider some or all of a wide range of factors, including but not limited to: (i) whether the prospective co-investor has expressed an interest in evaluating co-investment opportunities, including the perceived degree of that interest; (ii) the expertise, knowledge and sophistication of the prospective co-investor with respect to the issuer, segment, industry, geographic region or other characteristics that are relevant to the investment; (iii) the prospective co-investor's perceived ability to approve the investment pursuant to any applicable internal approval processes (including the predictability of the prospective co-investor's investment process), and to otherwise successfully and efficiently execute the transaction, in a timely manner with respect to the timeframe in which the Firm believes favorable transaction terms may be achieved based on their history of consummating co-investment opportunities; (iv) any tax, regulatory, securities laws and/or other legal considerations with respect to the prospective co-investor (e.g., qualified purchaser or qualified institutional buyer status); (v) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vi) the perceived ease of process in coordinating or completing the investment with the prospective co-investor or prospective co-investors similar thereto; (vii) the Firm's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair the Firm's ability to execute the relevant transaction in the desired time or on desired terms; (viii) the size of the investment allocation available to the Firm (and not being allocated to any other investment funds and entities managed by the Firm or any of its affiliates) and the practicality of splitting the allocation into smaller tranches; (ix) the ability of the prospective co-investor to invest an amount of capital that is consistent with the needs of the investment, taking into account the amount of capital reasonably expected to be needed (including for potential add-on acquisitions and other potential additional investments) and the maximum number of investors that can realistically participate in the transaction; (x) any requirements of any third-party lenders as to the identity of any investors participating as co-investors, or as to the creditworthiness of any co-investors, or as to the number of co-investors, or as to other matters with respect to the investors in the transaction; (xi) whether the prospective co-investor is considered "strategic" to the investment because it is able to offer the Firm or its affiliates or any funds or entities which they manage certain services or benefits, including, but not limited to, the ability to help consummate the investment, the ability to aid in operating or monitoring the investment, or whether the Firm believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships (including formal or informal strategic relationships) that have the potential to provide longer-term benefits to the Firm or its affiliates or any funds or entities which they manage; (xii) whether the prospective co-investor has a history of consummating co-investment opportunities with the Firm or its affiliates; (xiii) whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; (xiv) the likelihood that the prospective co-investor would require governance rights (including, but not limited to, board or observer rights, access to the management team of the underlying portfolio investment, or material informational rights) that would complicate or jeopardize the transaction

(or, alternatively, where the investor would be willing to defer to the Firm and assume a more passive role in governing the investment); (xv) whether the prospective co-investor has any interests in any competitor of the underlying investment; (xvi) the expected investment holding period; (xvii) the services provided by the prospective co-investor in connection with the investment and/or to the issuer of the investment (or otherwise provided by the prospective co-investor with respect to the investment), including sourcing, establishing relationships, participating in diligence, providing operational or financing services post-closing and other services; (xviii) the size of the prospective co-investor's interest to be held in the underlying portfolio investment as a result of the investment of another fund or entity managed by the Firm or its affiliates (which is likely to be based on the size of the prospective co-investor's capital commitment and/or investment in such entity); (xix) whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; (xx) the size and/or timing of a prospective co-investor's commitment to the Funds and (xxi) other factors that the Firm considers important in connection with the specific transaction or investment. The Firm is authorized to grant certain co-investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio investments or otherwise to have priority in co-investment opportunities.

Furthermore, the Firm and its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Limited Partners, and its consideration of relevant factors in determining co-investment allocations likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that personnel and related persons of the Firm make capital investments (directly or indirectly through the relevant General Partner) in or alongside the Fund, the Firm is subject to potentially conflicting interests in connection with these investments. The Firm's allocation of co-investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to others.

In addition, the Firm in order to consummate a transaction or facilitate the acquisition of a portfolio investment and ensure the relevant Fund is afforded an investment opportunity or otherwise, is authorized to cause such Fund to fund such investment (or commit to fund such investment) through capital contributions or use of a credit facility on behalf of certain co-investors (including another Fund) with a view to selling down a portion of such investment to such co-investors or other persons at a later time or prior to or within a period after the closing of the acquisition. Any such purchase from the Fund by a co-investor or co-invest vehicle generally is expected to occur shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in the Firm's sole discretion, the Firm reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the Fund. If the Fund does not find co-investors and/or in the event that the co-investors breach their covenant to purchase the investment from the Fund, the Fund

will have an allocation to an investment that is larger than originally anticipated. In addition, the Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio investment, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent the Fund makes use of a credit facility to invest in a portfolio investment or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility and co-investors will not have any obligations under such facility. Conversely, the General Partner and its affiliates generally do not permit prospective co-investors to benefit from break-up fees (if any), and the Fund would generally expect to receive the entirety of the fee (other than amounts allocable to other co-lead investors or other private funds managed by the Firm or its affiliates), to the extent not applied to reimburse the Firm or its affiliates, prospective co-investors or others for certain expenses incurred in connection with such transaction.

