

# INSIGHT PARTNERS

FORM ADV

Uniform Application for Investment Adviser Registration Part 2A

INSIGHT VENTURE MANAGEMENT, LLC

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As of March 29, 2024

**This brochure provides information about the qualifications and business practices of Insight Venture Management, LLC. If you have any questions about the contents of this brochure, please contact us at 212-230-9200 and/or [contact@insightpartners.com](mailto:contact@insightpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Insight Venture Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration does not imply a certain level of skill or training.**

## **Item 2 Material Changes**

There have been no material changes since the most recent update to Part 2 of Insight Venture Management, LLC (“Insight”, the “Investment Manager” or “we”), which was the update made as of June 30, 2023.

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## **Item 4 Advisory Business**

Insight is an investment manager of private investment funds focused primarily on investing in growth-stage software, software-enabled services and Internet businesses as well as other strategies. Insight was founded in 1995. The owners of Insight are Jeffrey Horing, Deven Parekh, Jeffrey Lieberman and Michael Triplett through their respective interests in Insight Holdings Group, LLC.

Insight provides discretionary investment management services to pooled investment vehicles (each, a “Fund” or “Insight Fund”) in accordance with individually negotiated investment objectives, strategies and guidelines, which may include restrictions on investing in certain securities or types of securities. Investors in the Funds (each, an “Investor”) invest with Insight by purchasing interests in a Fund when the Fund is raising capital. Please refer to Items 8 and 16 for more detailed descriptions of Insight’s investment strategies and restrictions.

Insight managed \$89,284,508,261 of client assets on a discretionary basis (and \$0 on a non-discretionary basis) as of December 31, 2023.

All discussions in this brochure of the Funds, their investments, the strategies Insight uses in managing the Funds, and the fees associated with an investment in the Funds are qualified in their entirety by reference to the Funds' private placement memoranda and amended and restated limited partnership agreements. This brochure and the material contained herein is not meant to be, nor shall it be construed as, an offer or solicitation of an offer for the purchase or sale an interest in the Funds.

## **Item 5 Fees and Compensation**

### **Management Fee**

With respect to Insight's flagship Funds, which generally invest in equity and equity related securities ("Flagship Funds"), Insight generally receives an annual management fee (the "Management Fee") from each Fund with respect to each Investor in such Fund. The Management Fee rate charged differs from Fund to Fund but is generally up to 2% of such Investor's commitment during the Fund's investment period or until Management Fees are payable to a successor Fund. After the investment period or when Management Fees are payable to a successor Fund, the Fund generally pays a Management Fee based on each Investor's pro rata share of the Fund's invested capital. Invested capital equals the balance of the acquisition cost of the portfolio investments held by the Fund, taking into account any permanent impairments of portfolio assets and otherwise as such acquisition cost is determined under the Fund's limited partnership agreement, which may differ from the cost basis determined under generally accepted accounting principles.

Unless a Fund's limited partnership agreement sets out specific criteria for determining when a portfolio investment is permanently impaired, a portfolio investment will be deemed permanently impaired when Insight determines, in accordance with its valuation policy, that the fair value of a Fund's aggregate remaining investment in a portfolio company is less than 50% of the acquisition cost of that investment for four consecutive quarters.

Once a portfolio investment is deemed permanently impaired, an amount equal to the difference between the acquisition cost and the fair value of the portfolio investment will be removed from the invested capital, and that reduction will impact management fees calculated beginning in the quarter following the issuance of a fund's quarterly financial statements to limited partners reflecting that a portfolio investment has been permanently impaired. To the extent a portfolio investment continues to depreciate after Insight has declared it permanently impaired, we will further mark down its fair value and remove the amount of that incremental further markdown from the management fee base, in each case in accordance with Insight's valuation policy (*i.e.*, quarterly). To the extent a portfolio investment appreciates after we have declared it permanently impaired, we will not mark up its fair value for management fee purposes. Insight will determine

whether to permanently impair a portfolio investment at the aggregate portfolio company level unless Insight reasonably expects to realize on the investment at the individual security level rather than collectively for the interests in the portfolio company. Finally, if any Fund has a limited partnership agreement setting out specific criteria for a portfolio investment to be permanently impaired, Insight will make its permanent impairment assessment in accordance with the criteria set out in that agreement.

Management Fees are generally payable quarterly in advance and are deducted from the account of each Fund. Funds that Insight forms to co-invest alongside a Fund in certain investments (each, a “Coinvestment Fund”) generally charge a lower or no Management Fee and may have a sliding scale for Management Fees based on the size of Investor commitments or other criteria. Insight also has formed Current Fund Co-Invest Vehicles (as defined below) that do not charge a Management Fee and Carried Interest to Investors with the exception of a few Current Fund Co-Invest Vehicles where a small Carried Interest is charged to the Investor for tax structuring purposes.

With respect to Funds that Insight sponsored to invest in structured equity and/or secured or unsecured credit (each, an “Opportunities Fund”), the Management Fee rate charged with respect to an Investor ranges from 0.75% to 1.00% of such Investor’s commitment during the first 18 months of the investment period or until Management Fees are paid to a successor Fund. Thereafter, an Opportunities Fund generally pays a Management Fee based on each Investor’s pro rata share of an Opportunities Fund’s acquisition cost of the portfolio investments held by such Opportunities Fund, taking into account any permanent impairments of such portfolio assets and otherwise as such acquisition cost is determined under the Opportunities Fund’s limited partnership agreement, which may differ from the cost basis determined under generally accepted accounting principles.

Insight has sponsored the formation of (i) two Funds for the purpose of acquiring, holding, making follow-on investments in, and disposing of certain portfolio investments of certain prior Funds (each, a “Continuation Fund”) and (ii) two Funds for the purpose of acquiring, holding, making, and disposing of follow-on investments in certain Flagship Funds portfolio investments (the “Follow-On Funds”). Insight does not charge Management Fees to the Follow-On Funds. Insight does not charge Management Fees to one of the Continuation Funds, and charges a Management Fee to the other Continuation Fund at a rate of 0.50% per annum of the acquisition cost of the applicable portfolio investments held by such Continuation Fund, taking into account any permanent impairments of such portfolio assets and otherwise as such acquisition cost is determined under the Continuation Fund’s limited partnership agreement, which may differ from the cost basis determined under generally accepted accounting principles.

Insight has also sponsored the formation of the Insight Partners Public Equities Fund (the “IPPE Fund”) and the IPPE Liquid Fund (the “Liquid Fund” and, together with the IPPE Fund, the “Hedge Funds”), each with an indefinite term. The Funds other than the Hedge Funds, the Vision Fund-of-Funds and the JV Fund-of-Funds are referred to as the “Private Equity Funds.” The IPPE

Fund's Management Fee for each fiscal quarter is equal to a quarter of the result of the applicable management fee rate, ranging from 0.75% to 1.5% per annum, multiplied by the balance of each capital account of an Investor as of the beginning of such fiscal quarter. The Liquid Fund's Management Fee for each month is equal to a twelfth of the result of the management fee rate, equal to 0.5% per annum, multiplied by the balance of each capital account of an Investor as of the beginning of such month. The Hedge Funds will calculate and pay the Management Fee in advance which will be deducted from the account of the applicable Hedge Fund, but the IPPE Fund will amortize the Management Fee monthly over the fiscal quarter for which such Management Fee is paid.

Further, Insight has also sponsored the formation of a fund of funds (the "Vision Fund-of-Funds") for the purpose of investing in private funds managed and/or sponsored by emerging managers and/or managers that are generally from diverse/minority background that generally target early-stage and/or growth investments in the software, software-enabled services, internet or other technology businesses. Insight does not charge any Management Fees to the Vision Fund-of-Funds. Insight, together with a third party investment adviser (together, the "Co-Managers") under a joint venture arrangement, co-sponsored the formation of a fund of funds (the "JV Fund-of-Funds") for the purpose of investing in investment funds that primarily target investments in start-up, early-stage and emerging companies (pre-seed and seed rounds) in the software and technology sectors. The Management Fee paid to the Co-Managers by the JV Fund-of-Funds is 1% of an Investor's commitments until the fourth anniversary of the initial closing of the JV Fund-of-Funds. Thereafter, the Management Fee is 0.75% of an Investor's commitments until the eighth anniversary of the initial closing of the JV Fund-of-Funds. Beginning on the eighth anniversary of the initial closing of the JV Fund-of-Funds and until the twelfth anniversary thereof, the Management Fee is equal to 0.50% of an Investor's commitments. Beginning on the twelfth anniversary of the initial closing date and for each 12 month period thereafter, the Management Fee is 0.50% of the cost basis (as defined by U.S. Generally Accepted Accounting Principles) of the JV Fund-of-Funds' remaining assets as of the last day of the preceding 12 month period in accordance with the applicable accounting convention.

Generally, once a Private Equity Fund has reached the end of its original term it no longer pays Management Fees. In addition, Insight has in the past in certain circumstances elected, and may in future elect, to not charge a Management Fee to certain Investors within a Fund. For example, other than with respect to some older Funds, Insight generally does not charge Management Fees for Investors who are employees or former employees of, and has in the past in certain circumstances elected, and may elect in the future elect, not to charge Management Fees for Investors who are otherwise related to, Insight or its personnel. While Side-by-Side Funds (as described below in response to Item 7) pay Management Fees and Carried Interest, the Investors in such Side-by-Side Funds are more likely to be Investors who do not pay Management Fees and/or Carried Interest (as defined below in Item 5). Management Fees are paid by a Fund from capital contributions of the Fund Investors, proceeds from Fund investments or other cash available to a Fund.

Insight does not charge separate monitoring or advisory fees with respect to the investments of the Funds, except that it sometimes receives such fees or similar fees in transactions where other fund managers or third parties leading a transaction are charging such fees. Those fees are subject to offset as described below. Generally, the terms of such fees are negotiated by the party leading the transaction and the agreements governing such fees have and are expected to contain typical terms for such fees, such as acceleration of monitoring fees upon an initial public offering or change of control. Insight personnel receive compensation from some portfolio companies for serving on the boards of directors of such companies, again, subject to offset as described below. Except with the consent of a Fund's limited partner advisory committee (each, an "Advisory Committee") in instances where a Fund's limited partnership agreement so permits, a Fund's allocable share of any advisory fees, directors compensation, break-up fees, topping fees or other similar fees received by the Fund's general partner, Insight, or their respective affiliates related to a portfolio investment or a proposed but unconsummated investment (less certain unreimbursed expenses) will generally be offset on a prospective basis against Management Fees or in some, but not all instances where Investors do not pay Management Fees, against partnership expenses as more specifically set forth in the limited partnership agreements governing each Fund. Such fees will be allocated by Insight in good faith among the Funds, including the Side-by-Side Funds, pro rata in proportion to their respective investments or proposed investments in the relevant portfolio investments or, with respect to proposed investments, to the extent permitted by the applicable limited partnership agreements, such other method as Insight determines is reasonable and fair. In certain Side-by-Side Funds, allocable amounts were not required to be offset against Management Fees or partnership expenses as described for other Funds above. Insight or its affiliates also receive fees from some portfolio companies for consulting services provided by the Insight Onsite group, an in-house consulting practice operated by Insight that provides services to portfolio companies. Historically, for the Funds organized prior to 2017, there was no reduction in the Management Fee or partnership expenses for fees paid by portfolio companies for the services of the Insight Onsite group in a given fiscal year unless those fees exceeded an aggregate dollar amount for all Insight Funds using Insight Onsite consulting services calculated according to the terms of the Funds' limited partnership agreements. Any such excess was then allocated among such Funds and offset. From January 1, 2018, consistent with its approach with respect to the Funds organized after 2017 or later, Insight has determined that with respect to all of its Funds, the portion of fees paid to Insight Onsite that is allocable to a relevant Fund will reduce the Management Fees or partnership expenses, as applicable, payable by such Fund. Insight Onsite is discussed more fully below in response to Item 8.

Insight may build or invest in resellers, consultants and other "channel partners" and/or "strategic partners" in the anticipation that they could accelerate the sales of portfolio companies, help portfolio companies grow, provide portfolio companies with access to business and engineering talent, and afford portfolio companies access to markets earlier than they would otherwise find on their own and/or otherwise provide certain benefits or value to such portfolio companies. Any such "channel partner" and/or "strategic partner" that provide services to a Fund's portfolio company will be disclosed to the Advisory Committee of such Fund, and where such channel partner and/or strategic partner is a controlled affiliate of Insight, Insight will use its commercially

reasonable efforts to cause the terms of any contract or transaction with such portfolio company to be no more favorable to such channel partner and/or strategic partner than could be obtained in arm's-length negotiations with unrelated third persons for similar services or in similar transactions.

Generally, for each applicable fiscal year, to the extent Insight receives any distributions or is allocated profits from any channel partner and/or strategic partner, as applicable, Insight will in good faith allocate such amount among each of the Funds that had at least one portfolio company which paid fees to such channel partner and/or strategic partner for services rendered, pro rata in proportion to their average net asset values for such fiscal year. The portion that is allocated a Fund will be allocated among the Investors that bear Management Fees based on their commitments and offset against their Management Fees.

In connection with the foregoing, to the extent that any offset of the aforementioned fees, profits or distributions received by a Fund's general partner, Insight, or their respective affiliates related to a portfolio investment or a proposed but unconsummated investment (less certain unreimbursed expenses) would reduce the applicable Fund's Management Fees for a given period below zero, a credit will be carried forward for future application against payable Management Fees and if a credit remains upon dissolution of a Fund, such Fund's limited partnership agreement may provide that such excess will be allocated to the Investors who elect to receive it or, with respect to older Funds, Insight may be permitted to keep such excess. Management Fees will be further reduced by any placement fees paid by a Fund and by other organizational expenses in excess of any cap set in a particular Fund's limited partnership agreement.

### **Carried Interest**

The performance based compensation paid by a Fund (the "Carried Interest") generally is paid to an affiliate of Insight in its capacity as a general partner of the Fund ("General Partner") when distributions are made to the Investors and is based on a "Carried Interest Percentage." For the Hedge Funds, the Carried Interest is paid at the end of the applicable Hedge Fund's fiscal year. The Carried Interest Percentage and the timing of its distribution may vary from Fund to Fund. The Carried Interest Percentage charged to a Fund is detailed in such Fund's limited partnership agreement. Most typically, the Carried Interest Percentage of a Fund equals 20% of a Fund's return on invested capital, but is subject to certain conditions and may be greater or less than 20% (or other specified Carried Interest Percentage for such Fund). For the IPPE Fund, the Carried Interest equals 20% of the amount of net capital appreciation of the IPPE Fund's liquid investments and realized or deemed realized private investments, but is subject to certain conditions. For the Liquid Fund, the Carried Interest equals 20% of the amount of net capital appreciation of the Liquid Fund's investments, but is subject to certain conditions and limits on its applicability to all Investors, which are detailed further in the Liquid Fund's limited partnership agreement. In a Coinvestment Fund, different groups of Investors may bear different Carried Interest Percentages. Each Private Equity Fund's limited partnership agreement typically contains one or more "clawback" provisions providing Investors the opportunity to recoup from the Fund's General

Partner distributions which exceed the Carried Interest Percentage. The mechanics of the clawback may vary from Fund to Fund and are more fully described in each Fund's limited partnership agreement. In addition, Insight may waive or reduce Carried Interest with respect to certain Investors within a Fund. Insight generally waives the Carried Interest for Investors who are employees or former employees of Insight and waives or reduces Carried Interest for certain Investors, including those who are otherwise related to Insight or its personnel, in the Side-by-Side Funds including when they invest in Coinvestment Funds.

The limited partnership agreements of the Funds currently actively investing generally prohibit Insight from receiving management fees, carried interest or other compensation in connection with providing co-investment opportunities other than through Coinvestment Funds or with the consent of the applicable Fund's Advisory Committee unless, if permitted under the limited partnership agreement of the Fund, such economic interest is required for tax or other technical reasons and any profit, gains or fees are offset against the relevant Fund's Management Fees. Insight currently manages fifteen co-investment vehicles, some of which charge a small carried interest for tax structuring purposes, and may establish more. Please see the response to Item 10 below for additional information regarding co-investments.

The Vision Fund-of-Funds does not pay a Carried Interest. For the JV Fund-of-Funds, the Carried Interest will be 5% of the JV Fund-of-Funds' cumulative net profits.

### **Terminating the Investment Management Agreement**

With respect to a Private Equity Fund and the Vision Fund-of-Funds, such Funds' investment management agreement with Insight continues until the dissolution of the Fund, but either the Fund's General Partner on behalf of the Fund or Insight may in its discretion terminate the agreement as of the last day of any month by giving notice to the other party of its election to do so on or before the first day of the month as of which it is to be terminated. Furthermore, the investment management agreement will terminate automatically without notice if Insight ceases to be an affiliate of the Fund's General Partner. With respect to the JV Fund-of-Funds, the JV Fund-of-Funds' management agreement with the Co-Managers will continue until such time as liquidation of the JV Fund-of-Funds is complete, but either the JV Fund-of-Funds or the Co-Managers may terminate at any time on 60 days' prior written notice. Furthermore, if the JV Fund-of-Funds' General Partner is removed, a successor general partner may elect to terminate the management agreement without notice within the first 30 days of such successor general partner's admission to the JV Fund-of-Funds as the JV Fund-of-Funds' new general partner.

With respect to each Hedge Fund, the applicable Hedge Fund's investment management agreement with Insight continues indefinitely, but either the applicable Hedge Fund or Insight may terminate the agreement on any day on ninety days' prior written notice.

Management Fees are prorated for partial periods and it is Insight's policy to rebate the fee on a pro rata basis if the investment management agreement is terminated.



## **Other Fees and Expenses**

In addition to Management Fees and Carried Interest, Funds pay, and ultimately Investors bear, other types of fees and expenses as specified in the applicable limited partnership agreement. A Fund is typically responsible for the costs and expenses in connection with its operation and investments (other than the costs and expenses that will be the responsibility of Insight, which typically include salaries and benefits of its personnel and the cost of maintaining Insight's place of business). The actual allocation of expenses varies from Fund to Fund as specified in each Fund's limited partnership agreement. Expenses payable, or otherwise borne by the Funds are set forth in detail in each Fund's limited partnership agreement. Expenses borne by the Private Equity Funds, the Vision Fund-of-Funds and the JV Fund-of-Funds will typically, to the extent applicable to each Fund, include (but are not limited to):

(1) out-of-pocket expenses incurred in the actual or potential acquisition or disposition of any investment or the restructuring, hedging, financing or refinancing of any investment whether or not consummated, including without limitation, accounting fees, due diligence expenses, loan administration expenses, brokerage commissions and fees, sales and underwriting commissions, hedging costs, prime brokerage fees, expenses related to short sales, fees of pricing and valuation services (including appraisal fees), costs and expenses arising from any foreign exchange or other currency transactions, initial and variation margin, spreads and other similar fees, syndication fees, commitment fees, clearing, settlement and bank charges, costs and expenses in respect of derivative contracts, and other investment costs incurred by or on behalf of the Funds, regulatory approvals or filings with respect to investments or potential investments (e.g., Forms 4 and 13D and Hart-Scott-Rodino filings, and reports or notices in connection with portfolio investments pursuant to the AIFMD, if applicable), reverse breakup, termination and other similar fees, transfer taxes, costs related to the registration or qualification for sale of securities and other similar out-of-pocket expenses directly related to specific actual or potential acquisitions, dispositions, restructurings, financings or refinancings, in each case to the extent not paid for by the issuer of such securities, and other investment costs incurred by or on behalf of the Fund;

(2) out-of-pocket expenses incurred in connection with holding the investments of a Fund, including, without limitation, legal, insurance, hedging, accounting, custodial and safekeeping, depositary, and auditing expenses, including, without limitation, the expenses of third-party administrators and accountants for non-U.S. transaction structuring entities; and expenses associated with foreclosure, bankruptcy of borrowers and workouts of distressed debt, expenses of serving on credit committees and expenses related to monitoring and enforcement of covenant compliance by borrowers, monitoring the financial condition and other relevant operating data of such borrowers and the tracking of payment obligations and cash payments;

(3) legal, custodial, accounting, auditing, tax advisory, banking, professional, clerical, bookkeeping and appraisal expenses of a Fund including, without limitation, the fees and expenses of fund administrators, auditors, tax advisers and other third-party professionals involved in the preparation and delivery of a Fund's financial statements, tax returns and Schedule K-1s, or capital calls and reports to investors (including any investor reporting platforms), other out of pocket expenses for purposes of tax or regulatory compliance, including, without limitation with respect to AEOI and similar regimes or FBAR filings and anti-money laundering or "know your customer" laws, rules, regulations or policies, the fees and expenses of third party appraisal and valuation firms, the expenses of maintaining the Partnership's existence or qualification in any jurisdiction, the expenses of Partnership reporting under the AIFMD, and any expenses in connection with any borrowing of, or guarantee or other credit support provided by, a Fund, including, without limitation, principal, interest, fees and indemnities, and expenses or professional fees incurred in connection with any procedure reports for lenders;

(4) organizational expenses (subject to applicable caps);

(5) Management Fees;

(6) taxes and other governmental charges, fees and duties payable by the Fund and expenses of tax audits;

(7) reimbursement of the expenses of the Advisory Committee and meetings of the Investors;

(8) costs and expenses incurred in the formation, operation, liquidation and winding up of any alternative investment vehicle;

(9) litigation-related expenses (including judgments, damages and settlements), indemnification and/or reimbursement obligations and expenses, and premiums for insurance protecting a Fund, and Insight and its affiliates and personnel, from liabilities in connection with Fund affairs;

(10) extraordinary expenses under generally accepted accounting principles and indemnification or Insight and others pursuant to the limited partnership agreement; and

(11) costs and expenses of winding up a Fund and liquidating its assets.

With respect specifically to the Hedge Funds, expenses payable, or otherwise borne by the Hedge Funds include but are not limited to, the following: (i) the Management Fee; (ii) expenses related to the research, due diligence, financing, monitoring and disposition of actual and prospective investments of the applicable Hedge Fund, whether or not such investment is consummated, including, the following: third-party investment sourcing fees (including, performance-based fees); fees and expenses related to obtaining research and market data (including, any information

technology hardware, software or other technology incorporated into the cost of obtaining such research and market data, and including fees and expenses related to obtaining, processing and analyzing research or market data that may be considered “big data” or “alternative data”, including fees and expenses related to performing due diligence on potential providers of any of such research or market data services); due diligence expenses including, consulting and appraisal fees; brokerage, prime brokerage and futures commission merchant fees, commissions and expenses (including fees, commissions and expenses of any outsourced trading desk); expenses relating to block trades; expenses relating to short sales; clearing and settlement charges; custodial fees and expenses; bank service fees; interest expenses and fees related to financings or refinancings; fees and expenses of proxy research and voting and class action-related services; (iii) solely with respect to the IPPE Fund, the IPPE Fund’s direct or indirect *pro rata* share of any compensation payable in connection with the management of any private investment by an unaffiliated third party or management team, which may include both asset-based fees and performance-based fees (which, for the avoidance of doubt, will not reduce the management fee or incentive allocation payable to the investment manager and the general partner of the IPPE Fund, respectively); (iv) operational expenses, including the following: fees and expenses relating to information technology hardware, software or other technology (including, costs of software licensing, implementation, data management and recovery services and custom development) used to research investments, evaluate and manage risk, facilitate valuations, facilitate accounting functions and/or facilitate compliance with the rules of any self-regulatory organization or applicable law (including, reporting obligations), facilitate and manage the order execution of investments or otherwise manage or monitor investments, such as Bloomberg terminals, portfolio management systems, risk management systems and order management systems; fees and expenses of third-party risk management products, models and services; fees and expenses of any outsourced trading firms; (v) fees and expenses of third-party professionals, including, consultants, valuation service providers, attorneys, accountants and third-party administrative fees and expenses (including any “shadow” administrator) and including, the costs of engaging or appointing a Money Laundering Reporting Officer, a Deputy Money Laundering Reporting Officer and an Anti-Money Laundering Compliance Officer; (vi) the costs of any litigation or investigation involving activities of the applicable Hedge Fund; (vii) taxes and third-party audit and tax preparation expenses; (viii) insurance expenses, including, premiums for cybersecurity insurance and liability insurance covering the general partner of the applicable Hedge Fund, the investment manager of the applicable Hedge Fund and the members, partners, officers, employees and agents of any of them, and each member of the applicable Hedge Fund’s advisory board; (ix) fees and expenses of the independent members of the applicable Hedge Fund’s advisory board; (x) costs of preparing and distributing reports and notices; (xi) expenses incurred in connection with negotiating and complying with provisions of any side letter agreement, and expenses incurred in connection with any transfers or a Hedge Fund Investor’s admission or withdrawal, unless otherwise charged to or borne by the applicable transferee or Investor; (xii) fees and expenses related to compliance with the rules of any self-regulatory organization or applicable law in connection with the activities of the applicable Hedge Fund, including, any governmental, regulatory, licensing, filing or registration fees or taxes (including, fees and expenses incurred in

connection with the preparation and filing of Form PF, Section 13 filings, Section 16 filings and other similar regulatory filings); (xiii) expenses incurred in connection with the offering and sale of interests in the applicable Hedge Fund and other similar expenses related to the applicable Hedge Fund; (xiv) expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of the applicable Hedge Fund; (xv) expenses incurred in connection with meetings with investors and prospective investors; (xvi) extraordinary expenses, including, indemnification expenses and fees and expenses incurred in connection with any tax audit by any tax authority, including, any related administrative settlement and judicial review; (xvii) fees and expenses incurred in connection with the organization, reorganization, dissolution, winding-up or termination of the applicable Hedge Fund, and (xviii) other similar expenses of the applicable Hedge Fund. Each Hedge Fund will also indirectly bear any similar expenses of any trading subsidiary or special purpose vehicle of such Hedge Fund.

With respect to certain operating expenses that are common among the Funds, such as insurance premiums or annual meeting expenses, such expenses are allocated by Insight among Funds as provided in the limited partnership agreements of the respective Funds or, if not so provided, on a case-by-case basis pursuant to a method that Insight believes to be fair and equitable to the Funds, such that no Fund is consistently advantaged over any other Fund or disadvantaged over time in relation to any other Fund or Insight. Insight, as a person covered by the insurance policies that also cover the Funds, will bear the portion of the premium that Insight believes to be fair and reasonable under the circumstances. Accordingly, Insight will benefit from the cost of such premiums being also allocated to and borne by such Funds. An operating expense or cost incurred on behalf of more than one Fund will generally be allocated pro rata among the Funds on the basis of (i) the amount of each Fund's applicable investment that relates to the cost or expense (ii) the amount of each Fund's current net assets or (iii) the amount of each Fund's capital commitments. If deemed appropriate under the circumstances, costs or expenses incurred by more than one Fund may be allocated in any other manner that Insight determines to be fair and reasonable. Insight or its affiliates will typically pay expenses attributable to one or more Funds and thereafter receive a reimbursement from the applicable Fund or Funds without interest. With respect to investments involving more than one Fund, each Fund is required to bear its proportionate share, based on the relative amounts invested, of transaction expenses except as otherwise provided in the applicable limited partnership agreements. In addition, the expenses incurred in connection with a transaction that is not completed are required to be allocated by Insight in good faith pro rata among the Funds, based on the intended investment allocation in such transaction, except as otherwise provided in the applicable limited partnership agreements or, if applicable, by such other method as the General Partner determines is reasonable and fair.

From time to time Insight engages third party consultants to assist in special projects, to help source deals in specific sectors or regions and/or to assist with certain prospective or existing portfolio companies. Generally, monthly or retainer fees payable to these consultants are charged to Insight. However, when these consultants work on specific deals and receive transaction-related fees or on projects with respect to specific portfolio companies, including with respect to environmental, social and corporate governance matters, the fees are borne by the applicable Fund or the

applicable portfolio company. These third party consultants are not employees of Insight or partners or owners of any of its affiliates, although employees of portfolio companies may act as consultants. The fees paid to these consultants by a Fund or its portfolio companies do not reduce the Management Fees payable by such Fund to Insight.

Funds incur brokerage and other transaction costs. Brokerage is described in more detail below in response to Item 12.

Through the interests in portfolio companies held by a Fund (either directly, or, in the case of the Vision Fund-of-Funds and the JV Fund-of-Funds, indirectly), the Fund (and its Investors) bear the costs of service providers to, and transaction expenses of, such portfolio companies (including the expenses enumerated above that may be paid by portfolio companies and potential portfolio companies) to the extent of the Fund's ownership interest in the company. In some investments, particularly when the Fund is a minority investor, Insight may have little or no control over these costs and expenses. In other investments, particularly when Funds have a controlling interest, Insight may be in a position to suggest or recommend service providers or portfolio companies may retain service providers as a result of their experience in transactions or otherwise through their relationship with Insight. Fees paid to such service providers by portfolio companies and costs of such transactions paid by portfolio companies are borne by the Funds through their interests in the portfolio companies and are not offset against Management Fees.

For information regarding conflicts of interest in the allocation of expenses, the activities of Insight Onsite, the retention of service providers and Insight's business relationships please see the responses to Items 10 and 11 below.

### **Allocation of Investment Expenses in Co-investments, including Broken Deal Expenses**

Under the applicable Fund's limited partnership agreement, a Fund is generally responsible for the costs and expenses incurred in connection with portfolio investments, including the out-of-pocket expenses incurred in the actual or potential acquisition, restructuring or disposition of any investment, whether or not consummated, and the out-of-pocket expenses incurred in connection with holding the investments of the Fund, to the extent not paid for by the applicable portfolio company or potential portfolio company. To the extent paid for by portfolio companies, a Fund (and its Investors) bear the expense indirectly to the extent of the Fund's interest in the portfolio company. With respect to consummated investments, such expenses, when material, are generally capitalized into the cost of the investment. Where a co-investment is made by more than one Fund, each such Fund is required to bear its proportionate share, based on the relative amounts invested, of such transaction and monitoring expenses except as otherwise provided in the applicable Fund's limited partnership agreements. In addition, the expenses incurred in connection with a transaction that is not completed are required to be allocated by the applicable General Partner in good faith, pro rata, among the participating Funds, based on the intended investment allocation in such transaction, except as otherwise provided in the applicable limited partnership agreements or, if applicable, by such other method as the applicable General Partner determines is reasonable and

fair. The intended allocation may not be possible to determine with any certainty given the many variables that go into determining equity contributions in a transaction. Moreover, Insight will look at many more investments as potential investments for a Fund than a Fund will actually make, and, even though expenses may have been incurred by a Fund or by Insight on behalf of a Fund with respect to such potential investments, a decision may subsequently be made not to proceed with the transaction, or circumstances may arise preventing the consummation of the transaction or making it inadvisable, before the stage where any decision about co-investments with other Funds (or with third parties) has been made, in which case the expenses will generally be borne by the Fund for which Insight initially evaluated the transaction.