In some cases, a co-investment vehicle may be formed in connection with the consummation of a transaction and such entity will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the transaction, ultimately is not consummated, or a potential co-investor does not invest in a planned co-investment, all fees (including break-up fees) and expenses or other liabilities or obligations (including broken deal fees and expenses) relating to any such proposed transaction generally would be borne by the Fund, and not by any potential co-investors that would have participated in such transaction. Typically, the Fund will bear such fees and expenses regardless of whether any co-investor(s) had yet been identified or confirmed, or whether any co-investment vehicle had yet been formed in connection with the relevant transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such fees and expenses.

The Firm reserves the right, in its sole discretion, to charge a management fee and administration fee, and obtain a carried interest in respect of any co-investment, and to receive transaction and other fees with respect to such co-investment. Since co-investments will not be made through a Fund, any compensation received by the Firm in connection with a co-investment does not offset the Management Fee. As indicated above, in certain circumstances, the Firm expects that certain co-investors will negotiate the right to share a portion of Transaction Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons.

The Funds are authorized to invest together with other Funds in the manner set forth in the relevant Governing Documents and/or Emblem's Allocation Policy. Potential conflicts are expected to arise when and to the extent a Fund makes an investment in a portfolio investment in conjunction with an investment made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. For instance, the Fund will likely not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund. This will likely result in differences in price, investment terms, leverage and associated costs between the Fund and any other Fund. Investments by more than one client of Emblem in a portfolio investment also have the potential to raise the risk of using assets of one client of Emblem to support positions taken by other clients.

Emblem and its affiliates may express inconsistent views of such investments or of market conditions more generally. To the extent a Fund sells its interest in a common investment to a third-party, it may impact the value of another Fund's interest in the same investment, and will give rise to the co-venturer risks described above. There can be no assurance that a Fund and other investing Fund(s) will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions. In that regard, actions taken for one or more Funds will potentially adversely affect other Funds.

The Firm also reserves the right to enter into cross-transactions on behalf of a Fund and other Funds, co-investors or co-investment vehicles, in which the Fund buys securities from, or sells securities to, or co-invests with, such other Funds, vehicles or persons. In some cases, a portfolio investment of a Fund will potentially be merged with or into a portfolio investment owned by another Fund. Any of these transactions raise potential conflicts of interest, including where (i) the assets of such Fund(s) are used to support positions taken by other Funds; and/or (ii) the transactions allow the Emblem or its affiliates to realize carried interest and/or obtain future Management Fees and/or carried interest with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Governing Documents or otherwise in the sole discretion of the Firm, the Firm is authorized to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the Funds to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Emblem) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. The Firm also is authorized to determine that the willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions, and therefore determine not to obtain any consent or fairness opinion (except where required by applicable law). Further, Funds nearing the end of their term are expected from time to time to sell their interest in commonly held investments to other Funds with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the relevant General Partners are assigned

varying percentages of carried interest from Funds in the same investment, or if economic terms, performance or the potential for carried interest vary between Funds, particularly when one Fund sells its portion of such investment to another Fund, which could cause a portion of such carried interest to become “realized.” Whether or not consent or an opinion is obtained, or a third-party invests, the Firm intends to conduct such transactions in a manner that the Firm believes to be fair and equitable to each Fund under the circumstances over time, including a consideration of the potential present and future benefits with respect to each Fund, including the relative ownership percentages of the Funds in the applicable investment, the length of time remaining in a Fund’s term and other factors similar to those discussed above regarding the allocation of investment opportunities. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances, Emblem generally will not seek a fairness opinion or Advisory Board consent given that such transactions typically are effected close in time to the initial Fund’s investment or pursuant to authorizing provisions in the relevant Governing Documents.

The Funds potentially will invest at the same, different or overlapping levels of a portfolio investment’s capital structure, which creates conflicts of interest in determining the terms and management of each such investment. Questions are likely to arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring will potentially raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio investment. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, other Funds will potentially not provide such additional capital, and if provided, each such Fund generally will supply such additional capital in such amounts, if any, as determined by the Firm in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio investment, the Firm and its affiliates are expected to face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In certain circumstances, a Fund is expected to be prohibited from exercising (or the Firm may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of the Fund may be subject to creditor claims regarding subordination of interests. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the Fund.

The Firm expects to be faced with a variety of potential conflicts of interest when it determines allocations of various fees and expenses to a Fund. The Firm, in its sole discretion, will allocate fees and expenses in accordance with the relevant Governing Documents and in a manner that it believes in good faith is appropriate under the circumstances and considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses will likely not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-investors receiving related benefits or proportionately in accordance with asset size,

or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or the Firm. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment. As a general matter, broken deal expenses are allocated among Limited Partners regardless of whether any individual Limited Partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also expect to bear fees and expenses indirectly to the extent a portfolio investment (or intermediate entity) pays fees and expenses, and the Firm reserves the right to charge fees and expenses to portfolio investments, capitalize fees and expenses into the cost basis of a transaction, or to the extent necessary or desirable for operational, administrative, tax or other reasons, charge fees and expenses at the level of an intermediate holding company between the relevant Fund and the portfolio investment. The amount of Fund expenses ultimately called or called at any one time may exceed expectations.