With respect to third-party co-investors, including Investors through limited partnerships, limited liability companies or similar vehicles or arrangements to accommodate such co-investments, to the extent that transaction and monitoring expenses are paid or reimbursed by the portfolio company in completed transactions, such third-party co-investors will bear their proportionate share of such expenses as a result of their interest in the portfolio company. Such transaction and monitoring expense are not always paid or reimbursed by the portfolio company and sometimes costs and liabilities, such as borrowing or guarantees, may be incurred in Fund investment structures in which only the Funds participate or directly by the Funds and not other investors in the portfolio company. As noted below in the response to Item 10, third party co-investors are not obligated to co-invest and their co-investments are based on arms' length negotiations between Insight and the third-party co-investors. Typically, co-investments by third-party co-investors are limited to the capital invested in the applicable portfolio company and do not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, except to the extent borne or reimbursed by the portfolio company or otherwise specifically agreed with the co-investor. Third-party co-investors often commit to the transaction late in the process of identifying and negotiating an investment, or after closing in the case of transactions that are syndicated after the initial investment by a Fund. Often third-party co-investors are unable or unwilling to bear the expenses incurred with respect to a transaction that is not, in the end, consummated, and as a result the full amount of any such broken deal expenses will be borne by the applicable Funds. To date, Insight manages fifteen co-investment vehicles for Investors that invest in certain portfolio companies alongside one or more Flagship Funds and/or one or more Opportunities Funds (the "Current Fund Co-Invest Vehicles"). Current Fund Co-Invest Vehicles will generally bear their pro rata portion of transaction and monitoring expenses of investments in which they participate, however three of such Current Fund Co-Invest Vehicles do not bear their pro rata share of the expenses of any proposed co-investment that is not consummated. Insight has been bearing a Current Fund Co-Invest Vehicle's expenses related to its co-investments and operations, but such Current Fund Co-Invest Vehicle may still bear its pro rata share of all transaction expenses as well as any broken deal expenses. Please see the response to Item 10 below for additional information regarding third-party co-investors.

Investors should carefully consult the limited partnership agreement of the relevant Fund to determine the expenses borne by and the offsets to Management Fees and other expenses for the particular Fund.

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

Insight accepts performance-based fees, as further described above in response to Item 5. Insight manages certain client accounts that are not charged a performance fee. Separately, Coinvestment Funds charge lower Carried Interest and Management Fees than the Funds with which they co-invest and in the 2015, 2021 and 2023 vintage Coinvestment Funds, which participate only in control-type transactions, the General Partner has discretion in determining what falls within the category of a control transaction. The Follow-On Funds charge lower Carried Interest (and do not charge Management Fees) than the Funds whose portfolio investments are those in which the Follow-On Funds may make follow-on investments. Certain Funds have different fee terms among Investors, which could result in certain investments made for such Funds being less profitable to Insight compared to other Funds. The existence of the Carried Interest may create an incentive for a General Partner to allocate attractive investments to a Fund that charges a higher level of Carried Interest than another Fund. Carried Interest may also create an incentive for a General Partner to make more speculative investments on behalf of a Fund that it would otherwise make in the absence of such performance-based compensation. The allocation methodology between Funds and their Coinvestment Funds can generally be changed with the consents of the Advisory Committees of the relevant Funds. Insight has established policies and procedures to address potential conflicts in the allocation of investments among Funds and between a Fund and its Coinvestment Fund and to comply with the requirements of the applicable Fund limited partnership agreements.

## **Item 7 Types of Clients**

Insight generally limits its clients to Funds. The Private Equity Funds, are pooled investment vehicles with a limited term of years. The Hedge Funds are pooled investment vehicles with an indefinite term. The Vision Fund-of-Funds and the JV Fund-of-Funds each is a pooled investment vehicle with a limited term of years. The Funds are not required to be registered with the SEC under the Investment Company Act of 1940, as amended (the “Investment Company Act”) in reliance on exceptions from the definition of an investment company under that Act, and the offering of interests in the Funds is exempt from registration under the Securities Act of 1933. Generally, each Fund consists of a limited number of limited partnerships, which may be organized within or outside the United States and that generally will invest (directly or indirectly) side-by-side in all portfolio investments on the basis of available capital. Insight also advises Coinvestment Funds, which are formed to co-invest alongside a Fund (or a Fund and its successor Fund) in certain instances whether for investments of a certain size or for certain types of investments, depending on the Fund in accordance with the limited partnership agreements of such Fund and the Coinvestment Fund, in which the amount of financing required for a particular transaction exceeds the size of the investment deemed appropriate for the Fund by its General Partner or a threshold and/or percentage agreed in the applicable limited partnership agreement. Interests in the Flagship Funds, the Coinvestment Funds, the Follow-On Funds, the Continuation Funds, the Opportunities Funds, the Hedge Funds, the Vision Fund-of-Funds and the JV Fund-of-Funds are subject to restrictions on transferability and resale. Where the context requires, we may refer to

any or all of the limited partnerships comprising a Fund, including with respect to any Flagship Fund, Coinvestment Fund, Continuation Fund, Opportunities Fund, Follow-On Fund, the Vision Fund-of-Funds, the JV Fund-of-Funds or any Hedge Fund, as a “Fund”.

Most of the capital invested in the Funds is attributable to U.S. and non-U.S. institutional Investors, including public and private pension plans, funds of funds, sovereign wealth funds, insurance companies, family offices, endowments and charitable foundations. Insight and its personnel who are “qualified purchasers” or “knowledgeable employees” for purposes of the Investment Company Act invest in the Funds (and indirectly in the Funds’ portfolio companies) either directly or through dedicated feeders into the Funds (or in older Funds through partnerships formed to invest in parallel with a specific Fund). In addition, Funds (other than Coinvestment Funds and the Hedge Funds) generally include a partnership primarily for Investors who are Insight employees not eligible to invest in the other partnerships in a Fund, family members of Insight principals and employees, service providers to Insight and the Funds, including partners of counsel to Insight, current and former portfolio company executives and other individuals who have a business or personal relationship with Insight and/or its personnel (each, a “Side-by-Side Fund”). The Side-by-Side Funds participate pro rata in investments alongside the Funds with respect to which they were formed.

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

### **Investment Program**

Insight primarily focuses on investments in growth-stage software, software-enabled services and Internet businesses, with a particular emphasis on SaaS business models. Insight believes that growth-stage companies are companies that have significant opportunities to expand, either organically or through acquisition, and have potential for growth in either revenue, operating profits or frequently, both. Insight seeks to operate as management’s primary financial/strategic partner and is a flexible source of capital for these companies. Insight has the ability to execute both minority and majority investments with necessary board positions and governance rights to influence change. Insight invests in companies that apply technology to solve business and consumer problems, typically through software. Insight also makes investments in companies in sectors outside of its primary focus for which the Internet is an important part of the business model.

Certain Funds managed by Insight have additional investment flexibility as described in the limited partnership agreement for the particular Fund. The Hedge Funds may, but are not limited to, invest in software, software-enabled services and Internet companies. An Opportunities Fund makes investments in structured equity positions and/or secured or unsecured credit in software, software-enabled services and Internet companies. The Vision Fund-of-Funds principally makes investments in private funds managed and/or sponsored by emerging managers and/or managers that are generally from diverse/minority backgrounds that generally target early-stage and/or growth investments in the software, software-enabled services, internet or other technology



businesses. The JV Fund-of-Funds principally makes investments in private funds that primarily target investments in start-up, early-stage and emerging companies (pre-seed and seed rounds) in the software and technology sectors.

Funds may co-invest with third parties through partnerships, joint ventures, or other entities. For the Flagship Funds, Insight makes selective use of third party debt to finance investments in profitable companies with predictable, recurring revenues. Insight may invest in companies both within and outside of the U.S. Private Equity Fund investments are typically in securities that are not publicly traded, that are subject to legal or other restrictions on transfer and that are highly illiquid. Although these investments may occasionally generate some current income or may pay an extraordinary dividend through dividend recapitalization, the return of capital and the realization of gain, if any, from an investment will occur generally only upon the partial or complete disposition of such investment. Investments may require a substantial amount of time to liquidate.

Insight's deal origination team identifies and maintains contact with thousands of potential portfolio companies to identify companies that meet a Fund's investment criteria. Complementing this effort, Insight has over time developed extensive relationships with entrepreneurs, other venture capital and private equity firms, and investment banks, which collectively generate a significant amount of deal flow. In addition, due diligence is an integral part of Insight's investment process, and provides a foundation for Insight's engagement with portfolio companies post-investment. The due diligence process helps to identify critical transactional issues, assess a potential portfolio company's strengths, weaknesses, and opportunities, and develop a view on its value and a Fund's prospective return. The Insight Onsite team plays a significant role in the diligence process – both to support Insight's investment decision and as a prelude to working with portfolio companies on their critical challenges post-investment.

Generally, Private Equity Fund transactions are coordinated by a dedicated deal team, generally led by at least one of Insight's Managing Directors. A typical deal team is composed of five to six professionals. The professionals are a Managing Director and a Principal or Vice President, two Investment Associates or Analysts, and one to two Insight Onsite professionals. This team engages on all aspects of a prospective investment including meeting with management, managing external resources, conducting data analytics and model building, reading secondary research and performing primary research. Depending on the size and nature of a proposed investment, staffing may vary (*i.e.*, a deal team may comprise of fewer or more professionals than as described above), and an Investment Committee (as defined below) may delegate the due diligence and evaluation of the viability of an investment to one or more investment professionals or subcommittees with the aim of achieving a more streamlined execution process. The deal team will meet often during diligence to ensure progress is being made. The deal team reports its findings and recommendations to an Investment Committee, which as described below, is primarily responsible for making investment decisions of Insight. All investment opportunities that Insight's deal team determine viable will be allocated to the applicable Insight Fund, as the case may be, in accordance with Insight's Allocation Policy for Investment Opportunities (the "Allocation Policy") and, if the

circumstances warrant, will be reviewed by the Investment Allocation Committee and will then be presented to the applicable Investment Committee.

Effective as of January 1, 2022, the investment committees for the Insight Funds consist of three committees (other than for the Continuation Funds and the Hedge Funds): the Buyout Transactions Investment Committee (the “Buyout Investment Committee”), the Growth Investments Investment Committee (the “Growth Investment Committee”) and the Opportunities Investments Investment Committee (the “Opportunities Investment Committee”) (each of the Buyout Investment Committee, Growth Investment Committee, Opportunities Investment Committee and any other Insight investment committees, an “Investment Committee” and, collectively, the “Investment Committees”). The Buyout Investment Committee makes all investment and exit decisions related to any investment that constitutes a “buyout transaction” under the agreements of applicable Insight Funds (each, a “Buyout Transaction”). The Opportunities Investment Committee makes all investment and exit decisions related to the Opportunities Funds that pursue structured investments, including without limitation, preferred equity, convertible preferred equity, debt instruments and/or similar instruments that are determined to be suitable for the Opportunities Funds under Insight’s Allocation Policy (each, an “Opportunities Investment”). The Growth Investment Committee makes all investment and exit decisions related to all other investments (each, a “Growth Investment”). Generally, all decisions related to a follow-on investment will be made by the Investment Committee that covered the initial investment. However, if an investment that is initially allocated to an Opportunities Fund in accordance with the Allocation Policy becomes a Buyout Transaction, the Buyout Investment Committee will make all further investment and exit decisions with respect to such investment, and if an investment that is initially a Growth Investment becomes a Buyout Transaction, the Buyout Investment Committee will make all further investment and exit decisions with respect to such investment. Insight has a separate Investment Committee for the Continuation Funds which makes all follow-on investment and exit decisions related to the Continuation Funds.

The applicable Investment Committee, after consultation with other Insight Managing Directors, senior members of the deal team, Insight’s General Counsel and Insight’s Chief Financial Officer, is primarily responsible for making investment decisions for Insight. In addition, approval from the Funding Committee is required for each investment in and divestiture or sale of a portfolio company. The Funding Committee provides an additional internal control with respect to the execution and funding of each investment.

With respect to the Hedge Funds, John Wolff is the Chief Investment Officer for Insight’s public equities investment strategy and is the Portfolio Manager of the Hedge Funds (“Hedge Fund Portfolio Manager”) responsible for making and implementing investment decisions including the research, due diligence, and review of prospective investments for suitability with the Hedge Funds’ investment programs. With respect to private investments, the IPPE Fund has an investment committee (the “Late-Stage Private Investment Committee”), to evaluate private investment opportunities and to consider whether the IPPE Fund should acquire, hold or dispose of a private investment (including whether a private investment should be deemed realized). The

membership of the Late-Stage Private Investment Committee is determined by the IPPE Fund investment manager. The Late-Stage Private Investment Committee will review and approve all acquisitions and dispositions of private investments by the IPPE Fund (including deemed realizations of private investments) and will act based on the vote of a majority of members; provided further that for as long as John Wolff is the Portfolio Manager of the IPPE Fund, he shall be a member of the Late-Stage Private Investment Committee. Each Hedge Fund will employ an investment strategy that seeks to significantly outperform the market and deliver above-average absolute returns on investor capital, measured net of all fees over a prolonged period of time (at least three to five years). The IPPE Fund's strategy is to hold a concentrated portfolio of publicly traded or late state pre-IPO securities, of which the top eight to twelve positions are expected to make up a substantial majority of investable assets. The Liquid Fund's strategy is to hold a concentrated portfolio of publicly traded securities, of which the top twenty positions are expected to make up a substantial majority of investable assets. For each Hedge Fund, the attractiveness of these investments is expected to be determined using a bottom-up approach, underpinned by deep fundamental research. The underwriting process for a new investment is lengthy and focuses intently on a prospective investment's product offering and roadmap, as well as proprietary future free cash flow analysis. Each Hedge Fund is expected to make investments in companies that Insight believes have a superior product and whose free cash flow profile may be misunderstood by the market, which Insight believes is the key indicator for future stock price performance. Methods of analysis employed by Insight include, but are not limited to: evaluation of company earnings releases and SEC-filed documentation, creation and upkeep of proprietary financial models, detailed and extensive product tests, including the purchase or trial of certain aspects of a company's product suite, conversations and meetings with current and former company employees, including C-suite executives, members of the strategy and research and development team, and investor relations, conversations with current and former customers of the company and their competitors, and conversations with other investors, sell-side analysts, and industry executives, and evaluation of third-party industry data. Insight or its affiliates may in the future form additional Funds with primary objectives and policies that are not substantially the same as those of the existing Funds.

With respect to the Vision Fund-of-Funds, Insight established a dedicated team (the "Vision Capital Team") that meets weekly to discuss all current investment opportunities identified through the Insight's channels. Members of the Vision Capital Team conduct detailed interviews with the general partners to understand: (i) prior experience, (ii) fund strategy, (iii) differentiated deal access, and (iv) ability to win competitive opportunities. Findings from the interviews are then discussed during the weekly meetings. Once the Vision Capital Team decides it would like to move forward with a potential investment, members of the working team conduct extensive reference checks within the general partners' network, including former colleagues, fund investors, portfolio company CEOs, and industry contacts. Concurrently, the Vision Capital Team conducts diligence and analysis on general partners' track records from previous fund vintages or prior investing experience. All investment opportunities that the Vision Capital Team determines are viable will be presented to the investment committee of the Vision Capital Team (the "VC

Investment Committee”). The VC Investment Committee is primarily responsible for making investment decision for the Vision Fund-of-Funds.

All transactions of the JV Fund-of-Funds are coordinated by the JV Fund-of-Funds’ working team consisting of members of the Co-Managers. The working team from Insight is a cross-functional team consisting of members of Insight’s investment team and Onsite team. These individuals spend a portion of their time working on the JV Fund-of-Funds in addition to their responsibilities to other Insight Funds. Potential investment opportunities sourced through various channels are tracked by the JV Fund-of-Funds’ working team and brought into a due diligence process when appropriate based on each fund’s fundraising timeline. An investment committee will be formed for the JV Fund-of-Funds with representatives from each Co-Manager. All investment decisions of the JV Fund-of-Funds will be made by the investment committee. All decisions of the investment committee will require the unanimous consent of the Co-Managers.

### **Insight Onsite**

As part of its investment strategy, Insight operates “Insight Onsite,” an in-house operational value-add practice that provides services to the Funds’ portfolio companies. Insight devotes significant internal resources to improving the strategy and execution of the portfolio companies. The Insight Onsite team is comprised of approximately 144<sup>1</sup> professionals with expertise in strategy consulting, technology and operations. The Insight Onsite group is structured similarly to a software company through distinct areas of expertise, “Centers of Excellence”, which are comprised of individuals with industry experience and expertise in the following areas: talent, (HR), product and technology (R&D), marketing, sales, business development, customer success and diligence and growth strategy. The Insight Onsite team typically is involved with Insight’s decision to invest in a particular portfolio company. For example, the Insight Onsite team plays a significant role in the diligence process.

Insight Onsite often charges portfolio companies fees for its consulting services, although it may provide consulting services without charging a fee to portfolio companies that are unable to pay for Insight Onsite’s services or for other reasons. Insight Onsite waives its fees in such cases because Insight believes that Insight Onsite can add significant value to those portfolio companies and thus to the investing Funds. The amounts of the fees charged to portfolio companies are determined by Insight and not through arms’ length negotiations. Insight uses fees paid by portfolio companies for the services provided by Insight Onsite to recover the costs of compensation and operating expenses for Insight Onsite with respect to work associated with such portfolio companies. Historically, the fees charged by Insight Onsite to portfolio companies in each fiscal year were subject to an aggregate cap for all of the Funds using Insight Onsite services (the “Onsite Fee Cap”) that was adjusted each year in accordance with the Consumer Price Index for All Urban Consumers, New York-Northern New Jersey. Where portfolio companies of all such Funds in the aggregate paid fees in excess of the Onsite Fee Cap, the excess would have

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<sup>1</sup> As of March 1, 2024.

reduced the Management Fees or, in some instances when Management Fees were not paid, partnership expenses paid by the applicable Funds. From January 1, 2018, consistent with its approach with respect to the 2017 and 2019 vintage Flagship Funds, Insight has determined that with respect to all of its Funds, the portion of fees paid to Insight Onsite that is allocable to a relevant Fund will reduce the Management Fees or partnership expenses, as applicable, payable by such Fund. The services of Insight Onsite are not expected to be relevant for the Hedge Funds or their portfolio companies.

Insight Onsite has established joint procurement programs for portfolio companies, which it may in future expand. By pooling the buying power of multiple companies, joint procurement programs permit the companies to obtain volume discounts. Insight does not currently expect to charge any service fees for organizing joint procurement arrangements, although vendors may charge fees for their programs, which will be passed along to the participating portfolio companies.

Insight Onsite also plans and organizes Insight Innovation Summits, which are intended to give portfolio companies that participate the opportunity to meet and present to potential customers, represented by the Chief Information Officers and other executives of such potential customers. Summits have been held at venues such as the Kentucky Derby, Monaco and Citi Field (in New York City). Portfolio companies will have the opportunity to participate along with Insight as sponsors of the event for which they will commit to fund a portion of the costs at a rate of from \$25,000 to \$100,000 depending on the number of summits they participate in. Insight expects that the portfolio company contributions will not cover the cost of the summits and has committed to contribute additional amounts to defray the expenses. Insight has hired a third-party consultant to, among other responsibilities related to sales pipelines, organize the summits. The consultant will be paid by Insight. The Insight Innovation Summits are not intended to provide consulting services, but to organize opportunities for portfolio companies of the Funds to develop new customer contacts. No fees will be paid by portfolio companies to Insight in connection with the Insight Innovation Summits.

## **Material Risks of Investment Strategy**

### **General Investment Risks**

Investing in securities involves risk of loss that clients should be prepared to bear. All investments made by Insight on behalf of the Funds risk the loss of capital. No guarantee or representation can be made that a Fund will achieve its investment objective or avoid substantial losses, including the potential to lose all invested capital. There can be no assurance that Insight will be able to choose, make and realize investments on behalf of a Fund in any particular company or portfolio of companies or that a Fund will be able to generate positive returns or that any positive returns will be commensurate with the risks of investing in the type of companies and transactions described above.

## Investment Strategy Risks

*General Business and Market Risk:* The market outlook, trends, opportunities and other matters presented in this brochure reflect the General Partner's and the Investment Manager's current views, which are based on various estimates and assumptions, including about future events, which may cause financial and other results to materially differ from the results expressed or implied in this brochure. The estimates and assumptions are subject to uncertainties, changes and other risks, many of which may be beyond the General Partner and the Investment Manager's control. The success of a Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund and a Fund's investments), trade barriers, currency exchange controls, terrorism, war, other armed conflicts and related cyber attacks, economic and trade sanctions, and local, national and international political and socioeconomic circumstances in respect of the countries in which a Fund may invest, including sanctions, restrictions and counter-measures by governments of NATO member states and other countries relating to the 2022 invasion of Ukraine by Russia. A Fund could incur material losses even if the General Partner reacts quickly to difficult market conditions, and there can be no assurance that a Fund will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Even a well-analyzed approach may not protect a Fund from significant losses under certain market conditions.

Fluctuations in the market prices of securities and interest rates may adversely affect the value of the investments held by a Fund. Volatility and instability in the securities markets may also increase the risks inherent in a Fund's investments. Certain Funds and their portfolio companies have used and a Fund and its portfolio companies are expected to continue to use debt to finance acquisitions, and add on acquisitions are an important component of Insight's strategy. The ability to refinance the debt of portfolio companies may depend on their ability to obtaining financing, including by selling new securities in the public high-yield debt market, bank loan market or otherwise. To the extent a Fund is able to secure financing for investments, increases in interest rates or in the risk spread demanded by financing sources would make the partial financing of investments with indebtedness more expensive and could limit a Fund's ability to structure and consummate its investments. Additionally, investments made by a Fund may be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by a Fund, and a Fund's ability to execute its investment strategy. A Fund could target sectors that are highly cyclical and subject to significant fluctuation due to competition, the high level of government regulation, general economic conditions, the level of interest rates, the state of the public equity markets and other factors. The returns on a Fund's investments may therefore be lower in certain periods.

It is not possible to predict whether there will be volatility in the markets or what impact such volatility could have on a Fund or the existing portfolio managed by the Investment Manager. A

recession, slowdown or sustained downturn in the U.S. or global economy (or any particular segment thereof), including a weakening of demand for software or related services, or weakening of credit markets could have a material adverse effect on a Fund's and the portfolio companies' profitability, impede the ability of a Fund's portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit investments on favorable terms including the availability of financing to potential purchasers of its investments. Another possible consequence of a constrained credit market is that a Fund may take a longer than anticipated period to invest capital, as a result of which, at least for some period of time, a Fund may be more concentrated in a limited number of investments than expected. Consequently, during such a period, the returns realized by a Fund (and thus the Partners) may be substantially adversely affected by the unfavorable performance of a small number of these investments. While the risk of substantial or total loss to a Fund exists with respect to all of a Fund's investments, the occurrence of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments.

In addition, in recent years, economic problems in a single country have had an increased effect on other markets and economies. A continuation of this trend could adversely affect global economic conditions and world markets, which could in turn adversely affect a Fund's performance. Moreover, presidential and congressional elections may result in a number of changes to U.S. and non-U.S. fiscal, tax and other policies, as well as the lending environment generally. These changes and other changes may significantly impact the U.S. and global financial markets and the execution of a Fund's strategy.

A Fund may be adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant economic developments and other events that could limit a Fund's activities and investment opportunities or change the functioning of the capital markets, and there is the possibility of a severe worldwide economic downturn. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks.

*Risks of Growth Equity Investing:* While growth equity investments offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total losses. Among these risks are the general risks associated with investing in companies at an early or growth-stage of development or with little or no operating history, companies with substantial variations in operating results from period to period, companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position and companies dependent on new or developing technology. A portfolio company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing technologies and markets. Such a portfolio company will need to implement appropriate sales and marketing, finance, personnel and other operational strategies in order to continue to grow its business. Furthermore, companies at an early or growth-stage of development may face intense competition, including competition from companies with greater

financial resources, more extensive development, manufacturing, marketing and service capabilities and a larger number of qualified managerial and technical personnel. A Fund will make investments in portfolio companies which may rely upon rapidly changing technologies. Therefore, technological obsolescence and other technology risks may adversely impact the performance of these portfolio companies. In all such cases, a Fund will be subject to the risks associated with the underlying businesses engaged in by portfolio companies and of their customers.

*Hedging Transactions:* A Fund may, but is not required to, engage in currency or interest rate hedging or other hedging strategies to manage risk and return trade-offs. While these transactions may reduce certain risks, the transactions themselves entail certain other risks, including counterparty credit risk. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in the portfolio positions value. These types of hedging transactions also limit the opportunity for gain if the value of the portfolio position increases. Moreover, it may not be possible to hedge against currency exchange rate, interest rate or public security price fluctuations at a price sufficient to provide protection from the decline in the value of the portfolio position.

*Investments in Private Companies:* The Funds are expected to invest in privately held companies. These companies will sometimes be smaller in scale and less capitalized than larger, public companies, and therefore particularly susceptible to economic downturns. The availability of information about private companies may be limited, and to the extent it is available, it may be unreliable. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. These companies are also more likely to depend on the management talents and efforts of a small group of persons and, as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations. For these reasons, investments in private companies involve a high degree of risk and uncertainty, and therefore may cause a Fund to incur losses.

*Investments in Public Companies:* A Fund's investment portfolio may (and in the case of the Hedge Funds, is expected to) contain securities or instruments issued by publicly held companies. Such portfolio investments will subject a Fund to risks that differ in type or degree from those involved with portfolio investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.



*Future Investment Techniques and Instruments:* Subject to the terms of the Partnership Agreement and applicable law, whether or not specifically described herein, a Fund may employ a variety of investment techniques and invest in instruments that the General Partner believes will help achieve a Fund's investment objectives. Such investments may entail risks not described herein. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may not perform as anticipated for reasons within or outside of Insight's control. In the event such an investment is unsuccessful, this could result in losses to a Fund. In addition, any new investment strategy or technique developed by a Fund may be more speculative than previous investment strategies and techniques that have already been used and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in a Fund.

*Technology and Software Sector Risk:* A Fund's portfolio companies will be concentrated in software, software-enabled services and Internet companies. While this industry has grown rapidly as both business and consumers increasingly rely on software and the Internet to operate their businesses or go about their lives, an industry-focused fund may involve risks greater than those of more diversified investments. Adverse economic conditions in the United States and other countries could have a material adverse effect on consumer and business spending in the information technology sector, which could limit or cause a substantial reduction in the revenues, profitability and/or continued viability of the portfolio companies in which a Fund invests. The information technology sector (including software, software-enabled services and Internet companies) could be adversely affected by overall economic conditions, short product cycles, rapid obsolescence of products, competition, and government regulation. Further, the success of a Fund's portfolio companies may depend on the development and marketing of new technologies that at any time may be rendered unattractive or obsolete by technological advances, new social trends and/or communication methods as seen in the emergence of social networking tools and platforms. A Fund's portfolio is expected to include companies that serve niches in the software businesses – current portfolio companies include, for example, businesses that specialize in providing products to assist financial institutions with compliance or that provide software solutions for supply chain management. Changes in those industries may impact, positively or negatively, the attractiveness of the portfolio company's products. There can be no assurance that any portfolio company will continue or improve its historical or expected levels and direction of growth, revenues or profitability even if general economic conditions in the United States and/or other countries improves or if economic conditions in the information technology sector improve. Further, there is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. A Fund may include Internet companies that provide goods or services that compete either directly or indirectly (e.g. through the "sharing" economy) with existing non-Internet based providers which, in some cases, are subject to regulations that the Internet companies are not. In some instances in the industry, laws or regulations have been adopted in jurisdictions where Internet based companies operate that impose regulations on the companies that may pose material challenges to the company's business model. There can be no

assurance that laws or regulations will not be passed that will have an adverse effect on a Fund's portfolio companies.

*Reliance on the Internet; Cyber Security Risk:* It is expected that a Fund's portfolio companies will provide products and services that are dependent on the Internet. Many of these companies will both market and provide their services by means of the Internet. Disruptions to the Internet could have an adverse effect on the business of a portfolio company if customers are unable to access the company's website or services. In addition to disruptions to the Internet, the information and technology systems that portfolio companies and Insight use or rely on may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If these systems are compromised, become inoperable for extended periods of time or cease to function properly, portfolio companies 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 a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data of the portfolio companies or Insight, including personal or proprietary information, and, with respect to Insight, information regarding Investors. Such a failure could harm such entity's reputation, subject any such entity and its respective affiliates to legal claims or otherwise affect their business and financial performance.

Changes in laws and regulations related to the Internet or changes in the infrastructure of the Internet itself could also affect a Fund's portfolio companies. U.S. federal, U.S. state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the Internet as a commercial medium. Such regulation may adversely impact portfolio companies' businesses and business models. Also, domestic and foreign government agencies and private organizations may begin to impose taxes, fees or other charges for accessing the Internet or for the commerce conducted and services provided via the Internet.

The portfolio companies and/or their customers and Insight are, or may become, subject to U.S. and non-U.S. consumer identity and data protection laws (including laws in the U.S., such as Gramm-Leach-Bliley Act ("GLBA") and related implementing regulations, and applicable laws in other jurisdictions). Laws or regulations in one country may be inconsistent with, or contrary to, those of another country. Foreign data privacy regulations, such as the European Union's General Data Protection Directive (Directive 95/46/EC) Regulation ("GDPR") and the Cayman Islands' Data Protection Law, 2017 ("DPL"), and the country-specific regulations that implement the GDPR and DPL, govern the processing of personally identifiable data and may be stricter than U.S. laws. New laws, regulations or industry standards may be adopted. The failure of portfolio companies and their customers to comply with such laws and regulations could negatively impact a Fund and/or the portfolio companies. Costs for cyber- security breaches, may include, among other things, increased protection costs, reputational damage and loss of market share, liability for

stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

*Artificial Intelligence (AI) Risk:* A Fund may utilize artificial intelligence (“AI”) in its business operations, and the challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability and/or an adverse effect on Insight’s business operations. If the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, Insight and/or a Fund could be negatively impacted as a result. AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in Insight’s and its employees’ decision-making, portfolio management or other business activities, which could have a negative impact on the performance of a strategy and/or a Fund.

While Insight’s policies restrict certain uses of third-party and open source AI tools, such as ChatGPT, Insight’s employees and consultants and a Fund’s portfolio companies may use these tools, which poses additional risks relating to the protection of Insight and such portfolio companies’ proprietary data, including the potential exposure of Insight’s or such portfolio companies’ confidential information to authorized recipients and the misuse of Insight’s or third party’s intellectual property, which could adversely affect Insight, a Fund or its portfolio companies. In addition, Insight’s competitors or other third parties could incorporate AI into their products more quickly or more successfully, which could impair Insight’s or its Funds’ portfolio companies’ ability to compete effectively.

*Investments in Companies with Exposure to Virtual Currencies, Blockchain or Distributed Ledger Technology:* A Fund may invest in portfolio companies that have exposure to (a) cryptocurrencies, application tokens, protocol tokens, app coins, blockchain-based assets and other cryptofinance and other digital assets and (b) rights, including without limitation investment contracts or other instruments or securities, that are related to any of the foregoing (e.g., Simple Agreement for Future Tokens (“SAFTs”) or Simple Agreement for Future Tokens or Equity (“SAFTEs”)) (collectively, “Digital Assets”). Digital Assets are new technological innovations with a limited history and involve a high degree of business and financial risk that can result in substantial or total loss of investment. Digital Assets face a number of market, operational, legal and regulatory risks distinct from other types of assets in which a Fund invests.

Portfolio companies with exposure to Digital Assets such as virtual currencies, face a number of market and operational risks, including volatile prices, disparate prices across different virtual exchanges, risk of an illiquid market, valuation risk, custody risk, risk associated with “mining” or verifying virtual currency transactions, risk of not converting virtual currencies into fiat currencies, and risk that a virtual currency exchange fails or closes due to a security breach, a distributed denial of service attack, fraud or other failure. Virtual currencies may be particularly vulnerable to virtual currency network attacks, hacking or breaches.

Virtual currencies also present a number of legal and regulatory risks as U.S. federal, U.S. state or foreign government bodies or agencies maintain different classifications for virtual currencies with their respective jurisdictions. For example, in the U.S., the SEC has found that certain virtual tokens offered in an initial coin offering are securities that require the offering to be registered or exempt from registration, the CFTC treats bitcoin and other virtual currencies as commodities, the Financial Crimes Enforcement Network requires administrators or exchanges to register as a registered money services business, and while the IRS treats virtual currencies as property for U.S. federal income tax purposes, tax treatment issues remain with respect to valuation timing of certain calculations and the applicability of Foreign Bank Account Reporting laws, among others. Furthermore, the global regulatory framework governing virtual currencies varies from country-to-country and continues to evolve. Some countries have taken an accommodating approach to the regulation of virtual currencies while others have banned their use.

Accordingly, the promulgation of any U.S. or international laws or rules, an adverse change in applicable legal or regulatory requirements, or an adverse review by an applicable judicial authority of any such law or regulation, could have a material adverse effect on the price of certain Digital Assets and on the operations and/or financial performance of portfolio companies with exposure to virtual currencies.

Portfolio companies with exposure to Digital Assets, such as blockchain and distributed ledger technology companies, may face a number of market and operational risks, including the risk of rapid technological change, introduction of competing blockchain products or applications, risk of hacking or other cyber-security breaches, and failure to implement or adopt such technology. Furthermore, blockchain technology presents a number of legal and regulatory risks as national or international regulation is rapidly changing and developing as the technology evolves. Although the prevalence and scope of applications of blockchain and similar distributed ledger technologies is growing, the technology is also nascent and may be vulnerable to certain risks such as those detailed above. Such risks could have a material adverse effect of the price of certain Digital Assets and on the operations and/or financial performance of portfolio companies with exposure to blockchain or distributed ledger technology.

*Governmental Export and Import Controls:* Companies may be subject to U.S. and other jurisdictions' export controls for software and for incorporating encryption technology into any customer service platforms enabled through mobile applications. Such products incorporating encryption technology may only be exported with the required export authorizations, including by license, a license exception or other appropriate government authorizations, for example the filing of an encryption registration. Also, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit the ability of companies to offer or distribute their products. Further, U.S. and other jurisdictions' export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by economic sanctions. Such governmental export and import controls could negatively impact Insight and a Fund by impairing

the abilities of portfolio companies to compete in international markets or subject them to liability for violations, including possible civil and criminal penalties and repercussions.

*Reliance on Portfolio Company Management:* With respect to management at the portfolio company level, many portfolio companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance.

*Reliance on Service Providers:* Many portfolio companies rely on the services of a limited number of external service providers. In the event that a service provider is unable to perform contracted services, this may adversely affect a portfolio company's ability to conduct its operations in an efficient manner.

*Custodian Insolvency:* The Funds are subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("Insolvency") of the custodians it uses for custody of certain of the Funds' assets. These risks include, without limitation: the loss of all cash held with the custodian which is not being treated as client money or protected by the rules of a regulatory authority ("client money"); the loss of all cash which the custodian has failed to treat as client money in accordance with procedures (if any) agreed to with the Funds; the loss of any securities held on trust ("trust assets") or client money held by or with the custodian in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the custodian; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Funds are subject to similar risks in the event of Insolvency of any sub-custodian with which any relevant securities are held or of any third-party bank in which client money is held. The same risks apply to portfolio companies with respect to their custodians and such custodian insolvency may have a material adverse effect on the Funds to the extent several portfolio companies use the same custodian.

*Banking Risk:* The Funds use banks to custody investor funds and, in some cases, securities. Portfolio companies of the Funds use banks for cash management, financing, and other services. The Funds and portfolio companies may be significantly exposed to individual banks if, for example, the Funds have custody relationships with a single bank or if a particular bank holds accounts for a number of portfolio companies. Recent events involving regional banks have demonstrated the risk of banks being undercapitalized, adversely affected by changes in interest rates and subject to runs on deposits. The failure of an individual bank may cause a Partnership or portfolio company to be unable to withdraw deposits or draw on lines of credit or other borrowings, which could negatively impact a Partnership's operations and/or potentially result in losses to the Partnership and its investors.

Banks are subject to regulation that may affect the scope of their activities, the prices they can charge, the amount of capital they must maintain, and, potentially, their size. Recent legislation in

the U.S. has relaxed capital requirements and other regulatory burdens on certain U.S. banks, which may result in increased overall risk in the financial sector. Banks can also experience significant and rapid adverse effects via increases in interest rates and loan losses, decreases in the availability of money or written-down asset valuations, credit rating downgrades, and adverse conditions across related markets. Banks are exposed to the credit risk of their counterparties. Banks may have significant exposure to the same borrowers or counterparties, or may be perceived by the market as being subject to the same risks that a distressed bank may be experiencing. An adverse public perception of a bank's exposure, real or potential losses or liquidity may have a "contagion" effect and create risks for other banks and financial entities. Any "contagion" effects to other entities in the financial sector could negatively impact a Fund and/or cause losses to the Fund and its investors.

*Illiquid Investments:* The Funds invest in assets that are subject to legal or other restrictions on transfer and which are illiquid. A Fund may not be able to sell the assets when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

*Portfolio Company Leverage:* A Fund may make investments, either through leveraged buyouts or otherwise, in portfolio companies that have a leveraged capital structure. To the extent that any investment is made in a portfolio company with a leveraged capital structure, such investment may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the economy or deterioration in the condition of such company or its industry. The use of leverage by a portfolio company may also impose restrictive financial and operating covenants that may impair its ability to operate its business as desired and/or finance future operations and capital needs. In the event that such a company is unable to generate sufficient cash flow to timely meet principal and interest payments on its indebtedness, the value of a Fund's investment in such portfolio company could be significantly reduced or even eliminated. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to such assets in an insolvency event or proceeding. In certain situations, more than one investment purchased by a Fund with the use of leverage may be held with the same bank, custodian or dealer. With respect to the portfolio companies of a Fund, multiple leveraged investments may be linked and used to "cross-collateralize" the borrowings. In the event that such investments are "cross-collateralized", such Fund could experience concurrent liquidation on multiple investments to satisfy its borrowing obligations, and an adverse event or condition at or with respect to one portfolio company could negatively affect and/or cause a loss of a different investment that would not otherwise be subject to such adverse event or condition. To the extent the entities or parties entering into a joint or cross-collateralized borrowing arrangement are portfolio companies or entities holding investments (and not the Fund itself), such borrowings will not be subject to the limits on borrowings by such Fund that are set forth in the Fund's limited partnership agreement. The use of leverage will result in costs to a Fund that may not be covered by distributions made to a Fund or appreciation of its investments.

In the event that a Fund uses a borrowing facility that is collateralized by certain or all of such Fund's investments, each of the Fund's Investors, including those that have no interest in certain

investments (due to exercise of excuse or exclusion rights, for example), would nevertheless be exposed to risks associated with the Fund's interest in such investments. For example, in the event that the value of such investment were to meaningfully deteriorate, there could be a margin call on the Fund's facility, in response to the decrease in the collateral value. A decline in the value of such investment could also result in increased costs of borrowing for the Fund as a whole. Investors may also have an interest in certain portfolio companies that is disproportionate to their exposure to leverage through cross-collateralization on other portfolio companies. For example, if an Investor is excused or excluded from an investment in a portfolio company, through cross-collateralization, they may nevertheless be indirectly exposed to risks associated with leverage of portfolio companies in which they are not invested and distributions from unrelated portfolio companies may be used to satisfy obligations with respect to such portfolio company, in which case Investors without exposure to such investment may receive such proceeds later than they otherwise would have, in a reduced amount, or not at all.

*Currency and Exchange Rate Risks:* A portion of a Fund's portfolio investments, and the income received by such Fund with respect to such portfolio investments, may be denominated in currencies other than U.S. dollars. However, the books of a Fund will be maintained, and contributions to and distributions from the Fund generally will be made, in U.S. dollars. A Fund may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between foreign currencies and the U.S. dollar. Changes in foreign currency exchange rates may also affect the dollar value of portfolio investments, the value of dividends and interest earned, and the level of gains and losses realized on the sale of investments. In addition, a Fund will incur costs and execution risk when converting portfolio investment proceeds from one currency to another. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the foreign exchange markets. These rates are also affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. From time to time, the General Partner of a Fund may enter into hedging transactions designed to reduce such currency risks, but it does not expect to eliminate the Fund's exposure to exchange rate fluctuations.

*Interest Rate Risks:* To seek to reduce the interest rate risk inherent in a Fund's underlying investments and capital structure, a Fund may enter into interest rate transactions, including but not limited to interest rate swaps and caps. For instance, interest rate swaps involve the exchange by a Fund with a counterparty of fixed-rate payments for floating rate payments; the payment obligations would be based on the notional amount of the swap. In an interest rate cap, a Fund would pay a premium to the counterparty to the interest rate cap and, to the extent that a specified variable rate index exceeds a predetermined fixed rate, would receive from the counterparty payments of the difference based on the notional amount of such cap. Depending on the state of interest rates in general, a Fund's use of interest rate transactions could enhance or harm the overall performance of the Fund.

*LIBOR Reform:* To the extent that (i) a Fund’s investments (whether made, acquired or otherwise) and/or (ii) a Fund’s and/or its affiliates’ credit arrangements or facilities, hedging activities, derivative- or other structures, in each case, are subject to, utilize or otherwise reference, whether directly or indirectly, a variable interest rate that is based on (or calculated with reference to) the London Interbank Offered Rate (“LIBOR”, and together with the Euro Interbank Offered Rate, the Canadian Dollar Offered Rate, the Secured Overnight Financing Rate (“SOFR”), the Sterling Overnight Index Average (“SONIA”), or any other reference rate, benchmark or index, including in each case, any permutations thereof and any credit spread adjustments thereto, collectively, the “Benchmark Rates”), a Fund may be subject to certain material risks, some of which are described below.

LIBOR is an estimate of the rate at which a sub-set of traditional banks can borrow money from other banks and, together with other interbank offered rates (together with LIBOR, each an “IBOR”), is widely used as a reference for interest rates on credit and other financial instruments and agreements globally. In connection with the global transition away from LIBOR led by regulators and market participants, LIBOR was last published on a representative basis at the end of June 2023. Markets in these new rates are developing, but questions around liquidity and how to appropriately mitigate any economic value transfer as a result of the transition remain a concern. The U.S. federal government enacted legislation to establish a process for replacing LIBOR in certain existing contracts that did not already provide for the use of a clearly defined or practicable fallback replacement benchmark rate as described in the legislation. In connection with this legislation, the Federal Reserve Board effectively automatically replaced the U.S. dollar LIBOR benchmark rate in such contracts, as of June 30, 2023, with SOFR, a replacement rate published by the Federal Reserve Bank of New York, including certain spread adjustments and benchmark replacement conforming changes.

Although it is not possible to identify a comprehensive set of potential risks at this time, the termination of LIBOR presents certain risks to a Fund including, among others: (i) increased volatility or illiquidity in markets, (ii) material delays in or reductions to financing options for actual or prospective portfolio companies, (iii) increased cost of borrowing to a Fund and/or to actual or prospective portfolio companies, (iv) reduction in the value of certain instruments or the effectiveness of related transactions such as hedges, (v) uncertainty under applicable documentation, or difficult and costly consent processes for any required amendments to applicable documentation for a Fund as a borrower or counterparty, or for any actual or prospective portfolio companies in such capacities, (vi) costs of modifications to a Fund’s processes and systems (including IT), and/or costs of administrative services and operations, including monitoring of recommended conventions and Benchmark Rates, or any component of or adjustment to the foregoing, and (vii) costs of causing a Fund and/or, indirectly, causing one or more portfolio companies to incur expenses to manage the transition away from LIBOR. Any such effects of the transition away from LIBOR and the other IBORs, as well as other unforeseen effects, may result in expenses, difficulties, complications or delays for impacted markets and instruments, and could have a material adverse impact on a Fund and/or its investments. Additionally, to the extent swaps, hedges, and/or similar derivatives or instruments that use or



reference, whether directly or indirectly, LIBOR or other similar Benchmark Rate, including swaps or contracts used to manage long-term interest rate risk related to assets and/or liabilities, are entered into, in addition to the potential need for renegotiation, there also may be different conventions that arise in different but related market segments, which could result in mismatches between different assets and liabilities and, in turn, in possible unexpected gains and/or losses. Some of these replacement rates may also be subject to compounding or adjustments that cause administrative challenges for a Fund and the portfolio companies, and their respective affiliates and service providers and could also impact the timing, calculation of, and size of certain performance fees, payments and/or distributions made by a Fund. There can be no assurance that a Fund will be able to manage a Fund's business or performance in a profitable manner before, during or after such transition.

*Risks in Effecting Operating Improvements:* The success of a Fund's investment strategy will depend, in part, on the ability of the Fund or the management of a portfolio company to implement improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such improvements. In addition, the primary focus of the investment strategies of an Opportunities Fund and the Hedge Funds, unlike the Flagship Funds, is not investing in controlled investments and therefore an Opportunities Fund and the Hedge Funds will not have the same degree of influence to be able to implement operational improvements, though an Opportunities Fund does intend to take an active role with respect to portfolio management where possible. As a consequence, an Opportunities Fund and the Hedge Funds are not expected to have the same ability to add value to portfolio companies and for this reason, there is a risk that the targeted returns for those Funds may be difficult to achieve.

*Operating Partners:* Insight generally does not use rotating operating executives in the management of portfolio companies. Insight generally seeks for its portfolio companies to hire senior employees to manage the company but, while conducting such searches, may, without charging fees to the applicable portfolio company, use certain of its employees to cover the desired positions. However, Insight's in-house consulting practice, Insight Onsite, seeks to enable Insight to add value to a portfolio company in a similar way to a strategic investor and operational expertise is an important part of this strategy. Insight has recently significantly enhanced its Insight Onsite business development practice. Part of that enhancement was for Insight to hire several former operational executives as part of the Insight Onsite team and Insight expects to continue to hire such executives. These executives hold the title of Operating Partner at Insight Onsite. These Operating Partners are generally employees of Insight. They are compensated by Insight, which may charge fees to portfolio companies for their services through an Insight Onsite engagement (the treatment of Insight Onsite fees is described under "Insight Onsite" in Item 8 above). While Insight believes that its Operating Partners provide value to portfolio companies, there can be no assurance that they will be able to accomplish the operational improvements that Insight intends.

*Uncertainty of Financial Projections:* The Funds generally use financial projections to help analyze potential investments and may use such projections to help analyze future capital raises and financing for portfolio companies or other transactions. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

*Control Positions and Non-Controlling Interests:* A Fund may assume control positions in certain of its portfolio companies. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. A Fund may make minority or other equity investments in portfolio companies where there is the possibility that the portfolio companies may be controlled by persons who have economic or business interests or goals that are inconsistent with those of a Fund or may be in a position to take action contrary to a Fund's business interests. Where a Fund holds a non-controlling interest in a portfolio company, it may have a limited ability to limit or otherwise protect its position in such company.

*Competitive Market:* The market for investment opportunities similar to those that the Funds are focused on is competitive and involves a high degree of uncertainty. There can be no assurance that Insight's management will succeed in consistently identifying and securing investments on attractive terms. Furthermore, an ever-increasing number of funds with similar investment objectives as the Funds have been formed (and many existing funds with similar investment objectives as the Funds have grown in size) to invest in the software, software-enabled services and the Internet industries. Additional funds with similar investment objectives and/or sourcing methodologies may be formed in the future by other unrelated parties. As a result, there can be no assurance that a Fund will be able to participate and make portfolio investments that satisfy the Fund's return objectives or realize Insight's view of their potential values or that the Fund will be able to become fully invested for a significant period of time, if at all. There can be no assurance that such opportunities will continue to be available or that a Fund will be able to make any such investments.

*Intellectual Property Risks:* Many portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights, including source code. There can be no assurance that a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company's technologies. Unauthorized access or theft of source code and other proprietary information may make a portfolio company or its products and services more vulnerable to malicious attack. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the U.S. is significant, particularly in countries where laws are less protective of intellectual property rights.

The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

*Third-party Infringement Claims:* A Fund's portfolio company may, from time to time, receive notices from others claiming such portfolio company has infringed their intellectual property rights. The number of these claims may grow because of constant technological change in the software industry, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may use "open source" software in their products, or may use such software in the future. Such open source software is licensed by its copyright holders under licenses, that in some cases may require disclosure of the company's code to third parties. Copyright owners or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, a Fund and/or portfolio companies may enter into royalty and licensing agreements on terms that are less favorable than currently available, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies. In some countries, such as Germany, an injunction can be issued before the parties have fully litigated the validity of the underlying patents.

*Third Party Co-Investments:* A Fund may co-invest with third parties through partnerships, joint ventures, or other entities. Such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party co-investor or partner may at any time have economic or business interests or goals that are inconsistent with those of a Fund, or may be in a position to take action contrary to a Fund's business interests. A Fund may co-invest or invest with certain experienced third-party executives and/or investors (each, a "Scout") through partnerships or other entities whereby the Scout has primary responsibility for undertaking due diligence and negotiation functions in connection with potential investments. Insight generally expects that any Scout will receive carried interest or other performance compensation in connection with these investments out of the carried interest that would be payable to the General Partner.

*Risks of Syndication:* A Fund's investments will include investments in which a Fund's General Partner will seek co-investors. Co-investors will often participate in a Fund's investments when the Fund initially invests in a portfolio company. However, there may be circumstances, including due to the timing requirements of a transaction or the need for regulatory clearance for the co-investors, where co-investors will subsequently purchase their investments from a Fund.

There can be no assurance (i) that a Fund will be successful in syndicating such co-investment, in whole or in part, (ii) that the closing of such co-investment will be consummated in a timely manner, (iii) that the syndication will take place on terms and conditions that will be preferable for

such Fund or (iv) that expenses incurred by a Fund with respect to such syndication will not be substantial. If a Fund is not successful in syndicating such co-investment, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment than initially was intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by a Fund which is not syndicated to co-investors as originally anticipated could significantly reduce such Fund's overall investment returns.

A Fund may exceed certain investment and diversification threshold limits if the General Partner reasonably expects to reduce such investment to below such limits within a certain period of time. However, if this expectation is not realized, for example, because it cannot sell, assign or successfully close a participation in the investment, or market changes make it imprudent to sell, assign or offer participations, the Fund may retain such investments at the higher limit for an indeterminate period of time.

*Lack of Diversification:* A Fund may be permitted to invest up to a specified percentage of its aggregate capital commitments in the securities of one issuer at the time of investment. If a Fund is provided with only a limited number of investment opportunities or is provided with investment opportunities in companies that are similar to the other Fund investments, a Fund's portfolio may be highly concentrated. In addition, to the extent Insight concentrates a Fund's investments in a small number of issuers, issuers within particular segments of the software or Internet industries or within one geographical area or country (including in a country other than the United States), a Fund's portfolio may become even more concentrated, non-diversified and consequently more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting such issuers, industry segment and/or geographical region. Coinvestment Funds and the Continuation Fund are likely to be concentrated in fewer investments than other Funds.

*Insufficient Capital for Follow-On Investments:* Following its initial investment in a portfolio company, a Fund may have the opportunity to increase its investment in successful operations or may be asked to provide additional funds to such portfolio company. There is no assurance that a Fund will make follow-on investments in a particular portfolio company or that a Fund will have sufficient resources to, or be permitted to, make such investments. Any decision not to make follow-on investments, or a Fund's inability to make them, may have a substantial negative impact on a portfolio company in need of such an investment, may result in missed opportunities for a Fund, or may result in dilution of a Fund's investment as other investors provide the needed capital.

*Third Party Litigation:* Litigation can and does occur in the ordinary course of the management of an investment portfolio of securities. A Fund may be engaged in litigation both as a plaintiff and as a defendant. A Fund's investment activities subject it to relatively increased third-party litigation risk in those instances in which the Fund exercises control or significant influence over a portfolio investment, including as a result of board participation or investment in a public company. Such litigation can arise as a result of acquisition or disposition transactions (whether consummated or not), portfolio company defaults, portfolio company bankruptcies and/or other

reasons. In certain cases, such portfolio companies or their constituents or other third parties may bring claims and/or counterclaims against a Fund, a General Partner, Insight and/or their respective principals and affiliates alleging violations of securities laws and corporate, contractual and other typical claims and counterclaims seeking significant damages. To the extent that (i) a Fund has not been able to protect itself through insurance, indemnification or other rights against the portfolio companies, (ii) a Fund is not entitled to such protections, or (iii) the portfolio company is not solvent, the expense of defending against claims made against a Fund by third parties and paying any amounts pursuant to settlements or judgments would be borne by a Fund and reduce net assets. In connection with such actions, the Fund would be obligated to bear defense, settlement and other costs, and the General Partner, Insight and others would generally be entitled to indemnification by the Fund, subject to certain conditions. Such costs and indemnification could adversely affect the applicable Fund's rate of return.

A Fund may also be subject to certain litigation and related risks to the extent that it engages in origination and/or servicing activities. Loan origination and servicing companies are routinely involved in legal proceedings concerning matters that arise in the ordinary course of their business. These legal proceedings range from actions involving a single plaintiff to class action lawsuits with potentially tens of thousands of class members. In addition, a number of participants in the loan origination and servicing industry (including control persons of industry participants) have been the subject of regulatory actions by state regulators, including state attorneys general, and by the federal government. Governmental investigations, examinations or regulatory actions, or private lawsuits, including purported class action lawsuits, may adversely affect such companies' financial results. To the extent the Fund seeks to engage in origination and/or servicing directly, or has a financial interest in, or is otherwise affiliated with, an origination or servicing company, a Fund will be subject to enhanced risks of litigation, regulatory actions and other proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by a Fund and would reduce net assets.

*Board Participation:* It is expected that a Fund or an affiliate of a Fund will be represented on the boards of directors of certain of its portfolio companies or may have its representatives serve as observers to such boards of directors, including those in which other Insight Funds hold investments simultaneously to the Fund. Although such positions in certain circumstances may be important to a Fund's investment strategy and may enhance a General Partner's and Insight's ability to manage the investments, they may also have the effect of impairing a General Partner's ability to sell the related securities when, and upon the terms, it may otherwise desire and may subject the General Partner, Insight, and the Fund 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. In general, a Fund will indemnify the General Partner and Insight from such claims.

*Unfunded Pension Liabilities of 80%-Owned Portfolio Companies:* Court decisions have suggested that, where an investment fund owns 80% or more of a portfolio company, the fund (and any other 80%-owned portfolio companies of the fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such

liabilities. Although the Funds intend to manage their investments to minimize any such exposure, a Fund may, from time to time, own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If a Fund (or other 80%-owned portfolio companies of a Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of such Fund and the companies in which such Fund invests.

*Bridge Financings:* From time to time, a Fund may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term securities. Such bridge loans will typically be convertible into a more permanent, long-term security. It is possible, however, for reasons not always in a Fund's control, that such equity or long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by a Fund.

*Foreign Investments:* A Fund may invest in the securities of issuers located outside of the United States. Foreign securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (1) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (2) inflation matters, including rapid fluctuations in inflation rates; (3) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (4) economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic or social instability or armed conflict or the possibility of sanctions imposed by the United States or other jurisdictions and the possibility of expropriation or confiscatory taxation; and (5) the possible imposition of foreign taxes on income and gains recognized with respect to such securities.

*Adequacy and Availability of Insurance:* While a Fund may seek to make investments where insurance and other risk management products are, to the extent available on commercially reasonable terms, utilized to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance, such coverage may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and any insurance proceeds from covered risks may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or any necessary replacement or rehabilitation, as applicable. Certain losses of a catastrophic nature (i.e., those caused by force majeure events) may be either uninsurable or insurable at such high rates as to adversely impact a Fund's profitability if such insurance were obtained.

*Israel-Palestine Conflict:* On October 7<sup>th</sup>, 2023, Hamas (an organization which governs Gaza, and which has been designated as a terrorist organization by the United States, the United Kingdom,

the European Union, Australia and other nations), committed a terrorist attack within Israel (“ Hamas Attack”). The ongoing conflict and rapidly evolving measures in response could have a negative impact on the economy and business activity globally (including in countries in which Insight and/or a Fund invests), and therefore could adversely affect the performance of the investments. The severity and duration of the conflict and its future impact on global economic and market conditions are impossible to predict, and as a result, present material uncertainty and risk with respect to a Fund and the performance of its investments and operations, and the ability of Insight to achieve its investment objectives. Similar risks exist to the extent that any portfolio entities, service providers, vendor or certain other parties have material operations or assets in the Middle East, or the immediate surrounding areas. The United States has announced sanctions and other measures against Hamas-related persons and organizations in response to the Hamas Attack, and the United States (and/or other countries) may announce further sanctions related to the ongoing conflict in the future.

*Brexit:* On January 31, 2020, the United Kingdom (the “U.K.”) formally left the European Union (the “EU”) and ceased to be a member of the EU (“Brexit”). Brexit has and may continue to affect European or worldwide political, regulatory, economic or market conditions and could contribute to instability in global political institutions, regulatory agencies and financial markets. Brexit has and may continue to cause politically divergent national laws and regulations as the relationship between the U.K. and EU continues to evolve and the U.K. determines which EU laws to replace or replicate in the future. Any of these effects of Brexit, and others Insight cannot anticipate, could adversely affect the value of a Fund’s investments and its net asset value. The political, economic and legal consequences of Brexit continue to give rise to uncertainties. The U.K. may be less stable than it has been in recent years and investments in U.K. assets may be difficult to value, or subject to greater or more frequent rises and falls in value.

*Russian Invasion of Ukraine.* There is currently an ongoing military conflict between Russia and Ukraine, which has caused disruption to global financial, trade and transportation systems. In response, the United States and multiple other countries have put in place sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. The extent and duration of the military action, resulting sanctions and resulting future market disruptions in the region and to the global economy are impossible to predict, but could be significant. Any disruptions caused by Russian military action or other actions (including cyberattacks and espionage) or resulting actual and threatened responses to such activity, including purchasing and financing restrictions, boycotts or changes in consumer or purchaser preferences, sanctions, tariffs or cyberattacks on the Russian government, Russian companies or Russian individuals, including politicians, could have a severe adverse effect on Russia and the European region, including significant negative impacts on the Russian economy, the European economy and the markets for certain securities and commodities, such as oil and natural gas, and will likely have collateral impacts on those sectors globally as well as other sectors. How long such military action and related events will last cannot be predicted. As a result, the conflict between Russia and Ukraine and related events present material uncertainty and may have a material adverse effect on a Fund’s investments and the operations of its portfolio companies. See also “*Force Majeure*

*Risk*” below. Additionally, to the extent that third parties, investors, or related customer bases have material operations or assets in Russia or Ukraine, they may have adverse consequences related to the ongoing conflict.

*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 and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to a Fund.

In an effort to contain such health emergencies, national, regional and local governments, as well as private businesses and other organizations, have taken severely restrictive measures, including instituting local and regional quarantines, restricting travel (including closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of large numbers of offices, businesses, schools, and other public venues. Any such measures have the potential to significantly diminish economic production and activity of all kinds and contribute to volatility in financial markets, demand across categories of consumers and businesses, as well as in the credit and capital markets. Restrictive measures, whether on an initial or re-imposed basis, also have the potential to cause labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, increases in unemployment levels, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports and entertainment.

Any public health emergency could have a significant adverse impact on and result in significant losses to a Fund. The extent of the impact on a Fund’s and its portfolio entities’ 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 a 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 a Fund intends to pursue, all of which could adversely affect a Fund’s ability to fulfill its investment objectives. They may also impair the ability of portfolio entities or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences, including the potential for defaults by borrowers under debt instruments held by a Fund. In addition, the operations of a Fund, its portfolio investments, the General Partner and a Fund may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any



such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

The ultimate impact of any such public health emergency—and the resulting precipitous decline in economic and commercial activity across almost all of the world's largest economies—on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although ongoing and potential additional materially adverse effects, including a further global or regional economic downturn (including a recession) of indeterminate duration and severity, are possible.