The Funds generally intend to make controlling investments in portfolio investments. As a result of these controlling interests, the Firm typically has the right to appoint portfolio investment board members (including Operations Group members and other current or former Firm personnel or persons serving at their request) of such portfolio investments, or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, portfolio investment board members frequently approve compensation and other amounts payable to the Firm and its affiliates in connection with services provided by the Firm and its affiliates to such portfolio investment, and, except to the extent such amounts are subject to the relevant Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest paid by a Fund to Emblem. The Firm's authority to appoint or influence the appointment of portfolio investment board members who are likely to be involved in approving compensation payable to the Firm subjects the Firm and any such portfolio investment board appointees to potential conflicts of interest. Decisions made by a director will potentially subject the Firm, the Fund or their respective affiliates to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. Personnel of the Firm or its affiliates (including Operations Group members) are likely to also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Any compensation received by such personnel in connection therewith will not be offset against the Management Fee or otherwise be shared with the Fund and/or Limited Partners.

As discussed above, if a Fund enters into any indebtedness with one or more other Funds and/or entities managed by the Firm or any of its affiliates on a joint and several basis, the applicable General Partners are expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, the Firm may be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances, Funds may be prohibited from exercising (or the Firm may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests.

Additionally, a portfolio investment typically will reimburse the Firm, Operations Group members or service providers retained at the Firm's discretion for expenses (including, without limitation, travel expenses) incurred by the Firm, Operations Group members or such other service providers in connection with the performance of services for such portfolio investment. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Emblem personnel. This subjects the Firm to conflicts of interest because the relevant Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the relevant Partnership Agreement and its internal reimbursement policies and practices, the Firm determines the amount of these reimbursements for such services in its own discretion.

The Firm or its affiliates also reserve the right to employ or retain personnel (including Operations Group members) with pre-existing ownership interests in or who were employed or retained by portfolio investments owned by a Fund; conversely, former personnel or executives of the Firm or its affiliates (including Operations Group members) will potentially serve in significant management roles at portfolio investments or service providers recommended by the Firm. Similarly, the Firm and/or its personnel maintain relationships with (and reserve the right to invest in) financial institutions, service providers and other market participants, and their respective personnel, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio investment finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio investment executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Firm, and/or a Fund and/or portfolio investments. The Firm expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a service provider to a Fund or a portfolio investment owned by the Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Firm information about markets and industries in which the Firm or its affiliates operate (or are contemplating operations) or will provide other services that are beneficial to the Firm or its affiliates. For example, the Firm will potentially cause a Fund to make payments to investment banks, all or a portion of which is for the purpose of generating future deal flow; however, such payments may not result in any future deal flow, or could create goodwill that ultimately results in future deal flow for one or more other Funds that did not pay such expenses. The Firm also expects to be subject to a potential conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between itself and the former, existing and prospective portfolio investments for a Fund and other Funds while the products or services recommended may not necessarily be the best available to the Funds and/or portfolio investments held by the Funds.

General Partners are generally permitted to receive distributions in-kind from the Funds, including in connection with investment dispositions or the payment in-kind of amounts owed to a General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the Limited Partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a

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

Over the life of a Fund, the Firm generally expects to exercise its discretion to recommend to the Fund or to a portfolio investment thereof that it contract for services or enter into other transactions with various service providers, potentially including (in addition to the persons referenced in the paragraph above), among others: (i) the Firm (or an affiliate, which is likely to include Operations Group members and/or other portfolio investments of the Fund or other Funds) and at rates determined or substantively influenced by the Firm; (ii) an entity with which the Firm or its affiliates or current or former personnel has a relationship or from which such person derives a financial or other benefit, including joint-venturers or co-venturers, or relationships where Firm personnel are seconded, or from which the Firm receives secondees; or (iii) a Fund Limited Partner or its affiliates. For example, the Firm will potentially initiate transactions or service agreements between two or more portfolio investments of a Fund and/or other Funds, and is authorized to engage certain Limited Partners or their affiliates that are engaged in lending or other businesses to provide financing and/or other services in connection with the Fund's investments. In addition, one portfolio investment potentially will provide goods or services to another portfolio investment, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio investment at a rate higher than could be obtained by such portfolio investment on the open market, or conversely, result in a portfolio investment providing services to another portfolio investment at a discounted rate. Additionally, the Firm has incentives to engage Limited Partners to provide services to a Fund and/or its portfolio investments, including financing, to maintain goodwill with such Limited Partners including with respect to investments made or that may be made in the Fund or another Fund. As a result, in each case, the products or services recommended may not necessarily be the best or lowest cost option.

The foregoing subjects the Firm to potential conflicts of interest, because although it intends to initiate transactions and select lenders and other service providers that it believes are aligned with its operational strategies and that will enhance portfolio investment performance, the Firm has an incentive to recommend the related or other person because of its financial or business interest, including a person's historical or potential future relationship with the Firm and/or the investment (or amount of investment) to be made in a Fund by such person. Additionally, there is a possibility that the Firm, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Firm, the Fund or other Funds), would favor a transaction, retention or continuation of lending or other services

even if a better price and/or quality of service provider could be obtained from another person. The Firm will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio investments to incur) the foregoing expenses. Although the Firm generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, the Firm expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services, these persons have the potential to have information advantages relative to other investors or co-investors, and potentially will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, Limited Partners should not expect service providers to Emblem or any Fund to provide services that will be the most beneficial to any Limited Partner. Whether or not the Firm has a relationship with or receives financial or other benefit from recommending a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition, as described above in “Fees and Compensation—Operations Group,” the Firm, its affiliates, the Funds and/or the portfolio investments expect to engage, employ or retain, on behalf of the Funds (including any alternative investment vehicle) and/or portfolio investments, as applicable, certain persons (including entities formed for the benefit of such persons and/or to facilitate the provision of their services), including Operations Group members (collectively, “**Special Consultants**”), which include affiliates of the Firm and employees or former employees of such affiliates and/or portfolio investments of other clients managed by the Firm or its affiliates. Special Consultants generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio investments or prospective portfolio investments, including operational aspects of such companies. Special Consultants are also expected to serve on boards of directors or similar governing boards of portfolio investments and provide other services as described in the relevant Governing Documents of a Fund. There can be no assurance that any Special Consultants or other consultants will be exclusive to the Firm and in some cases will not be exclusive. Special Consultants are expected to receive the compensation and benefits and expense reimbursements described above and in the relevant Governing Documents (“**Consulting Fees and Expenses**”), and no such amounts will offset or reduce any Management Fee.

In addition, Special Consultants are expected to receive office space, business cards, email addresses and other benefits (including, in some instances, health insurance) and are authorized to make use of other Firm resources, and other consultants are authorized to receive such benefits. Additionally, the Firm and/or portfolio investments provide certain opportunities for Special Consultants to invest in a Fund and/or separately its portfolio investments (without the payment of Management Fees or carried interest). The Funds and/or portfolio investments also reimburse costs and expenses incurred by Special Consultants, including travel, meals, lodging and reasonable and customary entertainment. Special Consultants also are expected to receive remuneration from the Firm and/or the Funds or their affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to Special Consultants by the Funds and/or portfolio investments will not offset the

Management Fee, and the use of Special Consultants is expected to fluctuate and/or expand over time. To the extent that Special Consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio investments or the Funds will bear a greater share of such compensation due to the utilization of Special Consultant services at a time when fewer of the Firm's other clients or their portfolio investments make use of such services. Under many of these arrangements, including where Special Consultants are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by Special Consultants.

It is possible that certain Special Consultants will have an equity or profit interest in the Funds, the General Partners, one or more other investment funds sponsored by the Firm or in an affiliate of the Firm or the portfolio investments of such other Funds, and generally are not expected to pay a management fee or carried interest with respect to such interests. Furthermore, Special Consultants are generally expected to participate in a Fund through the relevant General Partner or other vehicles and generally will not bear carried interest or Management Fees.

The General Partner intends to allocate Consulting Fees and Expenses between the Fund (and its alternative investment vehicles, portfolio investments or prospective portfolio investments), on the one hand, and the General Partner, on the other, in a manner that it believes is fair and equitable, typically based on the entity receiving the services provided by Special Consultants, and based on its internal policies and procedures and the relevant Governing Documents. The type, amount and allocation of Consulting Fees and Expenses are permitted to be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of Special Consultants, a percentage of the value of the portfolio investment, the invested capital exposed to such portfolio investment, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. The Firm will face potential conflicts of interest in determining the allocation of Consulting Fees and Expenses. For example, the Firm generally will not be allocated Consulting Fees and Expenses that relate to services performed by Special Consultants for the Fund and/or portfolio investments or prospective portfolio investments. However, these services also have the potential to provide a direct or indirect benefit to the Firm and/or its affiliates including other funds managed by the Firm and/or its affiliates. Therefore, the Firm has an incentive to classify a particular service as being for a Fund and/or a portfolio investment or prospective portfolio investment, even though it may directly or indirectly benefit the Firm and/or its affiliates, in whole or in part. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the Firm.

Similarly, the Firm reserves the right to designate Special Consultants in its sole discretion, and has an incentive to do so in order to shift costs to the Fund and/or its portfolio investments that would otherwise be borne by the Firm or its affiliates as overhead, and to avoid any offset to the Management Fee with respect to Consulting Fees and Expenses paid to such persons. In some cases, Firm personnel will be designated as Special Consultants on a temporary basis or with respect to services they perform that are of the type described herein for the Special Consultants (*e.g.*, if persons will focus on both investment and Special Consultants initiatives, as applicable). In doing so, the Firm faces a conflict in determining the extent to which a Fund or its portfolio investments bear the related Consulting Fees and Expenses, since Consulting Fees and

Expenses borne by the Fund and/or its portfolio investments would reduce the costs that the Firm would be required to bear. Such determinations involve inherent matters of discretion by the Firm and as described above, the Firm has the potential to derive benefits from the services provided by such personnel in their capacity as Special Consultants. Special Consultants also are permitted to become employed by portfolio investments, and therefore their compensation similarly would be borne by the applicable portfolio investments. Accordingly, any such personnel redesignation or change in employment relationship would increase the costs and expenses directly or indirectly borne by the Funds. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the Firm.