*Force Majeure Risk:* Portfolio companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including civil unrest, fire, flood, hurricanes and other natural disasters, including extreme weather events from possible future climate change, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Fund may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to a Fund, including if its investment in such portfolio company is canceled, unwound or acquired (which could be without what a Fund considers to be adequate compensation). Any of the foregoing may therefore adversely affect the performance of a Fund and its investments.

*Investments in Emerging Markets:* A Fund's non-U.S. investments are not limited to developed markets but may also be made in emerging markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other, more established economies or markets. Such risks may include (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war or terrorism; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalization of markets; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. dollars; (viii) increased likelihood of governmental involvement in and control over the economy; (ix) governmental decisions to cease support of economic reform programs or to impose centrally planned

economies; (x) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (xi) less extensive regulation of the markets; (xii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiii) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; and (xiv) certain considerations regarding the maintenance of a Fund's investments with non-U.S. custodians.

Repatriation of investment income, assets and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging countries. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends paid on financial instruments held by the Fund or gains from the disposition of such financial instruments.

In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Protections for intellectual property may be limited. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. A Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

*Risk of Early-Stage/Start-up Investments:* While some of the Funds are focused primarily on growth-stage companies and may also invest in more mature companies, one or more Funds may have exposure to new and emerging early-stage/start-up investments (collectively, "early-stage investments"). While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Even more than growth-stage companies, early-stage investments need to implement appropriate sales and marketing, finance, personnel and other operational strategies to take the business to the next stage.

*Financial and Other Fraud:* Instances of fraud and other deceptive practices committed by senior management of certain companies in which a Fund may invest may undermine the ability of Insight to conduct effective due diligence on, or successfully exit such companies. In addition, financial fraud may contribute to overall market volatility, which can negatively impact a Fund's investment program.

*Enhanced scrutiny and regulation of private investment funds:* A Fund's ability to achieve its investment objectives, as well as the ability of a Fund to conduct its operations, is based on laws and regulations that are subject to change through legislative, judicial or administrative action. The legal, tax and regulatory environment for private equity funds is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, regulators and market commentators, may adversely affect the ability of a Fund to pursue its investment strategy, its ability to obtain leverage and financing, and the value of investments held by a Fund. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self-regulatory scrutiny of the private equity and alternative investment industry in general, and certain legislation proposing greater regulation of the industry periodically is considered by the governing bodies of both U.S. and non-U.S. jurisdictions. Many of the regulators to which the Funds, Insight, or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against a Fund, Insight or their respective affiliates was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of any such sanction could harm a Fund, Insight, or their respective affiliates' reputations which may adversely affect a Fund's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. There is also a material risk that regulatory agencies in the U.S. and beyond will continue to adopt burdensome new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations, as the U.S. and global economies continue to struggle to improve. Any such events or changes could occur during a Fund's term and may adversely affect a Fund and its ability to operate and/or pursue its investment strategies. This enhanced oversight and regulation, and the perception of a need for significant additional rule-making by various governmental bodies, has created uncertainty in the financial markets and, in particular, the private funds industry. Any changes in the regulatory framework applicable to a Fund may impose additional expenses, require the attention of senior management or result in limitations in the manner in which a Fund's business is conducted and may have an adverse effect on the private equity industry generally and/or a Fund. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing investments than it otherwise would have.

Additionally, the ongoing implementation of the legislative agenda of President Joseph R. Biden, Jr. in the coming years could have significant consequences for the Funds. Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs during the term of the Funds could have a material adverse impact on the Fund and their investments. It is impossible to predict what, if any, changes may be instituted with respect to the regulations applicable to the Funds, Insight or their respective affiliates, the markets in which they trade and invest or the counterparties with which they do business, or what effect such legislation or regulations might have. There can be no assurance that the Fund, Insight or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of a Fund to implement its investment strategy could have a material adverse impact on a Fund's portfolio. To the extent that a Fund or a Fund's investments are or may become subject to regulation by various agencies in the United States or other non-U.S. jurisdictions, the costs of compliance will be borne by a Fund.

*Private Funds Rules:* In August 2023, the SEC adopted a series of new rules under the Advisers Act applicable to private fund managers (the "Private Funds Rules"). The Private Funds Rules will, among other things: (i) require specified and standardized quarterly disclosures regarding performance, fees and expenses; (ii) restrict the ability of private fund managers to engage in certain activities; (iii) require disclosure of, and in some cases limit, preferential treatment provided to certain investors; (iv) require that all private funds be subject to annual audit; (v) add a written documentation requirement for annual reviews; and (vi) create requirements to keep records of compliance with the Private Funds Rules. Potential consequences arising from the Private Funds Rules could include: (a) increased risk of frivolous lawsuits against Insight and its affiliates; (b) increased costs and expenses from compliance and monitoring efforts; (c) significant increases in liability insurance costs; and (d) increased costs for legal, compliance and accounting providers. The time and expenses necessary to comply with the Private Funds Rules could divert resources away from advancing the Funds' investment strategies.

*Form PF Amendments:* The SEC adopted amendments to Form PF in May 2023 (the "Form PF Amendments") that greatly expand the type, amount and frequency of information the SEC collects from certain private fund advisers under Form PF. Pursuant to the Form PF Amendments, Insight will be required to file additional Form PF reports requiring significant quantitative and qualitative analysis within seventy-two hours of the occurrence of certain key events. This is a significant departure from the previous Form PF reporting requirements. Consequently, Insight will likely have to devote significant resources and attention to complying with this additional reporting requirement under the Form PF Amendments. The Form PF Amendments will likely impose significant operational burdens on Insight as it will have to build or modify systems to gather the information required by the new reporting regime. This could result in increased compliance and monitoring costs and divert resources away from advancing the Hedge Funds' profitability.

*Implementation Period:* Insight will have between sixty days to eighteen months after publication of the applicable final rule in the Federal Register to comply with different aspects of the Form PF Amendments and the Private Funds Rules.

*Disclosure of Information:* Certain of the Funds, General Partners, Insight or their respective affiliates may become subject to, and certain likely limited partners in the Funds are subject to, public records or similar laws that may compel public disclosure of confidential information regarding the Funds, its investments or one or more limited partners. There can be no assurance that such information will not be disclosed either publicly or to regulators or law enforcement or otherwise, including to comply with regulations or policies to which these entities may be or become subject.

*Anti-Pay-to-Play Laws, Regulations and Policies:* In light of scandals involving money managers, a number of states and municipal pension plans have adopted or enhanced so-called “anti-pay-to-play” laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including investments by public retirement funds. The SEC also has a rule that, among other things, prohibits an investment adviser from providing advisory services for compensation to a government entity for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If Insight, its employees or affiliates or any service providers acting on their behalf, including, without limitation, a placement agent, fails to comply with such pay-to-play laws, regulations or policies such non-compliance could have an adverse effect on the Fund by, for example, providing the basis for the withdrawal of the affected public pension fund investor.

*OFAC Sanctions and FCPA Considerations:* Economic sanction laws in the United States and other jurisdictions may prohibit Insight, its affiliates and the Funds from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions, which prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at [www.treas.gov/ofac](http://www.treas.gov/ofac). In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may significantly restrict or completely prohibit certain investment activities, and if a Fund or its portfolio companies were to violate any such laws or regulations, it may face significant legal and monetary penalties.

Insight and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, a Fund may be adversely affected because of its unwillingness to enter into transactions that violate any such laws or regulations.

The FCPA and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict the activities of a Fund’s portfolio companies or a Fund. If a portfolio company or a Fund were to violate any such laws or regulations, such portfolio company or Fund may face significant legal and monetary penalties. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that a Fund’s portfolio companies or a Fund become the subject of such actual or threatened enforcement. In particular, U.S. regulators recently have been focused on private equity firms and the funds they manage. A violation of the FCPA or other applicable regulations by a portfolio company or a Fund could have a material adverse effect on the Fund.

*AIFMD:* Certain of the Funds may be marketed in member states in the European Economic Area (“EEA”) or the United Kingdom (“UK”). Under the EU Directive on Alternative Investment Fund Managers (Directive 2011/61/EU) (“EU AIFMD”) and the Alternative Investment Fund Managers Regulations 2013 (as amended) and the Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (“UK AIFMD”, and together with the EU AIFMD, the “AIFMD”), a Fund will be an alternative investment fund (“AIF”) and Insight will be an alternative investment fund manager (“AIFM”). The countries of the EEA and the UK in which Insight may seek investors will be restricted under AIFMD. This is because Insight is a non-EEA AIFM and some countries do not allow any marketing by non-EEA AIFMs; of those that allow it, some impose requirements that make it disproportionately burdensome to do so. If Insight markets in an EEA or EU member state or the UK and then admits an investor from that state, compliance with the reporting and other AIFMD requirements, including the appointment of a depositary, where required, will be ongoing. A Fund will bear the costs and expenses for collecting data, monitoring compliance and filing reports with the relevant authorities. Compliance with AIFMD may therefore result in significant additional costs over the life of such Fund and may reduce returns to investors. Competitors of such Fund may not be structured as AIFs or may otherwise be outside the scope of the AIFMD, potentially putting such Fund at a competitive disadvantage. The requirements of the AIFMD may change over time and could become more stringent. The AIFMD could also expose the Insight and/or a Fund to disparate or conflicting regulatory requirements under the laws of other jurisdictions. In addition, the AIFMD may also restrict certain activities of a Fund in relation to EEA or UK-portfolio companies including, in some circumstances, such Fund’s ability to recapitalize, refinance or potentially restructure an EEA or UK portfolio company within the first two years of ownership.

*Software Code Protection:* The development and protection of source code is critical to many businesses in the software sector. If an unauthorized disclosure of a significant portion of a portfolio company’s source code occurs, such portfolio company could potentially lose future trade secret protection for such source code. The loss of trade secret protection could make it easier for

others to compete with such portfolio company's products by copying their functionality, which could adversely affect such portfolio company's revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms, and other malicious software programs that may attack a portfolio company's products and services). Costs for remediating the unauthorized disclosure of source code and other cyber-security breaches may include those related to increased protection, reputational damage, loss of market share, liability for stolen assets or information and repairs to damaged systems. Remediation costs may also include incentives offered to maintain a portfolio company's business and/or customer relationships following a security breach.

*CFIUS & National Security/Investment Clearance:* Certain investments by a Fund that involve the acquisition of a business connected with or related to national security or critical infrastructure may be subject to review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS") and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in such Fund. In the event that CFIUS or another regulator reviews one or more of a Fund's proposed or existing investments, there can be no assurances that such Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator may seek to impose limitations on or prohibit one or more of a Fund's investments. Such limitations or restrictions may prevent a Fund from maintaining or pursuing investments, which could adversely affect such Fund's performance with respect to such investments (if consummated) and thus such Fund's performance as a whole. In addition, the CFIUS review process is continually evolving. In particular, a set of reform measures known as the Foreign Investment Risk Review Modernization Act ("FIRRMA"), was enacted into law and has broadened the jurisdiction of the CFIUS with respect to certain investments, including investments in certain companies that do not confer potential control over a U.S. business by a foreign person. Such legislation could impact the participation in a Fund's investments by non-U.S. Investors, which in the aggregate are expected to hold a significant portion of the interests in the Funds, and may impair a Fund's ability to execute its investment strategy. The reforms enacted by FIRRMA include (i) a requirement of mandatory disclosures to CFIUS of all transactions in which a foreign government owned or controlled entity proposes to acquire a substantial interest in a U.S. business active in critical infrastructure, critical technologies, or which has access to sensitive personal data of U.S. citizens if such data might be exploited in a manner that threatens national security, and (ii) jurisdiction for CFIUS to review any investment (other than truly passive investment) by a foreign person in the same types of companies regardless of the percentage ownership interest of the foreign person. Proposed rules implementing the FIRRMA legislation became effective on February 13, 2020. FIRRMA will increase the number of transactions involving a Fund that would be subject to CFIUS review and investigation and the timing and substantive risks described above. Furthermore, certain of the Investors in the Funds are expected to be non-U.S. investors, and in the aggregate, are expected to comprise a substantial portion of the Funds, which increases both the risk that investments may be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on a Fund's investments. In the event that restrictions are imposed on any investment by a Fund due to the non-U.S. status of an Investor or group of Investors or other related CFIUS or national

security considerations, the General Partner of a Fund may choose to restrict such Investor's or such group of Investors' ability to invest in any such portfolio investment and further, if applicable, restrict such Investor's or such group of Investors' rights to participate in or vote on certain decisions of the Advisory Committee with respect to such investment. However, there can be no assurance that any restrictions implemented on any such Investor or any such group of Investors will allow a Fund to maintain, or proceed with, any investment.

*Future SEC Investigations:* There can be no assurance that a Fund, the General Partner of such Fund, Insight or any of their affiliates will avoid possible enforcement actions as a result of the ongoing investigation, or further regulatory examination and possible enforcement actions in the future. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including the undisclosed (or insufficient disclosure of) allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses) and undisclosed (or insufficient disclosure of) legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser. Although the Insight believes the foregoing practices to have been common historically amongst private fund advisers within the U.S. private funds industry, the SEC or any other governmental authority, regulatory agency or similar body may take issue with, or continue to take issue with, past or future practices of Insight or any of its affiliates as they pertain to any of the foregoing. In such instances, the Insight and/or such affiliates may be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction, a Fund, the General Partner of such Fund, Insight or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction. The adverse publicity relating to the investigation, proceeding or imposition of any such sanction could harm the Fund, such Fund's General Partner, Insight or their respective affiliates' reputations which may adversely affect the Fund's investment performance by hindering its ability to obtain favorable financing or consummate a potentially profitable investment. Following passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the SEC has particularly scrutinized the private equity industry, including conducting a number of examinations and bringing a number of enforcement actions particularly focused on the private equity industry. In light of the heightened regulatory environment in which the Investment Manager operates and the ever-increasing regulatory burdens applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Investment Manager and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulatory burdens applicable to private investment funds generally or to the Fund, the General Partner or the Investment Manager in particular may result in increased expenses associated with the Fund's activities and additional resources of the Investment Manager 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 objectives. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on the Fund's activities, including the ability of the Fund to achieve its investment objectives.



*Subscription Facilities:* A Fund typically obtain one or more revolving credit facilities (“subscription facilities”) in order to enable the Fund to make investments or pay management fees or other Fund expenses and liabilities. A Fund will also be permitted to pledge assets of such Fund and guarantee the indebtedness of others (including portfolio companies and entities through which investments by such Fund are held). If a Fund obtains a subscription facility, it is generally expected that such Fund’s interim capital needs would be satisfied through borrowings by such Fund under the subscription facility, and drawdowns of capital contributions by such Fund, including those used to pay interest on subscription facilities, would generally be expected to be “batched” together into larger, less frequent capital calls (although actual timing and amounts may vary). Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription facility 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 applicable Fund. Although there are limitations regarding the time borrowings by a Fund under a subscription facility may remain outstanding, there is no limitation on the amount of time guarantees by a Fund may remain outstanding, and the interest expense and other costs of any such borrowings will be Fund expenses (and, with respect to guarantees, may be Fund expenses) and accordingly, may decrease net returns of a Fund. Because net internal rate of returns are calculated based on the date of capital contributions, a General Partner may have an incentive to fund the acquisition of portfolio investments and ongoing capital needs of a Fund with the proceeds of borrowings under subscription facilities or other borrowings guaranteed by such Fund in lieu of immediately drawing down unused capital commitments. The interest rate of any subscription facility may be higher than the interest rate that may be attainable by any individual investor and to the extent a particular investor’s cost of capital is lower than a Fund’s cost of borrowing. Fund-level borrowing can negatively impact an investor’s overall individual financial returns even if it increases a Fund’s reported net returns in certain methods of calculation.

*Certain Additional Risks Applicable to Opportunities Fund’s Strategy*

*Value of Collateral.* An Opportunities Fund will often be dependent upon the value of a security interest it obtains in the tangible or intangible assets of its portfolio companies to mitigate credit risk and provide an additional source of secured repayment for the debt due to the Fund. There is no guarantee that the Fund’s security interest will offset losses in whole or in part. Evaluating the potential value of the Fund’s collateral involves a high degree of subjectivity and uncertainty, in part due to the fact that companies in software, software-enabled services, and Internet industries operate in a rapidly evolving marketplace in which the value of their products, services, and assets is subject to considerable fluctuation or reduction. Additionally, structuring and implementing a security interest that can effectively access collateral involves risks. If the assets securing the Fund’s debt investments deteriorate in value, or if the Fund’s security position is subordinated to or otherwise compromised by other interests seeking repayment from the same collateral, the Fund may not be able to recover the principal balance of its debt investments or any unpaid interest or fees, and may experience losses. These potential losses could be exacerbated by any use of leverage by the Fund. In the event of a foreclosure, the Fund may directly or indirectly assume direct ownership of the underlying asset. The liquidation proceeds upon sale of such asset may not

satisfy the entire outstanding balance of principal and interest on the loan, resulting in a loss to the Fund. Any costs or delays involved in the effectuation of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the Fund's loss.

*Investments in Preferred Equity Securities:* An Opportunities Fund expects to invest, among other things, in preferred equity securities. In connection therewith, the Fund may receive common equity or common equity components in connection with preferred equity investments to potentially achieve a material equity upside return to the total investment return on each such investment. Preferred equity securities may have characteristics of both debt and equity. Dividend payments to preferred stockholders may be suspended and cancelled if the issuer experiences liquidity difficulties and the principal paid for preferred stock is generally subordinate to the debt obligations of the issuer. Some preferred stocks may be non-cumulative, which means that the issuer does not ever have to declare or pay dividends on the stock or make up any missed dividends. Consequently, investments in preferred equity securities carry significant risk of loss of principal and current income.

*Convertible Securities:* An Opportunities Fund is expected to invest in convertible securities, which are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The ability of a portfolio company to pay a dividend is limited to the extent that the portfolio company does not have sufficient legally available funds for distribution. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security's investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the

amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by the Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on the Fund's ability to achieve its investment objective.

*Debt Instruments Generally:* An Opportunities Fund may invest in debt and credit-related instruments. Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt instruments in which the Fund may invest may have speculative characteristics. There are no restrictions on the credit quality of the investments of the Fund. Generally, such securities offer a higher return potential than higher-rated securities, but involve greater volatility of price and greater risk of loss of income and principal. The issuers of such instruments (including sovereign issuers) may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

*Credit Risk:* One of the fundamental risks associated with debt investments is credit risk, which is the risk that an issuer will be unable to make principal and interest payments on its outstanding debt obligations when due. An Opportunities Fund's returns to the Investors would be adversely impacted if an issuer of debt instruments in which the Fund invests were to become unable to make such payments when due. Even if the Fund makes investments that the General Partner believes are secured by specific collateral the value of which initially exceeds the principal amount of such investments, there can be no assurance that the liquidation of any such collateral would satisfy the borrower's obligation in the event of non-payment of scheduled interest or principal payments with respect to such investment, or that such collateral could be readily liquidated. In addition, in the event of bankruptcy of a borrower, the Fund could experience delays or limitations with respect to its ability to realize the benefits of any collateral securing an investment. Under certain circumstances, collateral securing an investment may be released without the consent of the Fund. Moreover, 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. Furthermore, the Fund's right to payment and its security interest, if any, will be subordinated to the payment rights and security interests of any senior lenders. Certain of these investments may have interest-only payment schedules, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company's ability to repay the principal of an investment will be dependent upon a liquidity event or the long-term success of such portfolio company, the occurrence of which is uncertain.

*Senior Secured Loans:* An Opportunities Fund may invest in a variety of different types of structured equity and debt, including senior secured loans. When the Fund makes a senior secured loan to a portfolio company, it generally shall take a security interest in the available assets of the portfolio company, including the equity interests of its subsidiaries, which should help mitigate the risk that the Fund will not be repaid. However, there is a risk that the collateral securing the Fund's loans may decrease in value over time, may be difficult to sell in a timely manner, may be difficult to appraise, and may fluctuate in value based upon the success of the business and market conditions, including as a result of the inability of the portfolio company to raise additional capital. In some circumstances, the Fund's lien could be subordinated to claims of other creditors. In addition, deterioration in a portfolio company's financial condition and prospects, including its inability to raise additional capital, may be accompanied by deterioration in the value of the collateral for the loan. Consequently, the fact that a loan is secured does not guarantee that the Fund will receive principal and interest payments according to the loan's terms, or at all, or that the Fund will be able to collect on the loan should it be forced to enforce its remedies.

*Originated Investments:* In originating and purchasing loans, an Opportunities Fund competes with a broad spectrum of lenders, some of which may have greater financial resources than the Fund. Increased competition for, or a diminishment in the available supply of, qualifying loans could result in lower yields on such loans, which could reduce returns to Investors. The level of analytical sophistication, both financial and legal, necessary for successful financing to companies, particularly companies experiencing significant business and financial difficulties or cash flow needs is unusually high. There is no assurance that Insight will correctly evaluate the value of the assets collateralizing the Fund's loans or the prospects for successful repayment or a successful reorganization or similar action.

*Second Lien, or Other Subordinated Loans or Debt:* An Opportunities Fund may invest in second lien or other subordinated loans. In the event of a loss of value of the underlying assets that collateralize the loans, the subordinate portions of the loans may suffer a loss prior to the more senior portions suffering a loss. If a borrower defaults and lacks sufficient assets to satisfy the Fund's loan, the Fund may suffer a loss of principal or interest. If a borrower declares bankruptcy, the Fund may not have full recourse to the assets of the borrower, or the assets of the borrower may not be sufficient to satisfy the loan. In addition, certain of the Fund's loans may be subordinate to other debt of the borrower. As a result, if a borrower defaults on the Fund's loan or on debt senior to the Fund's loan, or in the event of the bankruptcy of a borrower, the Fund's loan will be

satisfied only after all senior debt is paid in full. Insight's ability to amend the terms of the Fund's loans, assign the Fund's loans, accept prepayments, exercise the Fund's remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers may be limited by intercreditor arrangements if debt senior to that Fund's loans exists or due to self-imposed restrictions on voting intended to manage conflicts of interest, in the event of investments in portfolio companies in which other Insight Funds (whether in existence now or in the future) are invested.

*Unsecured Loans or Debt:* An Opportunities Fund may invest in unsecured loans which are not secured by collateral. In the event of default on an unsecured loan, the first priority lien holder has first claim to the underlying collateral of the loan. It is possible that no collateral value would remain for an unsecured holder and therefore result in a loss of investment to the Fund. Because unsecured loans are lower in priority of payment to secured loans, they are subject to the additional risk that the cash flow of the borrower may be insufficient to meet scheduled payments after giving effect to the secured obligations of the borrower. Unsecured loans generally have greater price volatility than secured loans and may be less liquid.

*Term Loans, Delayed Draw Loans, or Revolvers:* An Opportunities Fund may invest in term loans, delayed draw term loans, bridge loans, and revolving loans, together with, without limitation, other instruments described herein. A term loan is a loan that has a specified repayment schedule. A delayed draw loan is a loan that typically permits the borrower to withdraw predetermined portions of the total amount borrowed at certain times. A revolving credit facility differs from a delayed draw loan in that as the borrower repays the loan, an amount equal to the repayment may be borrowed again during the term of the revolving credit facility. Delayed draw loans and revolving credit facilities usually provide for floating or variable rates of interest. If the Fund enters into or acquires a commitment with a borrower regarding a delayed draw loan or a revolver, the Fund will be obligated on one or more dates in the future to lend the borrower monies (up to an aggregate stated amount) if called upon to do so by the borrower. These commitments may have the effect of requiring the Fund to increase its investment in a borrower at a time when it might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid). Delayed draw loans and revolvers may be subject to restrictions on transfer, and only limited opportunities may exist to resell such instruments. As a result, the Fund may be unable to sell such investments at an opportune time or may have to resell them at less than fair market value. In the event that a contractual obligation extends beyond the Fund's investment period, the Fund would be required to meet such contractual requirements and, if it were unable to do so, would be subject to contractual penalties under such loans. The Fund's obligation to meet such contractual requirements, which may be met through drawdowns of capital commitments, may extend beyond the Fund's investment period.

*Investments in Bank Loans and Participations:* An Opportunities Fund may acquire bank loans and participations. The risks associated with investing in these obligations include: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors'

rights laws; (ii) environmental liabilities that may arise with respect to collateral securing the obligations; (iii) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; (iv) limitations on the ability of the Fund, the General Partner or Insight to directly enforce any of their respective rights with respect to participations; and (v) generation of income that is subject to U.S. federal income taxation as income effectively connected with a U.S. trade or business. Insight will attempt to balance the magnitude of these risks against the potential investment gain prior to entering into each such investment. Successful claims by third parties arising from these and other risks may be borne by the Fund.

Bank loans generally are transferable among financial institutions and other entities. However, they do not currently have the liquidity of conventional debt securities and are often subject to restrictions on resale. For example, third party approval is often required for the assignment of interests in bank loans. Due to the illiquidity of bank loans, the Fund may not be able to dispose of its investments in bank loans in a timely fashion and at a fair price, which could adversely affect the performance of the Fund. With respect to bank loans acquired as participations by the Fund, because the holder of a participation generally has no contractual relationship with a borrower, the Fund will have to rely upon a third party to pursue appropriate remedies against a borrower in the event of a default. As a result, the Fund may be subject to delays, expenses and risks that are greater than those that would be involved if the Fund could enforce its rights directly against a borrower or through the agent. Bank loans acquired as participations also involve the risk that the Fund may be regarded as a creditor of a third party rather than a creditor of the borrower. In such a case, the Fund would be subject to the risk that a selling participant may become insolvent.

A borrower of a bank loan, in some cases, may prepay the bank loan. Prepayments could adversely affect the Fund's interest income to the extent that the Fund is unable to reinvest promptly payments in bank loans or otherwise or if such prepayments were made during a period of declining interest rates.

The Fund may invest in broadly syndicated loans indirectly through acquiring participation interests in all or a portion of a loan. Participations in a loan will result in a contractual relationship between the Fund and the institution participating out (such institution, the "Underlying Lender"), or selling, the relevant portion of the loan and not with the borrower under the loan. Participation interests will only give the Fund the right to receive payments of principal and interest from the Underlying Lender, and not directly from the borrower. The Underlying Lender will generally retain all voting and consent rights, and the Fund will typically have limited or no voting or consent rights with respect to amendments of the underlying credit documents or other related matters. The Underlying Lender may have economic or business interests or goals that are inconsistent with those of the Fund, and may vote in a manner which is detrimental to the Fund's interests. The Underlying Lender may also require the Fund to post collateral with it in order to secure the Fund's portion of the funding obligation under such loan. However, in the event that the Underlying Lender becomes insolvent and is subject to bankruptcy proceedings, the collateral posted by the Fund may become subject to claims in the bankruptcy and the Fund's position may be that of a

general unsecured creditor. In addition, the Fund's interest in the revolving credit facility may be compromised due to the insolvency of the Underlying Lender or any other loan participant's failure to make payments to the Underlying Lender to fund a revolving credit facility. The Fund would also not have direct contractual recourse to the Underlying Lender and recovery would be dependent upon the grantor performing its contractual obligations under the participation, the failure of which may not be easily remediable. Further, independent action by the grantor could have a negative effect on recoveries.

It is possible that the Fund will not realize its investment objectives by selling revolving credit facility positions in advance of their anticipated maturities. However, if it should need to sell revolving credit facility positions or other investments it holds as a result of a restructuring, in some cases, the Fund may be legally, contractually or otherwise prohibited from selling such investments for a period of time or otherwise be restricted from disposing of them, and illiquidity may also result from the absence of an established market for certain investments. The realizable value of a highly illiquid investment, at any given time, may be less than its intrinsic value. In addition, certain types of investments held by the Fund may require a substantial length of time to liquidate. The Fund does not expect to be able to realize its investment objectives by sale or other disposition of revolving credit facility positions or other investments it holds as a result of a restructuring.

*Unrated Debt Obligations:* An Opportunities Fund may invest in debt investments which may be unrated by a recognized credit rating agency, which may be subject to greater risk of loss of principal and interest than higher-rated debt obligations or debt obligations which rank behind other outstanding investments of the obligor, all or a significant portion of which, may be secured on substantially all of that obligor's assets. The Fund may also invest in debt investments which are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt investment involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Any of these factors could have a material adverse effect on the performance of the Fund. To the extent that the Fund invests in sub-investment grade investments that are also stressed or distressed, the risks discussed above are heightened.

*High Yield Debt:* An Opportunities Fund may invest in high yield debt, a substantial portion of which may be rated below investment-grade by one or more nationally recognized statistical rating organizations or may be unrated but of comparable credit quality to obligations rated below investment-grade, and have greater credit and liquidity risk than more highly rated debt obligations. High yield debt is generally unsecured and may be subordinate to other obligations of the obligor. The lower rating of high yield debt reflects a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the obligor to make payment of principal and interest. Many issuers of high yield debt are highly leveraged, and their relatively high debt- to-equity ratios create increased risks that their operations

might not generate sufficient cash flow to service their debt obligations. In addition, many issuers of high yield debt may be in poor financial condition, experiencing poor operating results, having substantial capital needs or negative net worth or be facing special competitive or product obsolescence problems, and may include companies involved in bankruptcy or other reorganizations or liquidation proceedings. Certain of these instruments may not be publicly traded, and, therefore, it may be difficult to obtain information as to the true condition of the issuers. Overall declines in the below investment-grade bond and other markets may adversely affect such issuers by inhibiting their ability to refinance their debt at maturity. High yield debt is often less liquid than higher rated debt.

High yield debt is often issued in connection with leveraged acquisitions or recapitalizations in which the issuers incur a substantially higher amount of indebtedness than the level at which they had previously operated. High yield debt has historically experienced greater default rates than has been the case for investment-grade debt.

High yield debt may also be in the form of zero-coupon or deferred interest bonds, which are bonds which are issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the debt at the time of issuance. While zero-coupon bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments experience greater volatility in market value due to changes in the interest rates than bonds that provide for regular payments of interest.

*Investments in Structured Products:* An Opportunities Fund may invest in securities backed by, or representing interests in, certain underlying instruments (“structured products”). The cash flow on the underlying instruments may be apportioned among the structured products to create securities with different investment characteristics such as varying maturities, payment priorities and interest rate provisions, and the extent of the payments made with respect to the structured products is dependent on the extent of the cash flow on the underlying instruments. The Fund may invest in structured products that represent derived investment positions based on relationships among different markets or asset classes.