Although the Firm anticipates that Special Consultants will be employed or retained by the Firm and/or its affiliates with a view to reducing costs to portfolio investments or prospective portfolio investments (and, ultimately, the Funds) and/or improving portfolio investment performance, a number of factors may result in limited or no cost savings. As a general matter, there can be no assurance that the services rendered by Special Consultants will be effective and result in Fund returns. Moreover, the Firm and/or its affiliates only anticipate employing, engaging or retaining Special Consultants that they believe provide services that will create value, while providing them with competitive Consulting Fees and Expenses and other benefits commensurate with their experience and perceived ability to create value. However, there can be no assurance that there is no other personnel or service provider more qualified to provide the applicable services and/or able to provide them at lesser cost, and the Firm does not undertake any benchmarking against other service provider rates.

With respect to a Fund's control investments, the Firm will generally have the right to direct actual and prospective portfolio investments to engage or retain Special Consultants, and such control position and/or the Firm's or its affiliates' membership on a portfolio investment's board generally are expected to diminish or eliminate portfolio investment management's ability and/or incentive to negotiate fees or expenses of such Special Consultants. However, in certain cases, including where the Fund does not own a controlling interest in a portfolio investment, the portfolio investment, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Special Consultants. In such cases, where the Firm believes the services of Special Consultants will benefit a portfolio investment, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio investment, notwithstanding that other equity holders in that portfolio investment will receive any returns that result from Special Consultants.

Emblem and/or its affiliates and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Emblem entities, whether or not relating to financing Emblem personnel obligations to fund General Partner commitment obligations) to Emblem personnel and their estate planning vehicles.

In certain circumstances, current or former Firm personnel and/or Operations Group members also are permitted to serve in interim or part-time roles at portfolio investments, or will provide services to portfolio investments as secondees or in similar capacities, while potentially

maintaining certain benefits, office space, support services and/or indicia of employment at the Firm. Under such arrangements, the relevant portfolio investment generally will pay all or a portion of the compensation, expenses and benefits in respect of such employees and or Operations Group members (including salary, bonus, insurance benefits and paid time off) which will not offset a Fund's Management Fee, or may supervise or oversee such employees. These arrangements could create conflicts of interest, in that any compensation (including benefits and other incentives or opportunities (including investment opportunities)) that would ordinarily be borne by the Firm as overhead in respect of those personnel would be borne by the portfolio investment when they are secondees or other portfolio investment personnel. Therefore, the Firm has an incentive to cause its personnel to become externs or secondees or serve in similar roles to reduce its overhead or otherwise shift costs to portfolio investments. As secondee arrangements are often initiated to meet temporary portfolio investment needs, they are expected to change over time, and in many cases will be ended by the Firm when the portfolio investment is sold or when the position can be filled on a longer-term or permanent basis, at which point the secondees may or may not return to the Firm. It is possible that certain Firm personnel and Operations Group members will serve as secondees or other personnel with respect to multiple portfolio investments and perform services that directly or indirectly benefit the Firm while serving as secondees or other portfolio investment personnel. In other circumstances, former Firm personnel or Operations Group members potentially will become employees of, or service providers to, portfolio investments. No compensation earned or benefits received by such former Firm personnel and Operations Group members will offset a Fund's Management Fee.

Personnel of the Firm also expect to serve, as members of boards of directors of companies not related to the Firm, or former portfolio investments of a Fund, and to have investments in such companies. Such companies are in the same industry as the Funds expect to invest in, and have the potential to compete with portfolio investments of the Funds. In such cases, such persons are expected to be subject to fiduciary and other obligations to the relevant companies, in addition to fiduciary obligations owed to the Funds. It would be expected that the interests of a competitor company would not be aligned with those of a Fund or the Fund's portfolio investments. This will potentially result in a conflict between the relevant individual's obligations to a portfolio investment or competing company and the interests of the Fund. In some circumstances, having such individuals serve as directors, board members or interim executives of a portfolio investment of a Fund or another company is likely to restrict the ability of the Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

Firm personnel are also permitted to serve on boards or act in other roles including for charitable and educational institutions, trade groups and industry associations. Subject to any limitations in relevant Governing Documents, personnel of the Firm are expressly authorized to carry on investment activities for their own account and for family members, friends or others who do not invest in a Fund, whether or not through a formal family office or estate planning structure, and will potentially give advice and recommend securities to vehicles which will differ from advice given to, or securities recommended or bought for, a Fund, even though their investment objectives are the same or similar. Such persons are also permitted to have capital investments in or alongside a Fund, or in prospective portfolio investments. Such investments also may be (directly or indirectly through investment vehicles sponsored by potential competitors) in the same industries as a Fund invests, and may compete with the Fund for

investment opportunities and/or compete with portfolio investments of the Fund. Such personnel also potentially will pay or receive compensation relating to these arrangements.

In borrowing on behalf of a Fund, the Firm is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the Limited Partners would otherwise be entitled had the Firm called capital, and thus could result in the Firm receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a Limited Partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line will be significant, and there can be no assurance that the benefits to Limited Partners will be commensurate with such costs. The Firm will affect such borrowings in a manner it believes to be appropriate, under the circumstances over time, and consistent with the Firm's obligations to the Fund under its Partnership Agreement.

The Funds' Governing Documents provide the Firm with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect the compensation of the Firm and its affiliates. In making such determinations, the Firm is subject to potential conflicts of interest. For example, the potential to earn additional compensation can create an incentive for the Firm to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Firm expects to be incentivized to cause the Funds to make, hold, value and/or dispose of investments, and to delay or forego a determination that investments with an impaired value should be Impaired Value Investments, in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case. Where the Management Fee is calculated taking into account the valuation of an investment, including a determination of whether an investment has become an Impaired Value Investment, the Firm will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the relevant Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, the Firm is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the Firm is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the Firm expects to be subject to related conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value

Investment, within the requirements of the relevant Governing Documents. Fund Governing Documents provide the Firm with wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the Firm or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors, and to vary over time. There can be no assurance that a third party or Investor would agree with the substance or timing of the Firm's determination that an investment is an Impaired Value Investment, and, except as set forth in the Governing Documents, neither the Firm nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The Firm is entitled to make its own determination, subject to the provisions of the relevant Governing Documents, taking into account all facts and circumstances it deems relevant, including without limitation, the Firm's expectation of the portfolio investment's recovery period; significant defaults on any obligations of the portfolio investment; the number of quarters the portfolio investment has been written down below its aggregate acquisition cost; whether the write-down was primarily due to the portfolio investment's weakening operating results as opposed to market conditions, comparable transactions or valuations of comparable public companies; ongoing failure of the portfolio investment to attain certain milestones or significantly failing to meet budgets and intent to file for bankruptcy. No one factor is determinative. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of compensation to the Firm and its affiliates is dependent in part on an investment's status as an Impaired Value Investment, the Firm faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Firm and its affiliates intend to operate in accordance with the relevant Governing Documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations. In addition, because the Fund has a fixed investment period after which capital from Limited Partners generally may only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of the Fund, calculated based upon the invested capital the Fund, the Management Fee structure may create an incentive for the Firm to deploy capital when it might not otherwise have done so.

The Firm, its affiliates, and equity holders, officers, Principals and other personnel of the Firm and its affiliates reserve the right to buy or sell securities or other instruments that the Firm has recommended to a Fund. In addition, the Firm's personnel reserve the right to buy securities in transactions offered to but deemed unsuitable for the Fund, but will not in such circumstances be required to share in, reimburse or compensate the Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the relevant Governing Documents and any related policies and procedures of the Firm. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of the Fund. Personnel and related persons of the Firm are permitted to have capital investments in or alongside the Fund, or in prospective portfolio investments, directly or indirectly, as well as in investment vehicles (including private funds) sponsored by

potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

Because the Firm and its affiliates are permitted to retain certain Supplemental Fees (as described under “Fees and Compensation”), in connection with Fund investments, it expects to be subject to potential conflicts of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio investment but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio investment. In certain circumstances, the Firm expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such Supplemental Fees from a particular investment, and any Management Fee offset percentage will be applied after excluding any amounts paid to such persons. Any Supplemental Fees with respect to an investment or potential investment (including unconsummated transactions) generally will be allocated to the relevant Fund only to the extent of the Fund’s relative ownership or anticipated ownership of such investment or potential investment on a fully-diluted basis. Accordingly, the Fund will, in most cases, only benefit from any Management Fee offset with respect to its allocable portion of any such Supplemental Fee and not the portion allocable to any other person that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment (including with respect to non-control investments), including, without limitation, sellers or current or former portfolio investment management who have rolled their interests in the investment or reinvested proceeds or any other co-investor. Additionally, the Firm, its personnel, affiliates or others designated by the Firm, including Special Consultants and other service providers, expect to receive compensation in the form of portfolio investment securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied (typically based on the then-present value of such securities), the Firm and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio investment and/or the Firm or retain such securities for a period consistent with their own financial and investment objectives, which is likely to differ from those of the Fund). In addition, because portfolio investment securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting the Fund’s relative ownership of the portfolio investment awarding such compensation (and simultaneously diluting the Fund’s allocated share of any Supplemental Fees).

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

compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio investments.

The Firm, its affiliates and personnel, and persons selected by them are expected to receive the benefit of “friends and family” and similar discounts from portfolio investments owned by the Funds under which such portfolio investments make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio investment to the Firm, any other portfolio investment, or third parties have the potential to affect the returns of the portfolio investment.

The Firm is authorized to institute a program under which portfolio investments owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with other portfolio investments. Program participants expect to receive discounts negotiated with various vendors and service providers on a group wide basis. The Firm expects to allocate any fees and third-party administration costs for the program among the relevant Funds and portfolio investments. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. The Firm and its affiliates reserve the right to also participate in the program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio investments participating therein. No such amounts will offset or reduce the Management Fee. The Firm believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio investments (which is expected to be to the benefit of the Funds) that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market.