The performance of structured products will be affected by a variety of factors, including priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products may be illiquid in nature, with no



readily available secondary market. Because they are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on a structured product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which the Fund may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. The Fund may invest in a class of structured products that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products.

Certain issuers of structured products may be deemed to be “investment companies” as defined in the Investment Company Act. As a result, the Fund’s investments in these structured products may be limited by the restrictions contained in the Investment Company Act. Structured products are typically sold in private placement transactions, and there currently is no active trading market for structured products. As a result, certain structured products in which the Fund invests may be deemed illiquid and subject to its limitation on illiquid investments.

*Fixed Income Securities:* An Opportunities Fund may invest in fixed income securities. Investment in these securities may offer opportunities for income and capital appreciation, and may also be used for temporary defensive purposes and/or to maintain liquidity. Fixed income securities are subject to the risk of the issuer’s or a guarantor’s inability to meet principal and interest payments on its obligations and are subject to price volatility due to factors such as interest rate sensitivity, market perception of the creditworthiness of the company and general market liquidity.

*Zero Coupon and PIK Bonds:* An Opportunities Fund may invest in zero coupon or PIK bonds. Because investors in such bonds receive no cash prior to the maturity or cash payment date applicable thereto, an investment by the Fund in such securities generally has a greater potential for complete loss of principal and/or return than an investment in debt instruments that make periodic interest payments. Such investments are more vulnerable to the creditworthiness of the issuer and any other parties upon which performance relies.

*Prepayment Risk:* The terms of loans in which an Opportunities Fund invests may permit the borrowers to voluntarily prepay loan at any time, either with no or a nominal prepayment premium. This prepayment right could result in the borrower repaying the principal on an obligation held by the Fund earlier than expected. This could happen when there is a decline in interest rates, when the borrower’s improved credit or operating or financial performance allows the refinancing of certain classes of debt with lower cost debt. The yield of the Fund’s investment assets may be affected by the rate of prepayments differing from Insight’s expectations. Assuming an improvement in the credit market conditions, early repayments of the debt held by the Fund could increase. To the extent early prepayments increase, they may have a material adverse effect on the Fund’s investment objectives and profits. In addition, if the Fund is unable to reinvest the proceeds

of such prepayments received in investments expected to be as profitable, the proceeds generated by the Fund will decline as compared to Insight's expectations.

*Capital Structure Arbitrage:* In certain circumstances the execution of a distressed investing strategy involves the ability of an Opportunities Fund's General Partner to identify and exploit the relationships between movements in different instruments within an issuer's or borrower's capital structure (e.g., senior bank debt, second liens, debt instruments and other obligations, convertible and non-convertible senior and subordinated debt, preferred equity and common stock). Identification and exploitation of these opportunities involve uncertainty. In the event that the perceived pricing inefficiencies underlying the investments of an issuer held by the Fund were to fail to materialize as expected by the General Partner, the Fund could incur a loss.

*Warrants:* An Opportunities Fund may receive or invest in warrants or rights. Warrants 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 and rights are generally similar to risks associated with the use of options. Unlike most options, however, 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.

*Borrower Fraud; Breach of Covenant:* An Opportunities Fund will typically seek to obtain structural, covenant and other contractual protections with respect to the terms of its investments as determined appropriate under the circumstances. There can be no assurance that such attempts to provide downside protection with respect to its investments will achieve their desired effect and potential investors should regard an investment in the Fund as being speculative and having a high degree of risk. Of paramount concern in originating or acquiring the financing contemplated by the Fund is the possibility of material misrepresentation or omission on the part of the borrower or other credit support providers or breach of covenant by such parties. Such inaccuracy or incompleteness or breach of covenants may adversely affect the valuation of the collateral underlying the loans or the ability of the Fund to perfect or effectuate a lien on the collateral securing the loan or otherwise realize on the investment. The Fund will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable, but cannot guarantee such accuracy or completeness.

*Covenant-Lite Loans:* An Opportunities Fund may invest in covenant-lite loans, which contain limited, if any, financial covenants. Generally, such loans either do not require the obligor to maintain debt service or other financial ratios or do not contain common restrictions on the ability of the obligor to change significantly its operations or to enter into other significant transactions that could affect its ability to repay such loans. As a result, the Fund's exposure to different risks may be increased, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with loans that have such requirements and restrictions.

*Credit Ratings are Not a Guarantee of Quality:* An Opportunities Fund may invest in debt securities that have been rated by internationally recognized rating organizations. In general, the credit ratings of these organizations represent the opinions of such agencies as to the quality of investments that they rate and are not a guarantee of quality. Such agencies may change their method of valuation of, and the ratings of, securities held by the Fund at any time. A credit rating is not a recommendation to buy, sell or hold assets and may be subject to revision or withdrawal at any time by the assigning rating agency. In the event that a rating assigned to any corporate debt obligation is lowered for any reason, no party is obligated to provide any additional support or credit enhancement with respect to such corporate debt obligation. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any corporate debt obligation are only a preliminary indicator of investment quality, and not a completely reliable indicator of investment quality. Rating reductions or withdrawals may occur for any number of reasons and may affect numerous assets at a single time or within a short period of time, with material adverse effects upon the corporate debt obligation. It is possible that many credit ratings of assets included in or similar to the corporate debt obligation will be subject to significant or severe adjustments downward.

*Spread Widening Risk:* For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other securities in which an Opportunities Fund invests may decline substantially. Volatility uncertainty in public markets, particularly in debt markets, may have the impact of increasing the spreads between debt instruments and their relevant benchmarks, indicating an increasing risk of defaults. Thus, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels (due to perceived market dislocations or otherwise) is no guarantee that these assets will not be trading at even lower levels at a future time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which the Fund invests, and therefore further deteriorations in value with respect thereto may occur following the Fund's investment therein.

*Speculative Nature of Investments in Stressed or Distressed Debt:* An Opportunities Fund may invest in stressed or distressed debt securities and instruments. Investments in stressed and distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk. Companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Companies experiencing financial

distress may be involved in insolvency proceedings and have the need for substantial additional capital to support continued operations or to improve their financial condition and may have very high amounts of leverage. Distressed companies may have further inability to service their debt obligations during an economic downturn or periods of rising interest rates, may not have access to more traditional methods of financing and may be unable to repay debt by refinancing.

The value of stressed and distressed debt securities and instruments tends to be more volatile and may have an increased price sensitivity to changing interest rates and adverse economic and business developments than other securities and instruments. Stressed and distressed debt securities and instruments are often more sensitive to company-specific developments and changes in economic conditions than other securities and instruments. Furthermore, stressed and distressed debt securities and instruments are often unsecured and may be subordinated to senior debt.

*Investment Restructurings:* An Opportunities Fund may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties, which may never be overcome and may result in a portfolio company becoming subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Fund to certain additional potential liabilities, which may exceed the value of the Fund's original investment therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the Investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment or a similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate, or disenfranchise particular claims.

*Difficulty of Bringing Suit or Foreclosure in Non-U.S. Countries:* Because the effectiveness of the judicial systems in the countries in which an Opportunities Fund may invest varies, the Fund (or any portfolio company) may have difficulty in foreclosing or successfully pursuing claims in the courts of such countries, as compared to the United States or other countries. Further, to the extent the Fund or a portfolio company may obtain a judgment but is required to seek its enforcement in the courts of one of the countries in which the Fund invests, there can be no assurance that such courts will enforce such judgment. The laws of many nations often lack the sophistication and consistency found in the United States with respect to foreclosure, bankruptcy, corporate reorganization and creditors' rights.

*Lender Liability Considerations and Equitable Subordination:* In recent years, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively termed "lender liability"). Generally, lender

liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. Because of the nature of certain of an Opportunities Fund's investments, the Fund could be subject to allegations of lender liability.

In addition, by investing in debt instruments common law principles that in some cases form the basis for lender liability claims could expose the Fund to liability. These principles apply if a lending institution is found to have (i) intentionally taken an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (ii) engaged in other inequitable conduct to the detriment of such other creditors, (iii) engaged in fraud with respect to, or made misrepresentations to, such other creditors or (iv) used its influence as a stockholder to dominate or control a borrower to the detriment of the other creditors of such borrower. In such cases, a court may elect to subordinate the claim of the offending lending institution to the claims of the disadvantaged creditor or creditors, a remedy called "equitable subordination." The risk to an Opportunities Fund of equitable subordination claims by other creditors of a portfolio company may be even more pronounced if another Insight Fund also holds an investment in an Opportunities Fund's portfolio companies, as actions of the relevant Insight Fund may be attributed to such Opportunities Fund, thereby limiting such Opportunities Fund's potential recovery in a bankruptcy or distressed situation.

*Fraudulent Conveyance:* Various U.S. federal and state and applicable foreign laws enacted for the protection of creditors may apply to the purchase of an Opportunities Fund's investments, which constitute the primary assets of the Fund, by virtue of the Fund's role as a creditor with respect to the borrowers under such investments. In general, if payments on an investment are voidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as the Fund) or from subsequent transferees of such payments, including Investors.

*Participation on Creditors' Committee:* An Opportunities Fund (or its representatives) while it has no obligation to do so, may participate on committees formed by creditors to negotiate the management of financially troubled companies that may or may not be in bankruptcy or the Fund may seek to negotiate directly with the debtors with respect to restructuring issues. Any action taken in this regard will be subject to the terms of the Fund's limited partnership agreement, as well as the policies and procedures of Insight that may limit the Fund's ability to vote on a creditors committee where other Insight Funds also hold an investment in connection with voting. Insight may determine at any time that, as a matter of policy, it will not participate in any creditor committee and will instead defer to the judgment of an independent third party administrator. If the Fund does join a creditors' committee, the participants on the committee would be interested in obtaining an outcome that is in their respective individual best interests and there can be no assurance of obtaining results most favorable to the Fund in such proceedings. By participating on such committees, the Fund may be deemed to have duties to other creditors represented by the

committees, which might thereby expose the Fund to liability to such other creditors who disagree with the Fund's actions.

*Inability to Vote Certain Positions or Act as Lead Arranger in Certain Situations:* As a result of voting agreements or other arrangements relating to certain issuers and the investments held by an Opportunities Fund or by any other Insight Fund, an Opportunities Fund may be subject to restrictions on its ability to vote or take other actions with respect to certain companies and/or portfolio investments. In such situations, an Opportunities Fund General Partner may not be able to vote or take other actions with respect to its portfolio investments in the manner that it otherwise would believe to be in the best interests of the applicable Opportunities Fund.

*Contingent Liabilities:* An Opportunities Fund may from time to time incur contingent liabilities in connection with an investment. For example, the Fund may acquire a revolving credit or delayed draw term facility that has not yet been fully drawn. If the borrower subsequently draws down on the facility, the Fund will be obligated to fund the amounts due, including beyond applicable Opportunities Fund's investment period. Also, by way of further example, in order to procure financing in connection with its investment activities, the Fund may enter into agreements pursuant to which it agrees to assume responsibility for default risk or other risk presented by a third party or an investment vehicle established to hold or finance assets or otherwise facilitate the Fund's pursuit of its investment objective. In addition, in connection with the disposition of an investment in a portfolio company or of an asset by the Fund, the Fund may be required to make representations about such asset, including the business, financial affairs and other aspects (such as property, tax, insurance and litigation) of the portfolio company typical of those made in connection with the sale of any business and may be responsible for the content of disclosure documents under applicable securities laws. It may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements will result in the incurrence of contingent liabilities for which an Opportunities Fund General Partner may establish reserves or escrow accounts. The Fund may incur numerous other types of contingent liabilities. There can be no assurance that the Fund will adequately reserve for such contingent liabilities and that such liabilities will not have an adverse effect on the Fund. In addition, Investors may be required to return amounts distributed to them to fund obligations of an Opportunities Fund, including indemnity obligations, subject to certain limitations set forth in such Opportunities Fund's limited partnership agreement.

*Purchases at a Discount:* An Opportunities Fund may purchase on a secondary market at a discount debt securities or instruments of a company in which another Insight Fund has a substantial equity interest. In such instances, a court might require an Opportunities Fund to disgorge profit they realized if the opportunity to purchase such securities or instruments at a discount should have been made available to the issuer of such securities or instruments, or an Opportunities Fund might be prevented from enforcing such securities or instruments at their full

face value if the issuer of such securities or instruments becomes bankrupt. The effect of these transactions may vary from jurisdiction to jurisdiction.

*Derivatives Generally:* An Opportunities Fund may invest in over-the-counter (“OTC”) derivative instruments from time to time. While the Fund expects to invest in OTC contracts on a bilateral basis with banks or other dealers, the Fund may invest in certain derivatives that are traded on swap execution facilities, security-based swap execution facilities or other similar multi-lateral trading platforms. Certain of such derivatives may be cleared through central counterparties. Investing in derivative instruments, particularly OTC derivatives, presents various risks, including market, counterparty, operational and liquidity risks. The prices of derivative instruments, including swaps, forwards and options, may be highly volatile. The value of derivatives also depends upon the price of the underlying security or other asset or index. Typically, investing in a derivative instrument requires the deposit or payment of an initial amount much smaller than the notional or exposure amount from such derivative instrument. Therefore, if the relevant cash market moves against the Fund, the Fund will suffer a larger loss than it would have by directly investing in the underlying security or other asset or index. OTC derivatives are also subject to the default and credit risk of the counterparty if they are not cleared through central counterparties. Centrally cleared derivatives may be subject to the credit risk of the central counterparty and the relevant futures commission merchant or other clearing broker. In addition, significant disparities may exist between “bid” and “asked” prices for derivative instruments that are traded over the counter and not on an exchange. Such OTC derivatives are also typically not subject to the same type of investor protections or governmental regulation as futures and other exchange-traded instruments. In addition, compared with such exchange-traded instruments, the market for OTC derivatives is less liquid. Although OTC derivative instruments are designed to be tailored to meet particular financing and other needs and, therefore, typically provide more flexibility than exchange-traded products, the risk of illiquidity is also greater as these instruments can generally be closed out only by negotiation with the counterparty. In volatile markets, the Fund may not be able to close out a position without incurring a significant amount of loss. European Market Infrastructure Regulation (“EMIR”) introduced uniform requirements in respect of OTC derivative transactions by requiring certain “eligible” OTC derivative transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivative transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Fund. While many of the obligations under EMIR have come into force, currently, the requirement to submit certain OTC derivative transactions to central clearing counterparties for non-cleared OTC derivative transactions are subject to a staggered implementation timeline. The impact of EMIR on the Fund may include an increase in the overall costs of entering into and maintaining OTC derivative contracts. Investors should be aware that the regulatory changes arising from EMIR and other similar regulations may

in due course adversely affect the Fund's ability to adhere to its derivatives/hedging policies and achieve its objective.

*Swaps Generally:* An Opportunities Fund may enter into long and short positions in all types of swaps, including total return swaps, rate of return swaps, credit default swaps (including index-related credit default swaps), interest rate swaps and credit-linked securities. Over-the-counter credit default swaps are bilateral agreements between two parties that transfer a defined credit risk from one party to another. Swaps transactions, like other financial transactions, involve a variety of significant risks. The specific risks presented by a particular swap transaction necessarily depend upon the terms of the transaction and the Fund's circumstances. In general, however, all swaps transactions involve some combination of market risk, credit risk, counterparty credit risk, funding risk, liquidity risk and operational risk. Highly customized swaps transactions in particular may increase liquidity risk. Highly leveraged transactions may experience substantial gains or losses in value as a result of relatively small changes in the value or level of an underlying or related market factor. In evaluating the risks and contractual obligations associated with a particular swap transaction, it is important to consider that a swap transaction may be modified or terminated only by mutual consent of the original parties and subject to agreement on individually negotiated terms. Therefore, it may not be possible for the Fund to modify, terminate or offset the Fund's obligations under a swap or the Fund's exposure to the risks associated with a swap prior to its scheduled termination date.

*Credit Default Swaps and Total Return Swaps:* An Opportunities Fund's General Partner may seek to invest some of the assets of the applicable Opportunities Fund by entering into one or more total return swaps, the returns from which are based on the performance of a portfolio of such assets selected by the General Partner (the "Reference Assets"), with bank or broker-dealer counterparties. The Fund may invest in the Reference Assets through total return swaps on a leveraged basis. Returns to the Fund under a credit default swaps or total return swap are related to the performance of the underlying Reference Assets of such swap. The value of any credit default swap depends largely upon creditworthiness of the reference obligors(s), and the value of any total return swap depends largely upon changes in market value of the Reference Asset(s). The terms of individual total return swaps will differ by total return swap counterparty and may change from time to time. The Fund will be required to post collateral in respect of the total return swap. Depending on the terms of a particular swap, the Fund may also be permitted or required to add (or receive return of) collateral from time to time based on changes in the market value of the Reference Asset. In certain circumstances, including if the Fund does not have sufficient assets or is unable to provide the requisite amount of collateral, the total return swap counterparty may terminate the total return swap in whole or in part.

*Liquidity Risk:* Credit default swaps and total return swaps may also expose an Opportunities Fund to liquidity risk. The Fund may not be able to get its counterparty to consent to an early termination of a credit default swap or total return swap, or the Fund may not be able to enter into an off-setting transaction to effectively unwind a credit default swap or total return swap. OTC credit default



swaps and total return swaps generally are not assignable except by agreement between the parties concerned, and the counterparty typically has no obligation to permit such assignments. Even if the counterparty of the Fund agrees to early terminate a credit default swap or total return swap at any time, doing so may subject the Fund to certain early termination charges.

*Counterparty Credit Risk.* Typically, the markets in which an Opportunities Fund may effect credit default swaps and total return swaps are OTC markets. Accordingly, the Fund takes credit risk with regard to the swap counterparties with whom it will trade and will also bear the risk of settlement default by such swap counterparties. These risks may differ materially from those entailed in exchange-traded transactions which generally are backed by clearing organization guarantees, daily marking-to-market and settlement and segregation and minimum capital requirements applicable to intermediaries. Transactions entered directly between two counterparties generally do not benefit from such protections. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. Such “counterparty risk” may be accentuated by the fact that the Fund may concentrate its transactions with a single or small group of counterparties. In addition, in the case of a default, the Fund could become subject to adverse market movements while replacement transactions are executed. The Fund is not restricted from dealing with any particular total return swap counterparty or from concentrating any or all of its transactions with one counterparty. Although certain of the swap counterparties may be entities that are rated by recognized rating agencies, the Fund has no formal internal credit function that evaluates the creditworthiness of its swap counterparties. The ability of the Fund to transact business with any one or number of counterparties, the possible lack of a meaningful and independent evaluation of such counterparties’ financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund. In situations where the Fund places assets in the care of a custodian or is required to post margin or other collateral with a counterparty, the custodian or counterparty may fail to segregate such assets or collateral, or may commingle such assets or collateral with the relevant custodian’s or counterparty’s own assets or collateral. As a result, in the event of the bankruptcy or insolvency of any custodian or counterparty, the Fund’s assets and collateral may be subject to the conflicting claims of the creditors of the relevant custodian or counterparty, and the Fund may be exposed to the risk of a court treating the Fund as a general unsecured creditor of such custodian or counterparty, rather than as the owner of such assets or collateral.

*Exchange Risk.* An Opportunities Fund is subject to the risk of the failure of any exchanges on which its positions trade or of the exchanges’ clearinghouses. In addition, each exchange typically has the right to suspend or limit trading in all securities, futures or other instruments that it lists. Such a suspension might render it impossible for Insight to liquidate positions at favorable prices and, accordingly, expose the Fund to losses.

*Future Investment Techniques and Instruments:* Subject to the terms of an Opportunities Fund's limited partnership agreement and applicable law, whether or not specifically described herein, the Fund may employ a variety of investment techniques and invest in instruments that the Fund's General Partner believes will help achieve the Fund's investment objectives. Such investments may entail risks not described herein. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may not perform as anticipated for reasons within or outside of Insight's control. In the event such an investment is unsuccessful, this could result in losses to the Fund. In addition, any new investment strategy or technique developed by the Fund may be more speculative than previous investment strategies and techniques that have already been used and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in the Fund.

*Certain Litigation Risks:* An Opportunities Fund may also be subject to certain litigation and related risks to the extent that it engages in origination and/or servicing activities. Loan origination and servicing companies are routinely involved in legal proceedings concerning matters that arise in the ordinary course of their business. These legal proceedings range from actions involving a single plaintiff to class action lawsuits with potentially tens of thousands of class members. In addition, a number of participants in the loan origination and servicing industry (including control persons of industry participants) have been the subject of regulatory actions by state regulators, including state attorneys general, and by the federal government. Governmental investigations, examinations or regulatory actions, or private lawsuits, including purported class action lawsuits, may adversely affect such companies' financial results. To the extent the Fund seeks to engage in origination and/or servicing directly, or has a financial interest in, or is otherwise affiliated with, an origination or servicing company, the Fund will be subject to enhanced risks of litigation, regulatory actions and other proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets.

*Possible State Licensing Requirements:* An Opportunities Fund may be required to obtain various state licenses in order to make, hold or dispose of certain investments, particularly with respect to loaning money to portfolio companies. The Fund has not applied for these licenses and may not. An Opportunities Fund General Partner expects that if the Fund does apply for such licenses this process will be costly and take several months. There is no assurance that the Fund will obtain all of the licenses that it desires or that the Fund would not experience significant delays in seeking these licenses. Furthermore, the Fund will be subject to various information and other requirements in order to maintain these licenses, and there is no assurance that the Fund will satisfy those requirements. The Fund's failure to obtain or maintain licenses might restrict its investment options and have other adverse consequences for the Fund.

### *Certain Additional Risks Applicable to the Hedge Funds' Strategies*

*Long/Short:* The success of a Hedge Fund's long/short investment strategy depends upon Insight's ability to identify and purchase securities that are undervalued and identify and sell short securities that are overvalued. The identification of investment opportunities in the implementation of a Hedge Fund's long/short investment strategies is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. In the event that the perceived opportunities underlying a Hedge Fund's positions were to fail to converge toward, or were to diverge further from values expected by Insight, such Hedge Fund may incur a loss. In the event of market disruptions, significant losses can be incurred which may force a Hedge Fund to close out one or more positions. Furthermore, the valuation models used to determine whether a position presents an attractive opportunity consistent with Insight's long/short strategies may become outdated and inaccurate as market conditions change.

*Short Selling:* The success of a Hedge Fund's short selling investment strategy depends upon Insight's ability to identify and sell short securities that are overvalued. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to a Hedge Fund of buying those securities to cover the short position. There can be no assurance that a Hedge Fund will be able to maintain the ability to borrow securities sold short. In such cases, a Hedge Fund can be "bought in" (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Short strategies can also be implemented synthetically through various instruments and be used with respect to indices or in the over-the-counter market and with respect to futures and other instruments. In some cases of synthetic short sales, there is no floating supply of an underlying instrument with which to cover or close out a short position and a Hedge Fund may be entirely dependent on the willingness of over-the-counter market makers to quote prices at which the synthetic short position may be unwound. There can be no assurance that such market makers will be willing to make such quotes. Short strategies can also be implemented on a leveraged basis. Lastly, even though a Hedge Fund secures a "good borrow" of the security sold short at the time of execution, the lending institution may recall the lent security at any time, thereby forcing such Hedge Fund to purchase the security at the then-prevailing market price, which may be higher than the price at which such security was originally sold short by such Hedge Fund.

*Long-Term:* The success of a Hedge Fund's long-term investment strategy depends upon Insight's ability to identify and purchase securities that are undervalued and hold such investments so as to maximize value on a long-term basis. In pursuing any long-term strategy, a Hedge Fund may forego

value in the short-term or temporary investments in order to be able to avail such Hedge Fund of additional and/or longer-term opportunities in the future. Consequently, a Hedge Fund may not capture maximum available value in the short-term, which may be disadvantageous, for example, for Investors who withdraw all or a portion of their capital accounts before such long-term value may be realized by such Hedge Fund.

*Short-Term Market Considerations:* Insight's trading decisions may be made on the basis of short-term market considerations, and the portfolio turnover rate could result in significant trading related expenses.

*ERISA Plan Assets Status:* The assets of the Liquid Fund may, from time to time, be treated as "plan assets" (as defined under Section 3(42) of ERISA and any regulations promulgated thereunder) of those indirect limited partners of the Liquid Fund that are subject to ERISA. In such event, Insight would be a fiduciary with respect to each such indirect limited partner. In addition, in the event that the assets of the Liquid Fund were treated as "plan assets" for purposes of ERISA, ERISA may impose certain limitations on the operation of the Liquid Fund. Such limitations could result in the inability of the Liquid Fund to participate in certain investments or conduct business with certain counterparties. Accordingly, in the event that the assets of the Liquid Fund are treated as "plan assets" for purposes of ERISA, ERISA could restrict the activities of the Liquid Fund and, as a result, the Liquid Fund may not be able to take advantage of certain investment opportunities, could have a different portfolio and could have a lower rate of return than if it were not subject to ERISA.

*Leverage and Borrowing:*

*Leverage for Investment Purposes:* The use of leverage will allow a Hedge Fund to make additional investments, thereby increasing its exposure to assets, such that its total assets may be greater than its capital. However, leverage will also magnify the volatility of changes in the value of a Hedge Fund's portfolio. The effect of the use of leverage by a Hedge Fund in a market that moves adversely to its investments could result in substantial losses to such Hedge Fund, which would be greater than if such Hedge Fund were not leveraged.

*Borrowing for Cash Management Purposes:* Each Hedge Fund has the authority to borrow for cash management purposes, such as to satisfy withdrawal requests. The rates at and terms on which a Hedge Fund can borrow will affect the operating results of such Hedge Fund.

*Collateral:* The instruments and borrowings utilized by a Hedge Fund to leverage investments may be collateralized by all or a portion of such Hedge Fund's portfolio. Accordingly, a Hedge Fund may pledge its securities in order to borrow or otherwise obtain leverage for investment or other purposes. Should the securities pledged to brokers to secure a Hedge Fund's margin accounts

decline in value, such Hedge Fund could be subject to a “margin call”, pursuant to which such Hedge Fund must either deposit additional funds or securities with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The banks and dealers that provide financing to a Hedge Fund can apply essentially discretionary margin, “haircut”, financing and collateral valuation policies. Changes by counterparties in any of the foregoing may result in large margin calls, loss of financing and forced liquidations of positions at disadvantageous prices. Lenders that provide other types of asset-based or secured financing to a Hedge Fund may have similar rights. There can be no assurance that a Hedge Fund will be able to secure or maintain adequate financing.

*Costs:* Borrowings will be subject to interest, transaction and other costs, and other types of leverage also involve transaction and other costs. Any such costs may or may not be recovered by the return on a Hedge Fund’s portfolio.

*Lending of Portfolio Securities:* A Hedge Fund may lend securities on a collateralized and an uncollateralized basis from its portfolio to creditworthy securities firms and financial institutions. While a securities loan is outstanding, the applicable Hedge Fund will continue to receive the equivalent of the interest or dividends paid by the issuer on the securities, as well as interest on the investment of the collateral or a fee from the borrower. The risks in lending securities, as with other extensions of secured credit, if any, consist of possible delay in receiving additional collateral, if any, or in recovery of the securities or possible loss of rights in the collateral, if any, should the borrower fail financially.

*Diversification and Concentration:* Insight may select investments that are concentrated in a limited number or types of securities. In addition, a Hedge Fund’s portfolio may become significantly concentrated in securities related to a single or a limited number of issuers, industries, sectors, strategies, countries or geographic regions. This limited diversification may result in the concentration of risk, which, in turn, could expose the applicable Hedge Fund to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in such securities.

*Lack of Control:* A Hedge Fund may invest in debt instruments and equity securities of companies that it does not control, which a Hedge Fund may acquire through market transactions or through purchases of securities directly from the issuer or other shareholders. Such securities will be subject to the risk that the issuer may make business, financial or management decisions with which the applicable Hedge Fund does not agree or that the majority stakeholders or the management of the issuer may take risks or otherwise act in a manner that does not serve the applicable Hedge Fund’s interests. In addition, a Hedge Fund may share control over certain investments with co-investors, which may make it more difficult for such Hedge Fund to implement its investment approach or exit

the investment when it otherwise would. The occurrence of any of the foregoing could have a material adverse effect on a Hedge Fund and the Investors' investments therein.

*Hedging Transactions:* A Hedge Fund may utilize securities for risk management purposes in order to: (i) protect against possible changes in the market value of such Hedge Fund's investment portfolio resulting from fluctuations in the markets and changes in interest rates; (ii) protect such Hedge Fund's unrealized gains in the value of its investment portfolio; (iii) facilitate the sale of any securities; (iv) enhance or preserve returns, spreads or gains on any security in such Hedge Fund's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate, credit or currency exchange rate on any of such Hedge Fund's Securities; (vii) protect against any increase in the price of any securities such Hedge Fund anticipates purchasing at a later date; or (viii) act for any other reason that Insight deems appropriate. A Hedge Fund will not be required to hedge any particular risk in connection with a particular transaction or its portfolio generally. Insight may be unable to anticipate the occurrence of a particular risk and, therefore, may be unable to attempt to hedge against it. While a Hedge Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for such Hedge Fund than if it had not engaged in any such hedging transaction. Moreover, the portfolio will always be exposed to certain risks that cannot be hedged.

*Forward Contracts:* Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardized. Banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Cash-settled forward contracts are regulated by the U.S. Commodity Futures Trading Commission ("CFTC") and banking agencies as "swaps", but most of physically-settlement forward contracts are largely unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to enter into forward transactions. There have been periods during which certain participants in these markets have refused to quote prices for certain commodities or currencies transactions, or they have quoted prices with an unusually wide spread between the price at which they were prepared to take opposite positions in forward transactions. Disruptions can occur in forward markets due to unusually high trading volume, political intervention, or other factors. Market illiquidity or disruption could result in significant losses to the Fund.

*Clearing and Trading Requirement of the Over-the-Counter Derivatives Markets:* The Dodd Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was enacted in 2010, comprehensively revised the OTC derivatives markets. Presently, a substantial portion of OTC derivatives are executed in regulated markets and submitted for clearing to regulated clearinghouses. OTC derivatives trades submitted for clearing are subject to initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or CFTC. The regulators also have broad discretion to impose margin requirements on non-cleared OTC derivatives. The Fund will not be able to rely on any exemptions from the clearing and margin

requirements for so-called “end-users.” In addition, the OTC derivative dealers with which the Fund executes the majority of its OTC derivatives will not be able to rely on the end-user exemptions under the Dodd-Frank Act and therefore such dealers will be subject to clearing and margin requirements notwithstanding whether the Fund is subject to such requirements. OTC derivative dealers also are required to post margin to the clearinghouses through which they clear their customers’ trades instead of using such margin in their operations. This increases the OTC derivative dealers’ costs, and these increased costs are passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing and the imposition of new or increased fees.