In connection with its services to the Funds and their investments, the Firm, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of the Firm’s operations, including research, due diligence, investment monitoring, operational improvements and investment activities, the Firm and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to the Fund or a portfolio investment (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “**Emblem Information**”). In many cases, Emblem Information will include tools, procedures and resources developed by the Firm to organize or systematize Emblem Information for ongoing or future use. Although the Firm expects the Funds and their portfolio investments generally to benefit from the Firm’s possession of Emblem Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio investments and not by the Fund or its portfolio investments from which the Emblem Information was originally received. Emblem Information will be the sole intellectual property of the Firm and solely for the use of the Firm. The Firm reserves the right to use, share, license, sell or monetize Emblem Information, without offsetting or otherwise reducing Management Fees, and neither the Funds nor portfolio investments will receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio investments are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, “points,” “cash back,” rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether

or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio investments, the Funds or Limited Partners; no such rewards will offset or reduce Management Fees.

As with other private equity fund sponsors, as part of the Firm's business, the Principals, the Firm and its personnel have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and personnel of current and former portfolio investments and former personnel and members of the Firm or prior firms of the Principals. Certain of these third parties are expected, from time to time, to: (i) introduce investment opportunities to the Firm; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio investments; (iii) introduce portfolio investments to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio investments; or (v) solicit investors for the Funds; and/or (vi) provide investment banking, consulting, legal or advisory services to the Firm, such Funds and/or portfolio investments. Such third parties also potentially will provide goods or services to or have business, personal, political, financial or other relationships with the Principals and to provide gifts and entertainment to Firm personnel in respect of services provided to the Funds or their respective portfolio investments, even though the Funds and portfolio investments bear such service provider costs. In addition, such third parties are permitted to invest in one or more Funds; co-invest in one or more portfolio investments; or provide other significant business or investment services to the Firm, its Funds and/or their portfolio investments. These relationships have the potential to influence the Firm in deciding whether to select or recommend any such third-party to perform services for a Fund or a portfolio investment. The cost of any services provided by such third parties generally will be borne directly or indirectly by the relevant Fund or its portfolio investments, as applicable.

In certain cases, the Firm will have the opportunity (but generally no obligation unless otherwise agreed to with Limited Partners in Side Letters or applicable Governing Documents) to identify one or more secondary transferees of interests in a Fund. In such cases, the Firm will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors as described below, and unless required by the applicable Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Limited Partners. However, the Firm is also authorized to purchase Limited Partner interests for its own account and generally has no obligation to offer such interests to Limited Partners.

The Firm and the Funds, without any further act, approval or vote of any Limited Partner, intend to enter into Side Letters or other similar agreements with certain Limited Partners that have the effect of establishing rights (including economic terms), many of which will not be subject to the "most-favored nation" provisions of relevant Governing Documents, under, or altering or supplementing the terms of, relevant Governing Documents with respect to certain Limited Partners. As a result of such Side Letters, certain Limited Partners will receive additional benefits that other Limited Partners do not receive, and such benefits potentially will be significant. Further, the Firm is likely to have its own economic and/or other business incentives to provide certain terms to certain Investors (*e.g.*, based on commitment amount to a

Fund or the timing thereof, the ability of the Investor to provide sourcing or other services to the Firm or a Fund, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm or a Fund). Such rights, terms or confirmations in any such Side Letter or other similar agreement may potentially include (i) different economic terms, including reduced management fees, modified waterfall mechanics and/or reduced carried interest and/or receipt of a portion of the Firm's or its affiliates' management fees, other fees and/or carried interest; (ii) the ability to opt-out of certain types of investments (including with respect to investments in certain geographies and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from the Fund or the Firm or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to the Fund as a substitute Limited Partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from the Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the Investor's commitment in the Fund would exceed a certain percentage of the Fund's aggregate commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying Investors, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of the Fund's Advisory Board, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such Limited Partner or its affiliates, or (xv) certain other terms whether economic, procedural or otherwise. Side Letters may also relate to strategic relationships under which an Investor agrees to make capital commitments to multiple Funds. Side Letters subject the Firm to potential conflicts of interest, including in circumstances where an Investor's right to serve on the relevant Fund's Advisory Board results in the Investor receiving additional information relative to other Investors. To the extent an Investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other Investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant Limited Partner at the expense of the relevant Fund or of Limited Partners as a whole, including in the event that a Side Letter confers additional reporting information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more Limited Partners being excused or excluded from, or from regulatory, tax or other factors altering or limiting their participation in, certain investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a Limited Partner defaults on a drawdown in respect of an investment.

The Firm is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (*e.g.*, based on commitment amount to the Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to the Firm, its affiliates and personnel or the Fund), or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm, its affiliates and personnel, or the Fund. Further, although the Firm believes it to be unlikely, excuse rights requested or received by one or more Limited Partners (or such regulatory, tax or other

factors applicable to such Limited Partners) representing a substantial percentage of the Fund have the potential to create significant variations in Limited Partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the Firm on behalf of the Fund as a whole. A Limited Partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the applicable Governing Documents; conversely, a limitation on one or more Limited Partners' voting rights generally will increase the voting rights percentage of other Limited Partners in the Fund. Further, Limited Partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below the Fund. The other Limited Partners will generally have no recourse against the Fund, the Firm and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such Side Letters. The Firm will be required to notify the other Limited Partners of any such Side Letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other Limited Partners, only to the extent provided in the applicable Governing Documents.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Emblem will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act. The relevant liability standards under insurance coverage procured by the Firm are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the relevant Governing Documents. Limited Partners generally will be responsible for insurance premiums, as set forth in the relevant Governing Documents, regardless of whether the liability and/or indemnity standards in the Firm's insurance coverage are higher or lower than that set forth in the relevant Governing Documents.

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

DISCIPLINARY INFORMATION

Emblem and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Emblem is affiliated with other Firm investment advisers, including General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Emblem's registration in accordance with SEC guidance. These entities operate as a single advisory business together with Emblem and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Emblem has adopted the Emblem Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of Emblem's Principals and other personnel and addresses conflicts that arise from personal trading. The Code requires certain Emblem personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering, and prohibits Emblem personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from the Emblem Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any Investor or prospective Investor upon request to Emblem's Chief Compliance Officer at (781) 208-2409. Personal securities transactions by Emblem personnel who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

Accordingly, should Emblem or any of its affiliated persons come into possession of material, non-public or other confidential information with respect to any public or non-public company, Emblem generally would be prohibited from communicating such information to clients, and Emblem will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and/or procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Emblem personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and other personnel of Emblem and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio investments as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Emblem, as well as third party Investors and other persons,

and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio investment or through an intermediate entity in a portfolio investment's structure. Such co-investment opportunities generally will be allocated in the manner described under "Conflicts of Interest."

Emblem and its affiliates, Principals and other personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by Investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

Each General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, Emblem or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund.

In borrowing on behalf of a Fund, Emblem is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the Limited Partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner generally will not participate in a Fund-level borrowing facility, and generally will not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the Limited Partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a Limited Partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to Limited Partners will be commensurate with such costs.

Emblem will affect such borrowings consistent with a Fund's Governing Documents, and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

BROKERAGE PRACTICES

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

If Emblem sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Emblem. In such event, Emblem will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Emblem reserves the right to consider a variety of factors, including, but not limited to: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

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

Consistent with Emblem seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Emblem generally does not make use of such services at the current time and has not made use of such services since its inception.

Emblem does not anticipate engaging in significant public securities transactions; however, to the extent that Emblem engages in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Emblem also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. Emblem is permitted, but not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Emblem is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or

sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible; provided Emblem believes they are fair and equitable to its clients under the circumstances over time. Funds participating in a batched order of publicly traded securities will be allocated their *pro rata* portion of related brokerage commissions and other execution costs.

In Emblem's private company securities transactions on behalf of the Funds, Emblem reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio investments. As a result, although Emblem generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

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

Each Fund generally will provide to its Limited Partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each Limited Partner's tax return and (iii) periodic reports providing a narrative summary of the status of each portfolio investment.

CLIENT REFERRALS AND OTHER COMPENSATION

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

Emblem reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees payable to any such placement agents generally will be borne by Emblem indirectly through an offset against the Management Fee under the Governing Documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but

not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

Emblem has retained Lincoln International LLC, a placement agent, to solicit commitments from investors for the Funds in exchange for a cash fee based on a percentage of the aggregate principal amount of Fund commitments made by certain third-party investors (depending on the amount of commitments), subject to certain exclusions and exceptions, in addition to the reimbursement of certain expenses.

CUSTODY

Emblem generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “**Custody Rule**”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodians: First-Citizens Bank & Trust Company, Santa Clara, California.

INVESTMENT DISCRETION

Emblem has discretionary authority to manage investments on behalf of each Fund. As a general policy, Emblem does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Emblem and/or its affiliates have entered, and expect to enter, into Side Letters with certain Limited Partners whereby the terms applicable to such Limited Partner’s investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Emblem assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the Limited Partners of such Fund.

VOTING CLIENT SECURITIES

Emblem has adopted the Emblem Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds’ (and any Fund’s) portfolio investments. The Proxy Policy seeks to ensure that Emblem votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Emblem generally believes its interests are aligned with those of each Fund’s Investors, for example, through the Principals’ beneficial ownership interests in such Fund and therefore will not seek Investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Emblem may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s Advisory Board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s Advisory Board is authorized to approve Emblem’s vote in a particular solicitation. Emblem does not consider service on portfolio investment boards by Emblem personnel or Emblem’s receipt of management or other fees from portfolio investments to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Emblem when voting proxies on behalf of a Fund. Clients or Investors that would like a copy of Emblem’s complete Proxy Policy or information regarding how

Emblem voted proxies for particular portfolio investments may contact Emblem's Chief Compliance Officer at (781) 208-2409, and it will be provided at no charge.

FINANCIAL INFORMATION

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