*When-Issued; When, As and If Issued; and Delayed Delivery Securities and Forward Commitments:* Securities purchased or sold by the Fund on a when-issued, “when, as and if issued,” delayed delivery or forward commitment basis are subject to market fluctuation, and no interest or dividends accrue to the purchaser prior to the settlement date. At the time of delivery of the securities, the value may be more or less than the purchase or sale price. In the case of “when, as and if issued” securities, the Fund could lose an investment opportunity if the securities are not issued. An increase in the percentage of the Fund’s assets committed to the purchase of securities on a when-issued, “when, as and if issued,” delayed delivery or forward commitment basis may increase the volatility of the net asset value of the Fund.

*Discretion of the Investment Manager; New Strategies and Techniques:* Insight (subject to the policies and control of the applicable Hedge Fund’s General Partner) has considerable discretion in the types of securities the applicable Hedge Fund may trade and has the right to modify the investment strategies and techniques of a Hedge Fund without the consent of the Investors. New investment strategies and techniques may not be thoroughly tested in the market before being employed and may have operational or theoretical shortcomings which could result in unsuccessful trades and, ultimately, losses to a Hedge Fund. In addition, any new investment strategy or technique developed by a Hedge Fund may be more speculative than earlier investment strategies and techniques and may involve material and as-yet-unanticipated risks that could increase the risk of an investment in such Hedge Fund.

*Fundamental Analysis:* Certain trading decisions made by Insight on behalf of a Hedge Fund may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data are inaccurate or that other market participants have developed, based on such data, trading strategies similar to Insight’s trading strategies, a Hedge Fund may not be able to realize its investment goals. In addition,

fundamental market information is subject to interpretation. To the extent that Insight misinterprets the meaning of certain data, a Hedge Fund may incur losses.

*Alternative Data:* Insight may use alternative data in its investment process. Alternative data includes datasets that have been culled from a variety of sources, such as internet usage, payment records, financial transactions, weather and other physical phenomena sensors, applications and devices (such as smartphones) that generate location and mobility data, data gathered by satellites, and government and other public records databases (this data is sometimes referred to as “big data” or “alternative data”). Insight applies this alternative data to better anticipate micro- and macro-economic trends and otherwise to develop or improve trading or investment themes.

The analysis and interpretation of alternative data involves a high degree of uncertainty and may entail significant expense, including technological efforts, that are expected to be borne—in whole or in part— by the applicable Hedge Fund. No assurance can be given that Insight will be successful in utilizing alternative data in its investment process.

Moreover, there has been increased scrutiny from a variety of regulators regarding the use of alternative data in this manner, and its use or misuse under current or future laws and regulations could create liability for Insight and the applicable Hedge Fund in numerous jurisdictions. Insight cannot predict what, if any, regulatory or other actions may be asserted with regard to alternative data, but any adverse inquiries or formal actions could cause reputational, financial, or other harm to Insight or to a Hedge Fund. Conversely, any future limitations on the use of alternative data could have a material adverse impact on the performance of the Hedge Funds.

*Use of Expert Networks:* Insight may engage third-party research consultants through expert network organizations (“Expert Networks”) in connection with the evaluation of potential investment opportunities. Expert Networks refer to organizations that facilitate communications between their clients and retained third-party professionals who possess particular business expertise and experience and agree to help the Expert Network’s clients better understand certain products, services, companies, business issues, and industries generally. Although Insight has adopted policies and procedures that it believes are reasonably designed to prevent the receipt of material non-public information from Expert Network consultations, such consultations carry the risk that Insight will receive material non-public information from consultants, and there is no guarantee that Insight will be able to prevent receiving such material non-public information, which could restrict the Hedge Funds from making investments or otherwise create risks. The inadvertent disclosure of material non-public information to any Insight personnel may potentially limit a Hedge Fund’s ability to participate in certain investment opportunities or otherwise limit the investment decisions made when managing the Hedge Funds. Inadvertent trading while Insight is in possession of material non-public information could result in adverse legal or regulatory consequences, including the imposition of



financial sanctions, and/or reputational damage and, as a consequence, negatively impact Insight's ability to perform investment management services on behalf of the Hedge Funds.

*Rise of High-Frequency Trading:* In recent years, high-frequency trading has increased, which has raised questions about the impact high-frequency trading has on financial markets generally. Though the increase in high-frequency trading has been correlated with increased market liquidity, this purported liquidity may be illusory and high-frequency trading may be the cause of reductions in true liquidity and certain instances of extreme volatility. Opponents of high-frequency trading argue that it exploits the work of active traders, has reduced the number of active traders and has resulted in increased execution costs. The effects of high-frequency trading on specific trades or markets generally may adversely affect a Hedge Fund's ability to effect its trading strategy.

*Micro-, Small- and Medium-Capitalization Companies:* Investments in securities of micro- and small-capitalization companies involve higher risks in some respects than do investments in securities of larger "blue-chip" companies. For example, prices of securities of micro- and small-capitalization and even medium-capitalization companies are often more volatile than prices of securities of large-capitalization companies and may not be based on standard pricing models that are applicable to securities of large-capitalization companies. Furthermore, the risk of bankruptcy or insolvency of many smaller companies (with the attendant losses to investors) may be higher than for larger, "blue-chip" companies. Finally, due to thin trading in the securities of some micro- and small-capitalization companies, an investment in those companies may be illiquid.

*Investment and Trading Out of Sector:* A Hedge Fund may trade in regions other than the technology sector, including for hedging purposes and/or on an opportunistic basis. Although out-of-sector positions are not expected to represent core positions, the profit or loss from those positions could have a material impact on a Hedge Fund's performance.

*Equity Securities Generally:* The value of equity securities of public and private, listed and unlisted companies and equity derivatives generally varies with the performance of the issuer and movements in the equity markets. As a result, a Hedge Fund may suffer losses if it invests in equity instruments of issuers whose performance diverges from Insight's expectations or if equity markets generally move in a single direction and such Hedge Fund has not hedged against such a general move. A Hedge Fund also may be exposed to risks that issuers will not fulfill contractual obligations such as, in the case of convertible securities or private placements, delivering marketable common stock upon conversions of convertible securities and registering restricted securities for public resale.

*Illiquid Securities:* Certain securities may be illiquid because, for example, they are subject to legal or other restrictions on transfer or there is no liquid market for such securities. Valuation of such securities may be difficult or uncertain because there may be limited information available about the issuers of such securities. The market prices, if any, for such securities tend to be volatile and may not be readily ascertainable, and a Hedge Fund may not be able to sell them when it desires

to do so or to realize what it perceives to be their fair value in the event of a sale. The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. A Hedge Fund may not be able to readily dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. As a result, a Hedge Fund may be required to hold such securities despite adverse price movements. Even those markets which Insight expects to be liquid can experience periods, possibly extended periods, of illiquidity. Occasions have arisen in the past where previously liquid investments have rapidly become illiquid.

*Initial Public Offerings:* Investments in initial public offerings (or shortly thereafter) may involve higher risks than investments issued in secondary public offerings or purchases on a secondary market due to a variety of factors, including the limited number of shares available for trading, unseasoned trading, lack of investor knowledge of the issuer and limited operating history of the issuer. In addition, some companies in initial public offerings are involved in relatively new industries or lines of business, which may not be widely understood by investors. Some of these companies may be undercapitalized or regarded as developmental stage companies, without revenues or operating income, or the near-term prospects of achieving them. These factors may contribute to substantial price volatility for such securities and, thus, for the value of a Hedge Fund's interests.

*Preferred Stock:* Investments in preferred stock involve risks related to priority in the event of bankruptcy, insolvency or liquidation of the issuing company and how dividends are declared. Preferred stock ranks junior to debt securities in an issuer's capital structure and, accordingly, is subordinate to all debt in bankruptcy. Preferred stock generally has a preference as to dividends. Such dividends are generally paid in cash (or additional shares of preferred stock) at a defined rate, but unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Dividends on preferred stock may be cumulative, meaning that, in the event the issuer fails to make one or more dividend payments on the preferred stock, no dividends may be paid on the issuer's common stock until all unpaid preferred stock dividends have been paid. Preferred stock may also be subject to optional or mandatory redemption provisions.

*Restricted Securities:* Restricted securities cannot be sold to the public without registration under the Securities Act. Unless registered for sale, restricted securities can be sold only in privately negotiated transactions or pursuant to an exemption from registration (e.g., under Rule 144A of the Securities Act). Although these securities may be resold in privately negotiated transactions, because there is often little liquidity for these securities, they may be difficult and take a substantial amount of time to sell, and the prices realized from these sales could be less than those originally

paid by the applicable Hedge Fund. Restricted securities may involve a high degree of business and financial risk which may result in substantial losses.

*Undervalued Securities:* The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Hedge Fund's investments may not adequately compensate for the business and financial risks assumed.

*Unlisted Securities:* Unlisted securities may involve higher risks than listed securities. Because of the absence of any trading market for unlisted securities, it may take longer to liquidate, or it may not be possible to liquidate, positions in unlisted securities than would be the case for publicly traded securities. Companies whose securities are not publicly traded may not be subject to public disclosure and other investor protection requirements applicable to publicly traded securities.

*Convertible Securities:* A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Hedge Fund is called for redemption, such Hedge Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a Hedge Fund's ability to achieve its investment objective.

*When-Issued and Forward Commitment Securities:* The purchase of securities on a "when-issued" basis involves a commitment by a Hedge Fund to purchase or sell securities at a future date (typically one or two months later). No income accrues on securities that have been purchased on a when-issued basis prior to delivery to a Hedge Fund. When-issued securities may be sold prior to the settlement date. If a Hedge Fund disposes of the right to acquire a when-issued security prior to its acquisition, it may incur a gain or loss. In addition, there is a risk that securities purchased on a when-issued basis may not be delivered to the applicable Fund. In such cases, the applicable Hedge Fund may incur a loss.

*Call and Put Options:* A Hedge Fund may incur risks associated with the sale and purchase of call options and put options. Under a conventional cash-settled option, the purchaser of the option pays a premium in exchange for the right to receive upon exercise of the option (i) in the case of a call option, the excess, if any, of the reference price or value of the underlier (as determined pursuant to the terms of the option) above the option's strike price or (ii) in the case of a put option, the excess, if any, of the option's strike price above the reference price or value of the underlier (as so determined). Under a conventional physically-settled option structure, the purchaser of a call option has the right to

purchase a specified quantity of the underlier at the strike price, and the purchaser of a put option has the right to sell a specified quantity of the underlier at the strike price.

A purchaser of an option may suffer a total loss of premium (plus transaction costs) if that option expires without being exercised. An option's time value (i.e., the component of the option's value that exceeds the in-the-money amount) tends to diminish over time. Even though an option may be in-the-money to the purchaser at various times prior to its expiration date, the purchaser's ability to realize the value of an option depends on when and how the option may be exercised. For example, the terms of the transaction may provide for the option to be exercised automatically if it is in-the-money on the expiration date. Conversely, the terms may require timely delivery of a notice of exercise, and exercise may be subject to other conditions (such as the occurrence or non-occurrence of certain events, such as knock-in, knock-out or other barrier events) and timing requirements, including the "style" of the option.

Uncovered option writing (i.e., selling an option when the seller does not own a like quantity of an offsetting position in the underlier) exposes the seller to potentially significant loss. The potential loss of uncovered call writing is unlimited. The seller of an uncovered call may incur large losses if the reference price or value of the underlier increases above the exercise price by more than the amount of any premiums earned. As with writing uncovered calls, the risk of writing uncovered put options is substantial. The seller of an uncovered put option bears a risk of loss if the reference price or value of the underlier declines below the exercise price by more than the amount of any premiums earned. Such loss could be substantial if there is a significant decline in the value of the underlier.

*Index or Index Options:* The value of an index or index option fluctuates with changes in the market values of the assets included in the index. Because the value of an index or index option depends upon movements in the level of the index rather than the price of a particular asset, whether a Hedge Fund will realize appreciation or depreciation from the purchase or writing of options on indices depends upon movements in the level of instrument prices in the assets generally or, in the case of certain indices, in an industry or market segment, rather than movements in the price of particular assets.

*Index Futures:* The price of index futures contracts may not correlate perfectly with the movement in the underlying index because of certain market distortions. First, all participants in the futures market are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, participants may close futures contracts through offsetting transactions that would distort the normal relationship between the index and futures markets. Second, from the point of view of speculators, the deposit requirements in the futures market are less onerous than margin requirements in the securities market. Therefore, increased participation by speculators in the futures market also may cause price distortions. Successful use of index futures contracts by a Hedge Fund also is subject to Insight's ability to correctly predict movements in the direction of the market.

*Credit Default Swaps:* Credit default swaps can be used to implement Insight's view that a particular credit, or group of credits, will experience credit improvement or deterioration. In the case of expected

credit improvement, a Hedge Fund may sell credit default protection in which it receives a premium to take on the risk. In such an instance, the obligation of the applicable Hedge Fund to make payments upon the occurrence of a credit event creates leveraged exposure to the credit risk of the referenced entity. A Hedge Fund may also buy credit default protection with respect to a referenced entity if, in Insight's judgment, there is a high likelihood of credit deterioration. In such instance, the applicable Hedge Fund will pay a premium regardless of whether there is a credit event.

*Futures Contracts:* The value of futures contracts depends upon the price of the Securities, such as commodities, underlying them. The prices of futures contracts are highly volatile, and price movements of futures contracts can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, as well as national and international political and economic events and policies. In addition, investments in futures contracts are also subject to the risk of the failure of any of the exchanges on which the applicable Hedge Fund's positions trade or of its clearing houses or counterparties. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Hedge Fund from promptly liquidating unfavorable positions and subject such Hedge Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contract.

*Non-U.S. Futures Transactions:* Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally "linked" to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organization regulates the activities of a foreign exchange, including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, a Hedge Fund may not be afforded certain of the protections which apply to domestic transactions, including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. In addition, the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate

between the time the order is placed and the time the foreign futures contract is liquidated or the time the foreign option contract is liquidated or exercised.

*Forward Contracts:* A Hedge Fund may enter into forward contracts and options thereon, including non-deliverable forwards. The principals who deal in the forward contract market are not required to continue to make markets in such contracts. There have been periods during which certain participants in forward markets have refused to quote prices for forward contracts or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. The imposition of credit controls or price risk limitations by governmental authorities may limit such forward trading to less than that which Insight would otherwise recommend, to the possible detriment of a Hedge Fund. In its forward trading, a Hedge Fund will be subject to the risk of the failure of, or the inability or refusal to perform with respect to its forward contracts by, the principals with which such Hedge Fund trades. Hedge Fund assets on deposit with such principals will also generally not be protected by the same segregation requirements imposed on certain regulated brokers in respect of customer funds on deposit with them. Insight may order trades for a Hedge Fund in such markets through agents. Accordingly, the insolvency or bankruptcy of such parties could also subject a Hedge Fund to the risk of loss.

*Contracts for Differences:* Contracts for differences (“CFDs”) are privately negotiated contracts between two parties, buyer and seller, stipulating that the seller will pay to or receive from the buyer the difference between the nominal value of the underlying instrument at the opening of the contract and that instrument’s value at the end of the contract. The underlying instrument may be a single security, stock basket or index. A CFD can be set up to take either a short or long position on the underlying instrument. The buyer and seller are both required to post margin, which is adjusted daily. The buyer will also pay to the seller a financing rate on the notional amount of the capital employed by the seller less the margin deposit. As is the case with trading any financial instrument, there is the risk of loss associated with trading a CFD. There may be liquidity risk if the underlying instrument is illiquid because the liquidity of a CFD is based on the liquidity of the underlying instrument. A further risk is that adverse movements in the underlying security will require the posting of additional margin. CFDs also carry counterparty risk, i.e., the risk that the counterparty to the CFD transaction may be unable or unwilling to make payments or to otherwise honor its financial obligations under the terms of the contract. If the counterparty were to do so, the value of the contract may be reduced. Entry into a CFD transaction may, in certain circumstances, require the payment of an initial margin and adverse market movements against the underlying stock may require additional margin payments. CFDs may be considered illiquid. To the extent that there is an imperfect correlation between the return on a Hedge Fund’s obligation to its counterparty under the CFDs and the return on related assets in its portfolio, the CFD transaction may increase such Hedge Fund’s financial risk.

*Failure to Enter into Offsetting Trade :* To the extent a Hedge Fund invests in a futures contract or long option, unless an offsetting trade is made, such Hedge Fund would be required to take physical delivery of the commodity underlying the future or option. To the extent Insight fails to enter into such offsetting trade prior to the expiration of the contract, the applicable Hedge Fund may suffer a

loss since neither such Hedge Fund nor Insight has the operational capacity to accept physical delivery of commodities.

*Exotic Options:* Exotic options are typically, but not always, traded over-the-counter. OTC contracts may not trade in a liquid market and pricing may be opaque. The illiquidity of these markets can be exacerbated in times of market stress. A Hedge Fund may incur substantial costs entering into and exiting positions that could have a material impact on performance. Exotic options may be subject to a higher degree of pricing risk as demonstrated by instances in which different counterparties in the market employ different valuation and pricing methodologies to the same exotic option. Because exotic options can often be highly customized, there is lower visibility with respect to the pricing and valuation of these instruments. Exotic options may be subject to high levels of price volatility. For example, in the case of barrier options, as the price of the asset underlying the option trades closer to a barrier level, the delta of the option (i.e., the ratio of the change in the price of the underlying asset to the corresponding change in the price of the option) and the gamma of the option (i.e., the rate of change of the delta with respect to the underlying asset's price) may become very high. Exotic options may be subject to higher levels of model risk than commonly traded options because standard models are not able to adequately capture or predict the risks associated with the exotic options. Exotic options may be "path dependent". This means that their terminal value (at exercise or expiration) depends upon the value of the underlying asset, not only at the time of exercise or expiration, but also at prior points in time. In this sense, the option's terminal value depends upon the "path" taken by the underlying asset over the life of the option. For example, a barrier option's value at expiration depends upon both the value of the underlying asset at expiration and whether the past value of the underlying asset ever satisfied a barrier condition. In contrast, a vanilla option (e.g., a call option) is not path dependent. Its value at exercise or expiration depends on the value of the underlying asset only at that point in time. The additional features incorporated by exotic options require additional judgments regarding the likelihood of certain conditions being satisfied, any one of which can result in loss if made incorrectly. An OTC option may be closed out only with the counterparty, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the option with the counterparty; however, the exposure to counterparty risk may differ. OTC options generally involve greater credit and counterparty risk than exchange-traded options.

*Exchange-Traded Funds:* Exchange-traded funds ("ETFs") are publicly traded unit investment trusts, open-end funds or depository receipts that seek to track the performance and dividend yield of specific indexes or companies in related industries. These indexes may be either broad-based, sector, or international. However, ETF shareholders are generally subject to the same risk as holders of the underlying Securities they are designed to track. ETFs are also subject to certain additional risks, including the risk that their prices may not correlate perfectly with changes in the prices of the underlying Securities they are designed to track, and the risk of trading in an ETF halting due to market conditions or other reasons, based on the policies of the exchange upon which the ETF trades. Generally, each shareholder of an ETF bears a pro rata portion of the ETF's expenses, including management fees. Accordingly, in addition to bearing their proportionate

share of a Hedge Fund's expenses (e.g., Management Fees and operating expenses), Limited Partners may also indirectly bear similar expenses of an ETF.

*PIPE Transactions:* Private investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a "PIPE" transaction, may be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly-issued securities of smaller capitalization companies, which may be less likely to be able to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in the applicable Hedge Fund acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment may be illiquid. A Hedge Fund's ability to dispose of securities acquired in PIPE transactions may depend on the registration of such securities for resale. Any number of factors may prevent or delay a proposed registration. Alternatively, it may be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under the U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if a Hedge Fund is able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, such Hedge Fund may not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of a Hedge Fund's investments.

*Repurchase and Reverse Repurchase Agreements:* In a reverse repurchase transaction, a Hedge Fund "buys" securities issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities at the price paid by such Hedge Fund, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements by a Hedge Fund involves certain risks. For example, if the seller of securities to a Hedge Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, such Hedge Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the applicable Hedge Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a Hedge Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the applicable Hedge Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the



underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.

*Special Purpose Acquisition Companies:* A special purpose acquisition company (a “SPAC”) is a publicly traded company formed for the purpose of raising capital through an initial public offering to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. Following the acquisition of a target company, a SPAC typically would exercise control over the management of such target company in an effort to increase the value of such target company. Capital raised through the initial public offering of securities of a SPAC is typically placed into a trust until the target company is acquired or a predetermined period of time elapses. Investors in a SPAC would receive a return on their investment in the event that a target company is acquired and such target company’s value increased. In the event that a SPAC is unable to locate and acquire target companies by the deadline, the SPAC would be forced to liquidate its assets, which may result in losses due to the expenses and liabilities of the SPAC. Investors in a SPAC are subject to the risk that, among other things, (i) such SPAC may not be able to locate or acquire target companies by the deadline, (ii) assets in the trust may be subject to third-party claims against such SPAC, which may reduce the per share liquidation price received by the investors in the SPAC, (iii) such SPAC may be exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC may not be afforded the benefits or protections of those rules, (iv) such SPAC may only be able to complete one business combination, which may cause it to be solely dependent on a single business, (v) the value of any target company may decrease following its acquisition by such SPAC, (vi) the value of the funds invested and held in the trust decline, (vii) the inability to redeem due to the failure to hold the securities in the SPAC on the record date or the failure to vote against the acquisition and (viii) if the SPAC is unable to consummate a business combination, public stockholders will be forced to wait until the deadline before liquidating distributions are made. In addition, most SPACs are illiquid and have a concentrated shareholder base that tends to be comprised of hedge funds (at least at inception). A Hedge Fund may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for the applicable Hedge Fund to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

*Certain Additional Risks Applicable to the Vision Fund-of-Funds’ and JV Fund-of-Funds’ Strategy*

*Consequences of the Fund’s Failure to Satisfy Capital Call of a Portfolio Fund:* If any investor in either the Vision Fund-of-Funds or the JV Fund-of-Funds fails to contribute capital to such Fund when called and such Fund’s alternative sources of funds are inadequate to cover the defaulted

capital contribution, such Fund may be unable to fulfill its capital commitments to one or more of the portfolio funds. As a result, a Fund may be subject to significant consequences, including, without limitation, the forfeiture of a significant portion of its interests or rights in such portfolio funds. This could have a material detrimental effect on the returns to the investors of a Fund (including non-defaulting investors) on their investments in a Fund.

*Dependence on Management:* The success of the Vision Fund-of-Funds and the JV Fund-of-Funds depends upon the selection of the portfolio managers, the ability of the Insight and the portfolio managers to develop and implement investment strategies that achieve such Fund's investment objectives, and the ability of Insight and each portfolio manager to select investment opportunities, interpret market data correctly, predict future market movements and otherwise implement its investment strategy. Any factor that may lessen the prospect of major trends in the future (such as increased governmental control of, or participation in, the markets) may reduce a portfolio manager's ability to make profitable investments in the future. Subjective decisions made by Insight and/or the portfolio managers may cause a Fund to incur losses or to miss profit opportunities on which it would otherwise have capitalized. The success of a Fund is also affected by turnover in a portfolio fund's personnel who are responsible for the investment vehicles' investment activities. There can be no assurance that the portfolio managers' investment professionals or other employees will continue to be employed by Insight throughout the life of a Fund. The loss of key personnel could have a material adverse effect on such portfolio funds and Insight does not have control over a portfolio fund's personnel or a portfolio company's personnel. Past and future turnover of a portfolio fund's or portfolio company's personnel and the experience and success of such personnel could impact the success of a Fund.

*Variation among Portfolio Managers:* The portfolio managers have varying levels of experience. The portfolio managers and their principals may employ investment methods, policies and strategies which may differ from those of other portfolio managers, and which may deviate from Insight's expectations concerning such methods, policies and strategies. Therefore, the results of any portfolio manager's investments on behalf of the Vision Fund-of-Funds and the JV Fund-of-Funds may differ from those of the other accounts operated by the portfolio managers and from results anticipated by Insight.

*Joint Venture Structure:* Insight jointly manages the JV Fund-of-Funds with a third party manager. As a result the investment methods, policies, and strategies implemented with respect to the JV Fund-of-Funds will differ from those Funds that are managed solely by Insight. Therefore, the results of the JV Fund-of-Funds may differ from those of other Funds managed solely by Insight.

The material risks of Insight's investment strategy set out in this Item 8 do not represent all of the material and other risks associated with a Fund. Each Fund's confidential private placement memorandum sets out additional risks associated with the Fund.

## **Item 9      Disciplinary Information**

On June 20, 2023, the Securities and Exchange Commission (“SEC”) initiated a settled administrative proceeding against Insight. Insight neither admitted nor denied the SEC’s findings. From August 2017 through April 2021, the limited partnership agreements (“LPAs”) of certain of the funds Insight advised provided that Insight would charge management fees during the funds’ post-commitment periods based on each investor’s pro rata share of the funds’ invested capital, which equaled the acquisition cost of the portfolio investments held by the funds. The LPAs for these funds also stated that should Insight determine that a portfolio investment had suffered a “permanent impairment” in value, Insight would remove an amount equal to the difference between the acquisition cost and the impaired value of the portfolio investment from the fund’s invested capital, which would subsequently reduce the basis used to calculate the management fees paid by the respective fund to Insight. Insight developed and applied criteria to assess whether an investment was permanently impaired. In applying these criteria, however, Insight analyzed permanent impairment at the “portfolio company” level rather than at the “portfolio investment” level. As a result, the SEC found that Insight did not correctly apply the funds’ LPAs in making a permanent impairment determination and, consequently, failed to accurately calculate the management fees it charged. Further, Insight failed to disclose to investors the existence of a conflict of interest in connection with its permanent impairment criteria. Finally, Insight did not adopt or implement written policies or procedures reasonably designed to prevent violations of the Advisers Act relating to the above practices. As a result, the SEC found that Insight violated Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. The SEC ordered Insight to cease and desist from committing or causing any violations and any future violations of the referenced sections and rules, imposed a censure, required disgorgement and pre-judgment interest of \$864,958, and imposed a civil monetary penalty of \$1,500,000.

As part of the resolution of this matter, the SEC recognized remedial efforts undertaken by Insight in May 2021 that included: adopting new and more objective permanent impairment criteria and disclosing that criteria to investors; waiving its ability going forward to reverse a permanent impairment due to changed circumstances; and applying its revised permanent impairment criteria retroactively to four portfolio companies that had been identified by the SEC, leading to reimbursement of management fees and interest in the amount of \$3,821,032 to the relevant private funds.

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

Affiliates of Insight serve as the General Partners of the Funds. A Fund may be subject to various conflicts of interest arising from its relationship with Insight and its affiliates including other Funds. Conflicts of interest arise when Insight makes investment decisions for multiple Funds, including but not limited to situations where multiple Funds invest in the securities of the same issuer.

Insight manages the assets of similar-vintage Private Equity Funds in accordance with each Fund's governing documents. Each Fund, however, generally has a limited period during which it is permitted to make new investments. Generally speaking, once that open investment period ends, the Fund is restricted to making follow-on investments in portfolio companies and generally may not make new investments in other companies, subject to provisions in the applicable limited partnership agreement. Insight manages its Private Equity Funds in a manner that generally avoids the circumstance where Private Equity Funds from different vintage years have open investment periods at the same time (except during certain designated pipeline periods set forth in the applicable Private Equity Funds' governing documents), other than in the case of a Private Equity Fund and its companion Coinvestment Fund, which would have investment periods that partially or completely overlap. Generally, new investments are made by Insight's most recently raised Fund of each strategy (i.e. only the most recently raised Flagship Fund vis a vis other Flagship Funds) and, as applicable, such recent Fund's companion Coinvestment Fund at any given time. A new successor Fund of a given strategy is generally not formed and will not make investments until the predecessor Fund of that strategy is substantially fully invested or committed without the consent of the Advisory Committee of the predecessor Fund. Generally, the limited partnership agreements governing the Private Equity Funds provide for a six month transition period during which certain "pipeline" investments may be allocated to the predecessor Fund. A Private Equity Fund may co-invest with its predecessor Private Equity Fund in such pipeline transactions. After the transition period, new investments will generally be made by the successor Private Equity Fund and, as applicable, its companion Coinvestment Fund. A follow-on investment opportunity in a portfolio company is generally reserved for the Fund that originally invested in such portfolio company, subject to the guidelines and restrictions of the Fund's limited partnership agreements and/or approval of the Fund's Advisory Committee and available capital in the Fund. The Follow-On Fund will participate in the follow-on investment opportunities or a particular Fund as described in the Follow-On Fund's limited partnership agreement. A Fund may on occasion invest in a portfolio company of another Fund or co-invest with another Fund (a Coinvestment Fund would generally invest alongside its companion Fund in the applicable portfolio companies). In the case of the Continuation Funds, each Continuation Fund invested in a specified set of portfolio investments of prior Funds. As more fully described below, such transactions are generally subject to requirements agreed by the Investors and set out in the applicable limited partnership agreement, which may include a requirement to obtain the consent of the Advisory Committee of the applicable Funds. Insight may in the future form Funds with different investment strategies than the current Funds and which may make investments at the same time with other Funds.

### **Allocation of Investment Opportunities**

The respective investment programs of each Fund may or may not overlap and such Funds may from time to time invest in the same assets or issuers. Insight will manage each Fund in accordance with its particular focus, mandate, objective, liquidity, concentration, risk tolerance and other applicable parameters. Investment opportunities will generally be classified as either Private Investments or Public Investments. The applicable Investment Committee will determine whether

any Digital Asset will be a Private Investment or Public Investment, depending on the nature of such Digital Asset.

*“Private Investments”* are investments in issuers that do not have publicly-traded equity securities, including without limitation, investments in companies that have not yet offered their securities in an initial public offering, investments in the privately-offered securities of companies that have certain securities that are publicly traded (i.e., PIPEs), project financings, credit instruments and debt financings that are not freely tradeable, re-capitalizations of private equity-backed companies, and investments in other illiquid assets, including any Digital Asset (to the extent such Digital Asset is determined to be a Private Investment by the applicable Investment Committee). In addition, the securities of an issuer with publicly-traded securities that may be part of a “take private” transaction may be deemed to be Private Investments.

*“Public Investments”* are investments in the publicly-traded equity or debt securities of issuers and all other investments that are not deemed to be Private Investments.

*“Digital Assets”* are (a) cryptocurrencies, application tokens, protocol tokens, app coins, blockchain-based assets and other cryptofinance and other digital assets and (b) rights, including without limitation investment contracts or other instruments or securities, that are related to any of the foregoing (e.g., “SAFTs” or “SAFTES”).

#### *Allocation of Private Investments*

Subject to any relevant restrictions or other limitation of the governing documents of the Funds, Insight will allocate investment opportunities between the Funds, strategies and/or other parties in a manner that is consistent with the Allocation Policy, which may be amended from time to time. The Allocation Policy currently provide that investment opportunities in Private Investments and Public Investments will be generally allocated as described below.

The allocation of investment opportunities in Private Investments will be based on the following priority:

- First, to the Private Equity Funds until each such Fund has received its desired exposure to a particular investment opportunity subject to allocation to any third party co-investors as permitted under the governing agreement of such Private Equity Funds (each a “Co-Investor”), in each case, as determined by the applicable Investment Committee.
- Second, to the IPPE Fund if the opportunity is in securities of issuers that Insight anticipates in its sole discretion are likely to be publicly traded within 24 months of the date of acquisition (e.g., late stage growth and pre-IPO investments), including through an initial public offering, direct listing, merger, acquisition, or SPAC business combination (a “Late Stage Pre-IPO Investment”) until it has

received its desired exposure to the Late Stage Pre-IPO Investment (as determined by the Hedge Fund Portfolio Manager).

For the avoidance of doubt, the Private Equity Funds will have the first priority to receive their full desired exposure in each Private Investment opportunity (subject to any allocation to Co-Investors) prior to any other Funds including the IPPE Fund. In respect of any follow-on investment opportunity in a portfolio company (each, a “Follow-On Investment”) in which a Private Equity Fund and any other Fund (including the IPPE Fund) and/or any Co-Investor own an interest, such Follow-On Investment shall generally be allocated pro rata based on their relative ownership interests in such portfolio companies, subject to, among other things, Insight’s good faith determination relating to the relevant fund’s remaining available capital (taking into account, among other things, Insight’s expectation of funding for any such fund’s future portfolio investments or partnership expenses and other liabilities, including reserves in respect thereof), risk-return profiles, expected hold periods and any applicable contractual restrictions (including diversification limits). As noted above, the Investment Committee will have the sole discretion to determine each Private Equity Fund’s desired exposure to each Private Investment opportunity (if any).

#### *Allocations Among Private Equity Funds*

Insight manages the assets of similar-vintage Private Equity Funds in accordance with each Fund’s governing documents. Each such Private Equity Fund generally has a limited period during which it is permitted to make new investments, and following the expiration of that period such Private Equity Fund is generally restricted to making Follow-On Investments in existing portfolio companies of such Fund and generally may not make new investments in other companies, subject to provisions in the applicable governing documents. Insight manages its Private Equity Funds in a manner that generally avoids the circumstance where Private Equity Funds from different vintage years have open investment periods at the same time (except during certain designated pipeline periods set forth in the applicable Private Equity Funds’ governing documents).

In circumstances where Insight determines that an investment opportunity is only suitable for one Private Equity Fund, the following allocation applies:

- The most recent Private Equity Fund with an open investment period (or its portfolio companies) will have priority over the other Private Equity Funds of the same strategy (or their respective portfolio companies) in relation to any investment opportunity falling within its investment objectives.
- Any Follow-On Investment in an existing portfolio company (including any debt or other equivalent non-equity investment in support of an existing investment) will generally be allocated in accordance with the allocation described above under “*Allocation of Private Investments*”. However, for the avoidance of doubt, if Insight determines in good faith that a relevant Private Equity Fund should not or cannot

participate in all or a portion of its share of such Follow-On Investment (e.g. due to lack of sufficient available capital, diversification limitations, risk-return profiles, expected hold periods, etc.), such portion may be offered to one or more other Private Equity Funds, subject to the applicable governing agreements of such Funds.

- In the event that Insight determines in good faith that allocation of all or a portion of a new investment opportunity to the most recent Private Equity Fund with an open investment period is not appropriate (e.g. due to lack of sufficient available capital, diversification limitations, risk-return profiles, expected hold periods, etc.), Insight will generally allocate such investment opportunity (or a portion thereof) to the successor fund of such Insight Fund.

If the applicable Investment Committee determines that it is suitable for, and in the best interests of, more than one Private Equity Fund to participate in the same investment opportunity, the applicable Investment Allocation Committee will review the proposed allocation of such opportunity among the applicable Private Equity Funds. In each case the allocation will be fair and equitable as determined by the Investment Allocation Committee taking into consideration a variety of factors, including without limitation, a Private Equity Fund's:

- investment objectives, policies and limitations;
- uncalled capital commitments and other sources of liquidity;
- anticipated future investments;
- risk profile and tolerance;
- targeted allocations and existing concentrations;
- permissible and preferred asset classes;
- stage in life cycle;
- tax treatment of the investment;
- legal, regulatory, or contractual requirements; and
- any other relevant facts and circumstances determined to be relevant.

The Investment Allocation Committee may in its review also give added weight to those Private Equity Funds with existing interests in the portfolio company.

Unless the applicable Investment Allocation Committee determines otherwise, participating Private Equity Funds with similar vintage years are, subject to requirements of the applicable governing documents (including the investment objectives, policies and limitations of each Fund), generally expected to participate in the same investment opportunity in lockstep fashion.

*Allocation to Private Equity Funds – The Flagship Funds, the Opportunities Funds and Special Purpose Funds*

In accordance with the terms of the applicable Flagship Fund's governing agreements, Insight may only allocate to any Opportunities Fund those Opportunities Investments that Insight does not reasonably expect to yield returns within the range of returns expected for Flagship Fund investments. Subject to the governing agreements of the applicable Insight Funds:

- The Flagship Funds will be allocated any investment opportunity (other than any investment that is (x) prohibited by the governing agreements of the Flagship Funds or (y) a Follow-On Investment in any investment not held by such Flagship Fund), in each case, that (i) is expected at the time of consummation of the investment to generate as its base case gross multiple of invested capital of 2.5x or more, and/or gross internal rate of return of 25% or more and/or (ii) Insight in good faith determines is appropriate for the Flagship Funds.
- The Opportunities Funds will be allocated any Opportunities Investments (other than any investment that is (x) appropriate for the Flagship Funds, (y) prohibited by the governing agreements of the Opportunities Funds, or (z) a Follow-On Investment in any investment not held by such Opportunities Fund), in each case, that is expected at the time of consummation of the investment to generate as its base case up to gross multiple of invested capital of 2.25x, and/or gross internal rate of return of 20%.

In the event that an investment opportunity's expected range of returns are in between the abovementioned expected returns thresholds, the Investment Committee shall determine whether such opportunity will be allocated to the Flagship Funds or the Opportunities Fund.

In addition to the Opportunities Funds, Insight may organize certain special purpose Private Equity Funds that target different returns than the Flagship Funds or that co-invest with the Flagship Funds, including in defined subsets of the Flagship Fund portfolio investments. Insight will allocate investment opportunities subject to the Governing Agreements of the applicable Private Equity Funds. The Chief Compliance Officer may develop desktop procedures to facilitate monitoring compliance with the terms of the applicable governing agreements.

For the avoidance of doubt, nothing in this policy prevents Insight from offering a portion of an investment opportunity to any third party investors (including investors of Insight Funds) to co-invest alongside an Insight Fund in accordance with the terms of the governing agreements of such Insight Fund.

#### *Allocation to Private Equity Funds – Investments in Other Investment Managers*

The Flagship Funds generally target equity investments in growth-stage and more mature software, software-enabled services and Internet companies, but are permitted, subject to certain conditions, to invest in funds managed by third-party investment managers.



Insight has established the Vision Fund-of-Funds that seeks to invest in private closed-end investment funds managed by third-party investment managers that are majority owned and controlled by one or more persons of color and/or females that generally target early-stage and/or growth investments in the software, software-enabled services, internet or other technology businesses (collectively, the “Vision Fund Investments”). Insight and its joint venture partner have established the JV Fund-of-Funds to invest in closed-end investment funds that primarily target investments in start-up, early stage and emerging companies in the software and technology sectors (collectively, the “JV Fund Investments”).

In accordance with the terms of the applicable Flagship Fund’s Governing Agreements, Insight may allocate the Vision Fund Investments and the JV Fund Investments to the Vision Fund-of-Funds and JV Fund-of-Funds. Subject to the Governing Agreements of the applicable Insight Funds:

- The Flagship Funds will be allocated any investment opportunity (other than any investment that is prohibited by the Governing Agreements of the Flagship Funds) in a third-party investment manager that is not a Vision Fund Investment or a JV Fund-of-Funds Investment.
- The JV Fund of Funds will be allocated any JV Fund Investment that is not also a Vision Fund Investment (other than any investment that is prohibited by the Governing Agreement of the JV Fund of Funds), prior to all other Insight Funds.
- The Vision Fund-of-Funds will be allocated any investment opportunity in a potential JV Fund Investment that is also a Vision Fund Investment (other than any investment that is prohibited by the Governing Agreements of the Vision Fund-of-Funds), prior to all other Insight Funds.
- During its investment period, any potential Vision Fund Investment (other than any investment that is prohibited by the Governing Agreements of the Vision Fund-of-Funds) will be allocated to the Vision Fund-of-Funds prior to all other Insight Funds.

In the event that there is uncertainty as to how an investment opportunity should be allocated, the Investment Committee shall determine whether such opportunity will be allocated to the Flagship Funds, the Vision Fund-of-Funds or the JV Fund-of-Funds or some combination of such funds.

For the avoidance of doubt, nothing in the Allocation Policy prevents Insight from offering a portion of an investment opportunity to any third-party investors (including investors of Insight Funds) to co-invest alongside an Insight Fund in accordance with the terms of the Governing Agreements of such Insight Fund.

#### *Allocation Principles – Public Investments*

The Private Equity Funds do not frequently invest in Public Investments, but in the event the applicable Investment Committee determines that a Private Equity Fund desires to participate in a Public Investment, such opportunity will be generally allocated in the same manner of priority described above under “*Allocation of Private Investments*”, except that, in the event that Insight determines that no Private Equity Fund desires to participate in a particular Public Investment, Insight must also determine the proportions in which to allocate such investment opportunity to the IPPE Fund and the Liquid Fund, in each case, taking into account any legal or regulatory restrictions applicable to the Private Equity Funds (*i.e.*, the Private Equity Funds will generally receive their full desired exposure to such Public Investment prior to the IPPE Fund and the Liquid Fund).

When Insight seeks to establish or add to its existing position in one or more publicly traded companies, Insight may seek to obtain securities from multiple sources (including primary issuers of securities as well as secondary sources such as existing security holders) and in this regard may participate in one or more discrete transactions committed to over a period of time and closing on multiple dates. Insight may in certain circumstances treat multiple transactions pursued simultaneously as one transaction for pricing and other allocation purposes and thus may allocate the securities acquired in such transactions as close as possible to the closing date of the final transaction in the series of related transactions in which such securities were acquired – rather than at the time each transaction in the series of related transactions closes – so that it can properly evaluate the entire investment opportunity (e.g., number of shares, price, secondary/primary, timing of closing, etc.) before setting allocations among the Funds.

Each Hedge Fund’s desired exposure to any Public Investment will be determined in the sole discretion of the Hedge Fund Portfolio Manager. For the avoidance of doubt, the foregoing will not limit a Hedge Fund’s participation in a Public Investment unless the Hedge Fund Portfolio Manager decides to limit participation for one of the Hedge Funds and not the other, or unless the Investment Committee has determined that a Private Equity Fund will invest in such Public Investment.

#### *Allocation Principles – Initial Public Offerings*

Opportunities to participate in IPOs will be generally allocated in the same manner of priority as described above under “*Allocation Principles – Public Investments*”, taking into account any contractual restrictions applicable to the Private Equity Funds. For the avoidance of doubt, the allocation of investment opportunities in IPOs of Private Equity Fund portfolio companies (“Portfolio Company IPOs”) will be based on the following order of priority:

- First, to the Private Equity Fund that holds investments in the portfolio company that is making the IPO. To the extent that more than one Private Equity Fund holds such investments (or if the IPPE Fund also holds such investments), participation in the Portfolio Company IPO will generally be allocated on a pro rata basis among the participating Funds.

- Second, to other Private Equity Funds that do not have an existing investment in the Portfolio Company that is making the IPO. To the extent that more than one such Private Equity Fund would like to participate in the Portfolio Company IPO, the investment opportunity will generally be allocated pro rata among such Private Equity Funds.
- Last, to the Hedge Funds.

The applicable Investment Committee will make all determinations regarding whether the Private Equity Funds will participate in an IPO and what level of participation is appropriate for each participating Private Equity Fund. The Hedge Fund Portfolio Manager and, with respect to the Hedge Funds, the Late-Stage Private Investment Committee, as applicable, will make a determination of whether the Hedge Funds will participate in a Portfolio Company IPO and what level of participation is appropriate for the Hedge Funds. If the amount of interest in a Portfolio Company IPO exceeds Insight's total capacity in the Portfolio Company IPO, the participation amounts will be determined by the applicable Investment Committee using the order of priority detailed above.

#### *Allocation of Co-Investment Opportunities*

Fund investments include investments in which a General Partner will seek co-investors. As the growth-stage software, software-enabled and Internet industries have grown, so too have the size of the companies in the industry. Insight believes that including co-investors increases the ability of a Fund to invest in larger companies while managing concentration risks. Co-investors may bring to a transaction relevant knowledge, due diligence skills, management experience and capital, both for the initial investment as well as for future financings. The ability to involve co-investors enables a Fund to make investments that it would otherwise not have the capacity to do. A General Partner of a Fund may, but will be under no obligation to, offer co-investment opportunities to any persons (including Investors) consisting of the portion of an investment opportunity that exceeds the amount that the General Partner determines is appropriate for the Fund. The General Partner of a Fund may, but is under no obligation to, also offer co-investment opportunities to third party strategic investors the portion of an investment opportunity that the General Partner determines to be appropriate. Which third parties will co-invest depends largely on the nature and dynamics of a particular deal. Third-party co-investors (including Investors) have no obligation to participate in a particular deal and they will typically negotiate the terms of their participation. In selecting co-investors to approach with a potential investment, Insight will take into account various facts and circumstances it deems relevant and, at a minimum, a co-investor must be legally eligible to invest in the portfolio company, confirm that it has the ability and willingness to move quickly in making and implementing a decision to invest, and Insight must believe that it will have a good working relationship with the co-investor during the investment. Co-investors may include one or more Investors, however, the allocation of co-investment opportunities is entirely discretionary and there is no guarantee for any Investor that has expressed an interest in co-investment opportunities that it will see such opportunities except

as described below with respect to one of the Current Fund Co-Invest Vehicles. Co-investment opportunities are by their nature limited because, given the swift pace of many deals in which the General Partner determines that co-investors are desirable, and the need to negotiate the co-investments as well as all other aspects of the transaction, it is simply not practical to involve large numbers of co-investors. Moreover, because the co-investors must rapidly devote sometimes significant resources to evaluating whether to invest, they may need a minimum investment to warrant the effort. In Insight's experience, certain Investors and other third parties have consistently been in a position to commit the amounts required and on the schedule dictated by larger transactions, and a General Partner may turn to such co-investors in new deals due to prior good experience with these co-investors enabling Funds to win and close investments and/or to smoothly syndicate investments after closing.

Neither a Fund General Partner nor Insight is permitted to receive any management fee, carried interest or other compensation from third-party co-investors without the applicable Fund's Advisory Committee's consent except in limited circumstances. In addition, co-investors do not bear all of the expenses borne by a Fund in developing, consummating and maintaining an investment. As a result, if the investment is successful, a co-investor will receive a better net return with respect to the portfolio company than Investors in a Fund, and an Investor that participates in co-investments with a Fund may achieve a better return than Investors who do not participate in co-investments, depending on how the co-investments perform.

The General Partner of a Fund and/or Insight may create limited partnerships, limited liability companies or similar vehicles or arrangements to accommodate investments by portfolio company management or strategic or other investors, including one or more Investors of such Fund, in connection with a deal-by-deal determination of any co-investment participation, or may cooperate with specific Investors to create vehicles, or permit such Investors to increase their commitment to any existing vehicles, in each case, to enable co-investments in one or more transactions, and may serve as the general partner, the investment manager or in a similar capacity with respect to such vehicles or arrangements. The Investor in such vehicles or arrangements may give a General Partner and/or Insight the authority to determine the co-investments that the vehicle will make with respect to one or more investments. The existence of such vehicles or arrangements formed for a particular Investor could result in fewer co-investment opportunities being made available to other Investors. As noted in the paragraph above, generally neither a General Partner nor Insight is permitted to receive any management fee or carried interest from, nor are they permitted to invest in, such vehicles or arrangements without Advisory Committee consent, unless such economic interest is required for tax or other technical reasons and the benefits of any such economic interest will be offset against the Management Fees or partnership expenses of the relevant Funds. Co-investors will often participate in Fund investments when the Fund initially invests in a portfolio company. However there may be circumstances, including due to the timing requirements of a transaction or the need for regulatory clearance for the co-investors, where co-investors will subsequently purchase their investments from the Fund. The selection of co-investors may involve conflicts of interest and, while Insight has adopted policies and procedures with regard to the selection of co-investors intended to mitigate such conflicts, there can be no

guarantee that such policies will prevent actions that are detrimental to a Fund. As indicated in item 5, Insight has created the Current Fund Co-Invest Vehicles (*See Item 5 “Allocation of Investment Expenses in Co-investments, including Broken Deal Expenses”*).

#### *Transactions Among Insight Funds*

On occasion, Insight may determine that it is in the best interests of a Fund and another Insight Fund or Funds that the Fund should invest, or otherwise acquire an interest, in an existing portfolio company of such other Funds. Generally such transactions would be subject to the approval of the Advisory Committees of the relevant Funds unless a non-affiliated sophisticated financial investor who is not a strategic investor participates in such investment on substantially the same terms as the Fund, the investment of such non-affiliated investor is substantial and/or certain other conditions contained the applicable Fund’s limited partnership agreements are met. A Fund will generally be permitted without Advisory Committee consent to co-invest with other Funds, to the extent permitted under the governing documents of the Funds, including in certain pipeline transactions. Also, in accordance with the applicable limited partnership agreement, certain Funds may transfer certain investments to its successor Fund or to its Coinvestment Fund, or permit a different Fund to participate in follow-on investments. Certain Funds may, with the consent of their respective Advisory Committees, make bridge co-investments alongside or in their successor Funds or other future Insight Funds, that such Funds expect to syndicate to third party co-investors within a specific period of time. The Continuation Funds were formed for the purpose of acquiring interests in certain existing portfolio investments of other Funds. In addition, the IPPE Fund may invest in securities of publicly traded or private companies which are actual or potential portfolio companies of another Fund. Moreover, with respect to the IPPE Fund's and the Liquid Fund's investments in publicly traded securities, while Insight expects to utilize a similar investment program for the IPPE Fund and the Liquid Fund, the IPPE Fund and the Liquid Fund will not always invest in the same publicly traded securities, are expected to have different portfolios of, and exposures to, publicly traded securities and may invest in and dispose of the same securities at different times and at different values. The trading activities of each of the IPPE Fund and the Liquid Fund may differ from or be inconsistent with activities which are undertaken for the account of another Fund in such securities or related securities. As a result of Insight’s growth and current and future product offerings, Insight is and may become subject to more regulatory and contractual restrictions than it would be subject to if it only managed the Flagship Funds.

From time to time, subject to the terms of the limited partnership agreements, certain of the Funds may invest in portfolio companies of other Insight Funds, or an Insight Fund may participate alongside an investment made by another Insight Fund but in a different security, class of security or instrument than those acquired by such Insight Fund. This may include instances where another Insight Fund participates alongside an investment made by the Funds but in a different security, class of security or instrument than those acquired by the Funds (for example, where the certain Funds invest in equity while another Insight Fund (such as an Opportunities Fund) has or is investing in debt of the same company), including instances in which the portfolio company is controlled by Insight and the applicable Insight Funds either before or after the Funds’ investments

in such portfolio company or its affiliates. In any such aforementioned cases, any such investment in the same portfolio company by the Insight Funds could result in one or more Funds being senior or junior to other Insight Funds in the capital structure of such portfolio company, which could cause Insight to face a conflict of interest in respect of decisions made with regard to such Insight Funds (including, without limitation, with respect to the determination of the value of portfolio company securities, the negotiation of the price of portfolio company securities, the terms of such debt instruments, the enforcement of covenants, the terms of recapitalizations, and the resolution of workouts or bankruptcies). As Investment Manager, Insight owes a fiduciary duty to all of the Insight Funds. One Insight Fund will not be required to take any action or withhold from taking any action to mitigate losses by the other Funds in such a scenario. It may be the case where such actual or potential conflicts of interest arise that Insight's financial incentives (including because of potentially disparate financial interests in each of the funds) will be in favor of a particular Insight Fund or Funds.

Conflicts may also arise in connection with the Funds' provisions of additional capital necessary to support positions taken by other Insight Funds. For example, if another Insight Fund had the potential to incur a loss on its investment in a portfolio company as a result of financial or other difficulties, the General Partner's and/or the Investment Manager's ability to recommend actions in the best interests of the other Funds might be impaired. There is a risk that if a Fund made an investment in the distressed portfolio company of another Insight Fund, the financing may be done on terms and in amounts that do not favor the Fund or may adversely impact the Fund to the benefit of the other Insight Fund. There is no assurance that the Investment Manager will determine to resolve these conflicts in a manner that will not have an adverse impact on the Fund or that the returns to the Fund would be equal to and not less than the Fund would have achieved if such conflict did not occur. Conflicts would also arise in situations where Insight could potentially cause portfolio companies owned by different Insight Funds to merge in whole or part with each other or to be purchased or sold in whole or in part to each other. Such transactions may lead to a conflict of interest because Insight controls the Insight Funds and/or portfolio companies on each side of such transactions. Depending on the transaction structure, the transaction may disproportionately benefit the purchasing, selling, or merging Insight Fund (or Insight as a result of its interests in an Insight Fund), and the other Insight Funds may incur expenses or forego gains that would have been obtained had it not exited such company or companies. Determining consideration or other terms of such transactions may create a conflict of interest because of the terms (including the fee terms) of the Insight Funds and Insight's interest in such Insight Funds. The acquisition or merger by an Insight Fund may also lead to the other Insight Funds holding the remaining portion of the company, if any, longer than it otherwise would have, which may increase the risk for loss. As a fiduciary to each Insight Fund in such a transaction, Insight will act in the best interests of each Insight Fund (as determined in its sole discretion), but there is no assurance that such transaction will be equally profitable or advantageous to each participating Insight Fund.

In addition, there is a potential conflict of interest if another Insight Fund (such as the Opportunities Fund) were to act as lead arranger for a portfolio investment in the debt of a Fund's portfolio company or where a company is expected to become a portfolio company of the Fund

contemporaneously with such investment because the Investment Manager could be incentivized to manage the debt in a way that is beneficial to the other Insight Fund to the detriment of the Fund.

Generally, the consent of the Advisory Committee and of the advisory committee of the applicable Insight Fund is required for certain Funds to invest in a portfolio company of another Insight Fund (and vice versa), and, unless otherwise consented by the Advisory Committee and the advisory committee of the applicable Insight Fund, investments in the same portfolio company will be made and disposed of on substantially the same terms and at substantially concurrent times. However, the limited partnership agreements specify conditions pursuant to which such investments may be made without the consent of Advisory Committee. Further, the limited partnership agreements provide that certain investments in the same portfolio company by the Funds may be disposed of at different times and/or on different terms by the other Funds. In addition, Insight manages the Opportunities Fund whose primary objective is to realize superior risk-adjusted returns primarily through investments in structured equity position and/or secured or unsecured credit in software, software-enabled services and Internet companies. Subject to the conditions set forth in the limited partnership agreements, the Opportunities Fund will be permitted to invest in structured investments in portfolio companies of the Fund and dispose of such investments independently from the Funds, in each case without the consent of the Advisory Committee. For a complete discussion of the conditions governing investments in the same portfolio company by the Insight Funds and the role of the Advisory Committee, please see Section 2.2 of the limited partnership agreements. The Investment Manager and its affiliates may seek to address conflicts by adopting additional policies and procedures in the future to ensure that the Funds are operated independently. However, there can be no assurance that any conflict will be resolved in favor of certain Fund (including where the conditions set forth in the limited partnership agreements are satisfied) or that the return on the Fund's investments will be equivalent to or better than the returns obtained by other Insight Funds participating in the transaction.

In the event that one Insight Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Insight Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Insight Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

In addition, the IPPE Fund may invest in securities of publicly traded or private companies which are actual or potential portfolio companies of one or more Funds. Moreover, with respect to the IPPE Fund's and the Liquid Fund's investments in publicly traded securities, while Insight expects to utilize a similar investment program for the IPPE Fund and the Liquid Fund, the IPPE Fund and the Liquid Fund will not always invest in the same publicly traded securities, are expected to have

different portfolios of, and exposures to, publicly traded securities and may invest in and dispose of the same securities at different times and at different values. The trading activities of each of the IPPE Fund and the Liquid Fund may differ from or be inconsistent with activities which are undertaken for the account of another Fund in such securities or related securities. As a result of Insight's growth and current and future product offerings, Insight is and may become subject to more regulatory and contractual restrictions than it would be subject to if it only managed the Flagship Funds.

### *Capital Structure Conflicts*

As described above, a Fund may invest in a company in which one or more other Funds hold an investment in a different class of such company's debt or equity, or vice versa. Conflicts of interest may arise under such circumstances. For example, in the event that such issuer enters bankruptcy, another Fund (such as an Opportunities Fund) may hold securities which are senior in bankruptcy preference than the securities held by such Fund and may have the right to aggressively pursue the issuer's assets to fully satisfy the issuer's indebtedness such other Fund, and Insight might have an obligation to pursue such remedy on behalf of such other Fund. As a result, a Fund holding assets of the same issuer which are more junior in the capital structure might not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and suffer a loss. Further, because of the different legal rights associated with debt and equity investments, Insight may face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund as compared to the other Funds (such as an Opportunities Fund). For example, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt investments should be refinanced or restructured. In those circumstances where a Fund and another Fund hold investments in different classes of a company's debt or equity, Insight may also, to the fullest extent permitted by applicable law, take steps to reduce the potential for adversity between a Fund and the other Fund, including causing the former Fund to take certain actions that, in the absence of such conflict, it would not take, such as (A) remaining passive in a restructuring, foreclosure, refinancing or similar situations (including electing not to vote or voting pro rata with other security holders), (B) investing in the same or similar classes of securities as the other Insight Fund in order to align their interests, (C) divesting investments or (D) otherwise taking an action designed to reduce adversity. Any such step could have the effect of benefiting another Fund (or Insight) and therefore may have an adverse impact on a Fund.

### **Allocation of Expenses**

#### *Potential Conflicts in Calculation and Allocation of Certain Costs and Expenses Generally*

The limited partnership agreements of the Funds provide that each Fund will be responsible for all costs and expenses in connection with its operation, other than the costs and expenses that will be the responsibility of the Manager. With respect to certain operating expenses that are common among a Fund and other Funds, such as insurance premiums or annual meeting expenses, such



expenses are allocated by Insight among the Funds as provided in the limited partnership agreements of the respective Funds or, if not so provided, on a case-by-case basis pursuant to a method that Insight believes to be fair and equitable to the Funds, such that no Fund is consistently advantaged over any other Fund or disadvantaged over time in relation to any other Fund or Insight. Insight, as a person covered by the insurance policies that cover also the Funds, will bear the portion of the premium that Insight believes to be fair and reasonable under the circumstances. Accordingly, Insight will benefit from the cost of such premiums being also allocated to and borne by the Funds. An operating expense or cost incurred on behalf of more than one Fund will generally be allocated pro rata among the Funds on the basis of (i) the amount of each Fund's applicable investment that relates to the cost or expense, (ii) the amount of each Fund's current net assets or (iii) the amount of each Fund's capital commitments. If deemed appropriate under the circumstances, costs or expenses incurred by more than one Fund may be allocated in any other manner that Insight determines to be fair and reasonable. Insight or its affiliates will typically pay expenses attributable to one or more Funds and thereafter receive a reimbursement from the applicable Fund or Funds without interest. With respect to investments involving more than one Fund, each Fund is required to bear its proportionate share, based on the relative amounts invested, of transaction expenses except as otherwise provided in the applicable limited partnership agreements. In addition, the expenses incurred in connection with a transaction that is not completed are required to be allocated by Insight in good faith pro rata among the Funds, based on the intended investment allocation in such transaction, except as otherwise provided in the applicable limited partnership agreements or, if applicable, by such other method as the General Partner determines is reasonable and fair. A potential conflict of interest exists in Insight's determination whether certain costs or expenses that are incurred in connection with the operation of a Fund meet the definition of Fund operational expenses for which the Fund is responsible, or whether such expenses should be borne by Insight. Any Fund will be reliant on the determinations of Insight in this regard, and also in regard to the allocation of investment expenses and any common operating expenses as between the Funds and any other Insight affiliates, including how the expenses of proposed but unconsummated transactions are allocated among the Funds and what the allocation of a co-investment that is never completed might have been.

While Insight will endeavor to allocate expenses in a manner it believes to be equitable and consistent with the relevant Fund limited partnership agreements, there can be no assurance that errors will not arise in such allocations or that other methods of allocation would not produce a result that is more favorable to one or other of the Funds or to Insight.

The Funds will also be reliant on Insight to determine the fees that Insight Onsite charges to portfolio companies since these fees are determined by Insight and not negotiated at arm's length. Although Insight believes that such fees are reasonable for the services provided, and that the Funds benefit from having Insight Onsite's experienced business development team readily available to them, there can be no assurance that such services (or better services) may not be available from third parties at less expense.

#### *Allocation of Investment Expenses in Co-investments, including Broken Deal Expenses*

Under the applicable Fund's limited partnership agreement, a Fund is generally responsible for the costs and expenses incurred in connection with portfolio investments, including the out-of-pocket expenses incurred in the actual or potential acquisition, restructuring or disposition of any investment, whether or not consummated, and the out-of-pocket expenses incurred in connection with holding the investments of the Fund, to the extent not paid for by the applicable portfolio company or potential portfolio company. To the extent paid for by portfolio companies, a Fund and its Investors bear the expense indirectly to the extent of the Fund's interest in the portfolio company. With respect to consummated investments, such expenses, when material, are generally capitalized into the cost of the investment. Where a co-investment is made by more than one Fund, each such Fund is required to bear its proportionate share, based on the relative amounts invested, of such transaction and monitoring expenses except as otherwise provided in the applicable Funds' limited partnership agreements. In addition, the expenses incurred in connection with a transaction that is not completed are required to be allocated by Insight in good faith pro rata among the Funds, based on the intended investment allocation in such transaction, except as otherwise provided in the applicable limited partnership agreements or, if applicable, by such other method as the General Partner determines is reasonable and fair. The intended allocation may not be possible to determine with any certainty given the many variables that go into determining equity contributions in a transaction. Moreover, Insight will look at many more investments as potential investments for a Fund than a Fund will actually make, and, even though expenses may have been incurred by a Fund or by Insight on behalf of a Fund with respect to such potential investments, a decision may subsequently be made not to proceed with the transaction, or circumstances may arise preventing the consummation of the transaction or making it inadvisable, before the stage where any decision about co-investments with other Funds (or with third parties) has been made, in which case the expenses will generally be borne by the Fund for which Insight initially evaluated the transaction.

With respect to third-party co-investors, including Investors through limited partnerships, limited liability companies or similar vehicles or arrangements to accommodate such co-investments (as described under "Co-Investment Opportunities" in Item 10 above), to the extent that transaction and monitoring expenses are paid or reimbursed by the portfolio company in completed transactions, such third-party co-investors will bear their proportionate share of such expenses as a result of their interest in the portfolio company. Such transaction and monitoring expense are not always paid or reimbursed by the portfolio company and sometimes costs and liabilities, such as borrowing or guarantees, may be incurred in investment structures in which only the Funds participate or directly by the Funds and not by other investors in the portfolio company. Third-party co-investors are not obligated to co-invest and their co-investments are based on arms' length negotiations between Insight and the third-party co-investors. Typically, co-investments by third-party co-investors are limited to the capital invested in the applicable portfolio company and do not bear the expenses associated with developing and consummating the investment opportunity or post-closing monitoring expenses, except to the extent borne or reimbursed by the portfolio company or otherwise specifically agreed with the co-investor. Third-party co-investors often commit to the transaction late in the process of identifying and negotiating an investment, or after closing in the case of transactions that are syndicated after the initial investment by a Fund. Often

such potential co-investors are unable or unwilling to bear the expenses incurred with respect to a transaction that is not, in the end, consummated, and as a result the full amount of any such broken deal expenses will be borne by the applicable Fund (and, as described above, other Funds in certain circumstances). As described in Item 5 above, the Current Fund Co-Invest Vehicles will generally bear their pro rata portion of transaction and monitoring expenses of investments in which they participate, however certain Current Fund Co-Invest Vehicles do not bear their pro rata share of the expenses of any proposed co-investment that is not consummated.

A Fund will be reliant on the determinations of its General Partner or Insight as to the allocation of potential co-investments and of the related investment expenses as between the applicable Funds, including how the expenses of proposed but unconsummated transactions are allocated to the applicable Funds and what the allocation of a co-investment that is never completed might have been. While Insight will endeavor to allocate such expenses in a manner it believes to be equitable and consistent with the relevant limited partnership agreements, there can be no assurance that such allocations will adequately reflect all potential variables or that other methods of allocation would not produce a result that is more favorable to a Fund.

Additional information regarding how Insight addresses conflicts of interest is provided in Item 11 below.

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

##### *Code of Ethics:*

Insight's Compliance Manual includes a Code of Ethics ("Code") that applies to each of its partners, members, owners, principals, directors, officers, employees and any person who has been designated by the Chief Compliance Officer as being subject to the Code based on the relationship such person has with Insight or its affiliates, the nature of the services such person provides to Insight or its affiliates, or the information such person receives from Insight or its affiliates ("Covered Persons"). The Code requires compliance with all applicable laws and regulations, including federal securities laws; acting in the best interests of the firm's clients at all times; avoiding actual and potential conflicts of interests; and prompt reporting of violations of the Code. Covered Persons are required to comply with certain restrictions and reporting requirements with respect to their personal securities investments. The Code requires Covered Persons to safeguard confidential information entrusted to Insight by its clients, Investors or related parties, information regarding Insight's businesses and activities, or information about other Covered Persons. The Code also prohibits insider trading and tipping and addresses anti-money laundering and certain potential conflicts of interest. The Code requires Insight to monitor the personal securities trading of Covered Persons for evidence of insider trading or suspicious trades. A copy of Insight's Code of Ethics will be provided to a client or prospective client upon request.

##### *Conflicts of Interest Involving Business Relationships, Service Providers:*

Like other asset management firms, as part of Insight's business, Insight and its employees have developed many significant relationships with third parties, including, but not limited to, placement agents, investment bankers, counsel, consultants, private equity and venture capital investors, Investors in Funds, co-investors, current and former directors, officers and employees of current and former portfolio companies, and former directors, officers and employees of Insight, including those who have or may form funds that engage in investment activities similar to those of a Fund. Certain of such third parties may: introduce investment opportunities to Insight; arrange for, or facilitate financing in, the purchase or recapitalization of potential portfolio companies; introduce portfolio companies to potential acquisition or merger candidates; introduce Insight to potential buyers of portfolio company securities; facilitate the disposition of portfolio company securities; provide investment banking, consulting or advisory services to Insight, the Funds, portfolio companies and potential portfolio companies; invest in Funds; co-invest in portfolio companies; perform investment banking services for issuers of private securities held by Insight personnel or their friends and family members; introduce or recommend private investment opportunities to Insight personnel or their friends and family members; or provide other significant business or investment services to Insight, the Funds, portfolio companies, potential portfolio companies, Insight personnel, and friends and family of Insight personnel. Such third parties may receive direct commercial compensation from the portfolio company, potential portfolio company or individual for providing these services (including, with respect to portfolio companies, equity or other interests) and/or, with respect to transactions in connection with the Funds or their portfolio companies or potential portfolio companies, may receive compensation from Insight or a General Partner in the form of a cash payment from Insight or a General Partner or a participation in the management fees or carried interest Insight and the General Partners, respectively, receive from the Funds. As a result of the business relationships Insight has developed, it may, as noted above, particularly where Funds have a controlling interest, be in a position to suggest or recommend service providers to portfolio companies with whom Insight or its employees have had a previous relationship or experience or portfolio companies may retain service providers as a result of their experience in transactions or otherwise through their relationships with Insight. Family members of Insight personnel who are professionals or engaged in the relevant business may, independent of Insight, be engaged by portfolio companies. While Insight selects, if it is retaining a service provider, or suggests or recommends service providers who it believes will be effective and enhance a transaction or portfolio company operations or performance, there can be no assurance that other service providers would not be more qualified or lower cost. Portfolio companies may also retain service providers that have a relationship with Insight or its personnel through their experience with such service providers without any involvement by Insight. It is expected that third-party consultants and advisors to the Funds and their portfolio companies will also provide services to other enterprises, including competitors of Insight or any of the Funds' portfolio companies. Insight has compliance policies and procedures designed to monitor and, as necessary, mediate certain significant relationships, but no guarantee can be made that such policies and procedures will prevent actions which are to the detriment of a Fund.

Service providers to the Funds, their portfolio companies and the portfolio companies' directors, officers and employees, including placement agents and their principals, may be investors in a

Fund. This could present a conflict of interest to a General Partner in deciding whether to utilize the services of such service providers, or to pay such service providers higher fees out of the Fund's assets in return for such service providers' willingness to invest in the Fund, which could result in additional fees for Insight.

A portfolio company in which one Fund invests may from time to time use the services of another portfolio company in which a different Fund invests. Insight may also from time to time encourage portfolio companies to consider using in their business the technologies, products or services provided by other portfolio companies even if the potentially transacting companies are owned by different Funds. Certain portfolio companies of the Funds offer their services at discounted rates to the other portfolio companies of the Funds as part of the Insight "family," including portfolio companies of different Funds and Insight typically communicates the availability of these discounts or incentives. It is Insight's policy, however, to avoid participating in any resulting negotiations between or among the transacting portfolio companies except in accordance with procedures intended to address potential conflicts.

Conflicts of interest may also arise in circumstances where Insight may consider an investment by a Fund in a company in which an Investor or another person with a significant relationship to Insight is already an investor or a sale of a portfolio company to such persons since Insight may wish to maintain a good relationship with the Investor or such significant relationship. While Insight has policies and procedures for such situations, there can be no guarantee that such policies and procedures will prevent actions which are to the detriment of a Fund.

#### *Conflicts of Interest Involving General Partner Compensation:*

The existence of the Carried Interest may create an incentive for a General Partner to make more speculative investments on behalf of a Fund that it would otherwise make in the absence of such performance-based compensation. In addition, upon the winding-up of a Fund, a General Partner may receive carried interest distributions with respect to a distribution in-kind of non-marketable securities. The valuation of such securities for such purposes generally will be determined by the General Partner, subject to Advisory Committee approval, as set forth in the applicable Fund limited partnership agreement. In addition, the clawback obligations of the General Partners may create an incentive to defer the disposition of investments that would result in a realized loss or the completion of the liquidation of a Fund where a clawback obligation would be owed.

#### *Conflicts of Interest Involving Personal Investments:*

Personal investment by investment professionals and other personnel of Insight can present potential conflicts of interest for Insight and its personnel. Insight's members, owners, principals, directors, officers, and employees, certain family members of those persons, certain directors, officers, or employees of Insight's portfolio companies, and certain individuals employed by or associated with certain service providers of Insight or its portfolio companies have invested, and may continue to invest in the future, in Side-by-Side Funds that will make investments at the same

time and on the same terms as the Fund and/or through an entity that invests into such Fund. Each such entity is a related person of Insight. Each Fund has a General Partner which is a related person of Insight. The General Partner of each Fund agrees that the General Partner, Insight, and/or employees, partners or members of the General Partner and Insight will make capital commitments to such Fund. The amount of this sponsor capital commitment varies from Fund to Fund. The sponsor capital commitment generally is satisfied by capital commitments from Insight and its Managing Directors. The sponsor commitment has been and may in the future be financed through borrowings or structured financing arrangements with third parties (including limited partners of a Fund). In connection with such financing, subject to the conditions and restrictions contained in the applicable Fund's partnership agreement, Insight and the Managing Directors have assigned and may in the future assign directly or indirectly their interests in the applicable Fund(s) and/or other Funds (including their right to receive carried interest distributions) to third parties, and in connection therewith, the cash-flows (or a portion thereof) relating to the return on the contributions made to the applicable Fund(s) and the carried interest from the other Fund(s), will be used to repay such financing. Using proceeds from multiple Funds to repay any financing so utilized may create potential conflicts of interest related to Insight's investment-related decisions. For example, Insight will be incentivized to dispose of an investment or to take certain actions that it would not have taken but for the existence of such transactions. In addition, the existence of financing secured by the cash-flows from the Funds may induce Insight to seek riskier or more speculative investments on behalf of the Funds that would be the case than they would have in the absence of such financing arrangements. Insight and certain Managing Directors have entered into such financings with a limited partner in connection with certain Flagship Funds.

The directors, officers and employees of Insight generally may, subject to certain restrictions, buy and sell securities or other investments for their own accounts (including through investment funds managed by Insight). As a result of differing investment strategies or constraints, or for other reasons, positions may be taken by Insight personnel that are the same as, different from or made at different times than positions taken for a Fund. For the same reasons, directors, officers and employees of Insight may invest, and have invested and will continue to invest, in public and private companies, private equity funds, private venture capital funds, hedge funds, real estate funds, mutual funds, managers and sponsors of funds, and other investments. Insight has established policies and procedures requiring certain approvals for investments in private companies and private funds by employees of Insight and most personal securities transactions by Insight personnel. However, the potential exists for personal securities transactions by Insight personnel, including those which have been pre-cleared or approved in advance, to generate significantly higher investment returns to such personnel than any of a Fund's investment transactions generate for its own investors. Insight has also established policies and procedures for circumstances where a company identified as a potential investment opportunity for a Fund is determined not to be suitable or appropriate for the Fund. The potential exists for Insight personnel, other co-investors or competitors of Insight to invest in such company and realize significantly higher investment returns than any of a Fund's investment transactions generate for its own investors.

### *Other Conflicts of Interest:*

Generally, a Fund may enter into contracts and transactions with its General Partner, affiliates of its General Partner, or certain key Insight personnel not authorized, addressed or expressly contemplated by the limited partnership agreement, if, in the good faith judgment of the Fund's General Partner, the terms of such contract or transaction are no more favorable to the General Partner, affiliate or key Insight personnel than could be obtained in arm's length negotiations with unrelated third parties and the material terms of such contract or transaction have been approved by the Fund's Advisory Committee.

From time to time, a General Partner, Insight, their affiliates and/or their directors, officers and employees may come into possession of material non-public information concerning specific companies. Under applicable securities laws, this may limit a General Partner's or Insight's flexibility to buy or sell portfolio securities issued by such companies. A Fund's investment flexibility may be constrained as a consequence of the General Partner's or Insight's inability to use such information for investment purposes. Alternatively, each of the General Partner and Insight and their affiliates may decline to receive material non-public information which it is entitled to receive on behalf of the Funds, in order to avoid investment restrictions for the Funds, even though access to such information might have been advantageous to the Funds and other market participants are in possession of such information.

Additionally, Insight may cause an Insight Fund to purchase publicly-traded securities of an issuer in which Other Insight Funds, including the Private Equity Funds, are investors, and, as a result, such Insight Fund may be subject to legal, regulatory and/or contractual restrictions that limit Insight Fund's ability to dispose of those publicly-traded securities. For example, in connection with one or more Private Equity Funds' investments in a private issuer, Insight may agree to a "lock-up" that prohibits any Insight Fund from disposing of the securities of that issuer for a specified period of time or until the occurrence of an event (such as the issuer satisfying certain performance metrics). The Insight Fund may then purchase securities of that issuer in an initial public offering and, although the securities are now publicly traded, be prohibited from selling those securities until the lock-up that Insight agreed to expires. Moreover, the Insight Fund may also be restricted by law or regulation in its ability to dispose of publicly-traded securities of an issuer due to investments made by Other Insight Funds in that issuer, such as, for example, if Insight has appointed a member to the board of directors of the issuer, Insight otherwise has received non-public information about such issuer or due to Section 16 of the Exchange Act.

In the event of a conflict of interest that is not otherwise addressed by the applicable limited partnership agreement, each of the applicable General Partner and Insight will be guided by its fiduciary responsibilities, compliance policies and procedures and good faith judgment as to the best interests of the Fund and may seek or, depending on the Fund and the materiality of the conflict, may be required to obtain, pursuant to the limited partnership agreement of the Fund, guidance from the Advisory Committee of the Fund.

## **Item 12 Brokerage Practices**

Insight has discretionary authority over the Funds' accounts including the buying and selling of securities, the amount and price of securities to be bought or sold, and if applicable, the brokers or dealers to be used for a particular transaction, and commissions or markups and markdowns paid.

### *Brokerage Practices With respect to the Private Equity Funds:*

Most of the securities transactions of the Private Equity Funds involve private companies and privately-negotiated purchases and sales that do not make use of a broker-dealer. However, Insight may employ the services of a broker-dealer to acquire or dispose of interests in certain portfolio companies, typically for securities acquired via an initial public offering or publicly traded securities received as consideration in the sale of a portfolio company. Trades involving such securities are often complex for a variety of reasons, including selling thinly-traded stock, large blocks of stock or restricted shares, or selling on a non-United States exchange. Insight will also generally use a broker-dealer to execute distributions in kind of publicly traded securities to Investors. Insight is responsible for evaluating and selecting broker-dealers for the Funds, and Insight determines the commission rates to be paid through negotiation with the broker-dealers. In selecting broker-dealers through which orders for Funds are to be executed, Insight considers various factors. As a fiduciary, Insight must execute securities transactions in such a manner that a Fund's total cost or proceeds in each transaction is the most favorable under the circumstances. The determinative factor is whether the transaction represents the best qualitative execution for the account and not whether the lowest possible commission cost was obtained, including the broker-dealer's experience in the kinds of complex, non-routine trades that Insight executes on behalf of the Funds. Thus, Insight will consider the full range and quality of the broker-dealer's service in selecting a broker-dealer to meet best execution obligations, and may not pay the lowest commission rate available.

### *Brokerage Practices With respect to the Hedge Funds:*

Portfolio transactions for each Hedge Fund will be allocated to brokers and dealers on the basis of numerous factors and not necessarily lowest pricing. Brokers and dealers may provide other services that are beneficial to Insight and/or certain Funds, but not beneficial to all Funds. Subject to Insight's duty to seek best execution, in selecting brokers and dealers (including prime brokers) to execute transactions, provide financing and securities on loan, hold cash and short balances and provide other services, Insight may consider, among other factors that are deemed appropriate to consider under the circumstances, the following: the ability of the brokers and dealers to effect the transaction; the brokers' or dealers' facilities, reliability and financial responsibility; and the provision by the brokers of capital introduction, talent introduction, marketing assistance, consulting with respect to technology, operations and equipment, commitment of capital, access to company management and access to deal flow.



Accordingly, the prices and commission rates (or dealer markups and markdowns arising in connection with riskless principal transactions) charged to a Hedge Fund by brokers or dealers in the foregoing circumstances may be higher than those charged by other brokers or dealers that may not offer such services. Insight need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread. Generally, neither Insight nor the Hedge Funds separately compensate any broker or dealer for any of these other services.

Insight maintains policies and procedures to review the quality of executions, including periodic reviews by its investment professionals.

*Soft Dollars:*

Insight does not currently have any arrangements in place to use client brokerage commissions (“soft dollars”) to pay for products or services. Insight may, at times, receive research reports free of charge from broker-dealers that may provide or seek to provide services to Insight, the Funds or portfolio companies. When Insight receives research or other information from a broker-dealer free of charge, it could be viewed as receiving a benefit it does not have to pay for, and Insight could be viewed as having an incentive to select or recommend a broker-dealer for a transaction on behalf of a Fund based on its interest in receiving such benefits rather than on receiving most favorable execution. To the extent that in the future Insight determines to use soft dollars, it will only do so in compliance with the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e).

*Capital Introduction for the Hedge Funds:*

From time to time, brokers (including the Hedge Funds’ prime brokers) may assist a Hedge Fund in raising additional funds from investors. Additionally, brokers may provide capital introduction and marketing assistance services, and representatives of Insight may speak at conferences and programs sponsored by the brokers, for investors interested in investing in private investment funds. Through such events, prospective investors in the Hedge Funds may encounter representatives of Insight. Brokers may also provide other services, including consulting services relating to technology and office space. Although neither Insight nor the Hedge Funds compensate brokers for such assistance, events or services, or for any investments ultimately made by prospective investors attending such events, such activities may influence Insight in deciding whether to use such broker in connection with brokerage, financing and other activities of the Hedge Funds. Subject to its obligation to seek best execution, Insight may consider referrals of investors to the Hedge Funds in determining its selection of brokers. However, Insight will not commit to an investor or a broker to allocate a particular amount of brokerage in any such situation.

**Item 13    Review of Accounts**

The principal role of the Investment Committees is to monitor and approve key investment activities of the Private Equity Funds (including, for purposes of Item 13, the Vision Fund-of-Funds), including, without limitation, reviewing investment opportunities presented by members of the investment team, determining the suitability of potential investment opportunities,

approving or rejecting recommendations from the investment team with respect to the acquisition or disposition of new and follow-on investments, determining the overall size of each investment opportunity and each Private Equity Fund's desired exposure to each approved investment, determining whether any excess capacity in an investment opportunity should be offered to the Hedge Funds or any third party (including co-investors), and monitoring existing investments and reviewing material information. The Investment Committees generally meet on a weekly basis. In addition, Insight's investment team conducts quarterly reviews of the performance and outlook for each portfolio company. Insight's internal Finance Group monitors all cash inflows and outflows from Insight's Funds.

The Late-Stage Investment Committee generally meets once per month, with ad-hoc meetings on an as-needed basis to review and approve or reject the acquisition or disposition of Private Investments (including deemed realizations of Private Investments). The Hedge Fund Portfolio Manager and, with respect to the IPPE Fund, the Late-Stage Private Investment Committee, as applicable, is responsible for making and implementing investment decisions for the Hedge Funds, including research and due diligence. The Hedge Fund Portfolio Manager and, with respect to the IPPE Fund, the Late-Stage Private Investment Committee, as applicable, will review prospective investments for suitability with the Hedge Funds' investment program and periodically review the Hedge Funds' investments.

Insight holds annual meetings at which Insight's Managing Directors provide Investors in the Funds with reviews of the performance of the Funds and portfolio companies. In addition, the financial statements of the Funds are audited annually.

Insight may review a Private Equity Fund account on other than a periodic basis upon the occurrence of material events that, based on the reasonable business judgment of the responsible Managing Director, require consideration by the Investment Committee or the senior deal team before the next scheduled meeting of the Investment Committee. The Hedge Fund Portfolio Manager may also review a Hedge Fund account other than on a periodic basis upon the occurrence of material events.

Insight provides such reports (and at such frequency) as will be required by the applicable limited partnership agreements for each Fund. As a result, in general, each quarter Insight issues an unaudited quarterly capital account statement to Investors. Insight also issues a quarterly report for each Fund. The quarterly report typically includes the following: a summary of portfolio holdings; distributions; unaudited financial statements, including a balance sheet, statement of changes in Investors' capital, and statement of operations; and a description of some or all of the Fund's portfolio companies. Investors receive audited financial statements within 120 days of the end of each Fund's fiscal year. Insight or its affiliates may by agreement or on request provide additional information or reports to certain Investors.

Each Private Equity Fund has an Advisory Committee that quarterly receives additional reports about portfolio companies from Insight, if applicable.

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

Insight or its affiliates may use one or more placement agents in connection with Fund offerings. For a number of Funds, Sparring Partners Capital LLC (“Sparring Partners”), Evercore Group, L.L.C. and Lazard Freres & Co. LLC, each a broker-dealer registered with the SEC under the Securities Exchange Act of 1934, were retained by a General Partner as placement agents to certain prospective Investors. Insight has also retained and expects to retain other placement agents including to certain prospective Investors outside the United States.

Sparring Partners generally receives a placement fee with respect to the Investors it solicits and that invest, consisting of a cash fee and, with respect to certain Funds, a participation in the General Partner’s Carried Interest. The other placement agents Insight has retained have been paid cash placement fees. Such placement fees paid to Sparring Partners or other placement agents may be paid by the Fund but will reduce Management Fees payable to Insight or, where applicable, Fund expenses. The receipt of compensation by a placement agent may affect its recommendations as to the desirability of an investment in the Funds.

Various potential and actual conflicts of interest may exist or arise from Sparring Partners’ or other placement agents’ business activities and relationships with its clients, investors whom it solicits for Funds and portfolio companies of the Funds or other funds not affiliated with Insight. Sparring Partners has provided, and may continue to provide, a number of services to Insight, the Funds, and certain portfolio companies, has a number of relationships with Insight, the Funds and certain of the portfolio companies, and may have various relationships with potential portfolio companies. In particular, Warren Spar, the principal of Sparring Partners, is a limited partner in certain of the Funds; Warren Spar is a co-investor in certain Fund portfolio companies; Sparring Partners has provided investment banking services to a number of Fund portfolio companies; and Sparring Partners may provide investment banking services to portfolio companies in which a Fund may in the future invest. The other placement agents previously retained by Insight had not provided other services to Insight when they were initially retained and did not acquire interests in any of the Funds in connection with placing Fund interests, however after such initial engagement, certain placement agents have provided various services to Insight and the Insight Funds and they or future placement agents may provide other services to Insight, or to the Funds and/or portfolio companies and make investments therein, and Insight expects to retain other placement agents who, or whose affiliates have, provided and may in future provide other services to portfolio companies and have made and may in future make investments in the Funds and portfolio companies.

Please refer to Item 11 for a discussion of how we address conflicts of interest that arise in the context of business relationships.

## **Item 15 Custody**

Pursuant to applicable regulation, Insight is considered to have custody of its Funds’ cash and securities. Insight maintains the Funds’ cash and certificated securities with independent qualified

custodians to the extent required under the U.S. Investment Advisers Act of 1940, as amended, and rules promulgated thereunder. Insight arranges for each Fund's financial statements to be prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and audited at least annually by an independent public accountant that is registered with, and subject to regular inspection as of the commencement of the professional engagement period, and as of each calendar year-end, by, the Public Company Accounting Oversight Board in accordance with its rules. Insight makes those audited financial statements available to all Investors in a Fund within 120 days of the end of such Fund's fiscal year. Upon liquidation of a Fund, Insight will distribute its audited financial statements prepared in accordance with GAAP to all Investors in a Fund promptly after the completion of such audit. Because Insight's clients are the Funds and the Funds are subject to the foregoing audits, a qualified custodian is not required to send account statements to clients or Investors.

The Hedge Funds' prime brokers are each a "qualified custodian" as such term is defined in Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). Insight will maintain client assets in compliance with the Custody Rule.

#### **Item 16 Investment Discretion**

Insight accepts discretionary authority to manage securities accounts on behalf of a Fund and certain co-investment vehicles pursuant to the relevant Fund's or co-investment vehicle's limited partnership agreement, subject to limitations set forth therein. Each limited partnership agreement is subject to negotiation with Investors and typically, for example and without limitation, establishes the Fund's investment objective, policies, strategies and limitations. Examples of such limitations include limitations on the amount of capital that may be invested in any one portfolio company, geographical limitations and limitations on borrowing by a Fund. In addition, the General Partners of the Funds have entered and may in the future enter into side letters or other similar agreements with particular Investors in connection with their admission to a Fund without the approval of any other Investors, which letters have and will in the future have the effect of establishing rights under or altering the terms of the applicable Fund limited partnership agreement with respect to such Investor in a manner more favorable to such Investor than those applicable to other Investors. Such rights or terms in any such side letter or other similar agreement may include opt- out rights of an Investor applicable to particular investments (which may increase the percentage interest of other Investors in, and contribution obligations of other Investors with respect to, such investments).

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

Insight's policy is generally to vote all proxy proposals, amendments, consents or resolutions (collectively, "Proxies"), in the applicable Fund's best interest and is in line with each Fund's investment objectives, unless under the facts and circumstances the responsible Insight Investment Team Managing Director determines that voting is not reasonably practicable (such as, but not limited to, where English language translations of proxy materials are not available). Insight

believes that this means a Fund's best economic interests over the long-term – that is, the interest of a Fund in seeing the value of its investment increase over time. Insight generally invests in a portfolio company only if Insight believes that the company's management seeks to serve shareholders' best interests. As a result, Insight believes that management decisions and recommendations with respect to solicited issues generally are likely to be in the shareholders' and Funds' best interests

Insight may take into account all relevant factors, as determined by Insight in its discretion, including: (i) whether the proposal was recommended by management and Insight's opinion of management; (ii) whether the proposal acts to entrench the existing management; (iii) whether the proposal fairly compensates management for past and future performance; (iv) the impact on the value of the securities or instruments owned by the relevant Fund; (v) the anticipated costs and benefits associated with the proposal; (vi) the effect on liquidity and (vii) customary industry and business practices.

Insight does not take investment positions outside of the Funds it manages and therefore does not anticipate a situation where there would be a conflict between maximizing long- term investment returns for Funds and interests of Insight. If such a situation should arise, Insight's Compliance Committee will independently review and evaluate the proxy proposal and the circumstances surrounding the conflict to determine how to vote the proxy in the best interest of the Fund. The Compliance Committee may also determine whether the conflict of interest involving the public security will be disclosed to the Funds (and/or Investors) and whether to obtain consent prior to voting.

Insight will abstain from voting (which generally requires submission of a proxy voting card) or affirmatively decide not to vote if Insight determines that abstaining or not voting is in the best interests of a Fund or account. In making such a determination, Insight will consider various factors, including, but not limited to: (i) the costs associated with exercising the proxy (e.g., translation or travel costs); (ii) any legal restrictions on trading resulting from the exercise of a proxy; and (iii) whether Insight has sold the underlying securities since the record date for the proxy. Furthermore, Insight will not abstain from voting or affirmatively decide not to vote merely to avoid a conflict of interest.

In order to facilitate the proxy voting process, Insight has engaged Institutional Shareholder Services Inc. ("ISS"), an independent proxy voting service, to vote public company proxies for the Insight Funds on Insight's behalf. ISS processes public company proxies for the Insight Funds, manages and tracks proxy voting on public securities held by the Insight Funds, generates reports for reconciliation purposes, provides vote recommendations, provides research and casts actual votes in accordance with Insight's instructions. The Chief Compliance Officer or his or her designees manage Insight's relationship with ISS. Insight is required to be notified by ISS if ISS experiences a material conflict of interest in the voting of the Insight Funds' proxies.

When Insight is notified by ISS of an upcoming proxy vote for a public issuer held in an Insight Fund's accounts, the Hedge Fund Portfolio Manager (for the Hedge Funds) or the Investment Team Managing Director responsible for covering the relevant public portfolio company, as applicable, will be responsible for determining how to vote the proxy, subject to the oversight of the Chief Compliance Officer or his or her designees. While Insight reviews the analysis and vote recommendations provided by ISS, Insight maintains ultimate voting discretion with respect to the proxies and may disregard ISS' recommendations. Insight retains the discretion to take no action with respect to a proposed vote if Insight determines it is in the best interests of the applicable Insight Funds.

Insight's General Counsel and Chief Compliance Officer are responsible for voting proxies. Prior to submitting a proxy vote, the Hedge Fund Portfolio Manager (for the Hedge Funds) or the Investment Team Managing Director responsible for covering the relevant portfolio company (for the Private Equity Funds), as applicable, will review and approve the voting determination. The Chief Financial Officer and any other persons may also be consulted, as deemed advisable by the General Counsel or Chief Compliance Officer. Clients may obtain a copy of our proxy voting policies and procedures upon request.

#### **Item 18 Financial Information**

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. We have not been the subject of a bankruptcy petition within the preceding ten years.