



PARTNERS GROUP (USA) INC.
FORM ADV PART 2A

1114 Avenue of the Americas
37th Floor
New York, NY 10036
(212) 908-2600

www.partnersgroup.com

March 28, 2024

This brochure (the “Brochure”) provides information about the qualifications and business practices of Partners Group (USA) Inc. (the “Adviser”). If you have any questions about the content of this Brochure, please contact us at (212) 908-2600. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Partners Group (USA) Inc. is registered with the SEC as an investment adviser. Registration of an investment adviser does not imply any level of skill or training of any Adviser personnel. The oral and written communications of an adviser provide you with information on which you may determine to hire or retain an investment adviser.

Additional information about Partners Group (USA) Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The Adviser's most recent update to Part 2A was made on March 31, 2023. The Adviser is now updating Part 2A to reflect the following material changes:

- Clarification around investment vehicle expenses.
- Additional disclosure has been added to Item 8 regarding potential risks.
- Additional general administrative changes.

Item 3 -Table of Contents

Contents

Item 2 – Material Changes	2
Item 3 -Table of Contents	3
Item 4 – Advisory Business	4
Item 6 – Performance-Based Fees and Side-By-Side Management	12
Item 7 – Types of Clients	15
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	15
Item 9 – Disciplinary Information	126
Item 10 – Other Financial Industry Activities and Affiliations	127
Item 11 – Code of Ethics.....	127
Item 12 – Brokerage Practices	128
Item 13 – Review of Accounts	129
Item 14 – Client Referrals and Other Compensation	129
Item 15 – Custody	130
Item 16 – Investment Discretion	130
Item 17 – Voting Client Securities	130
Item 18 – Financial Information	131
Item 19 – Requirements for State-Registered Advisers.....	131

Item 4 – Advisory Business

Partners Group (USA) Inc. (the “Adviser”), a Delaware corporation founded in 2000, is an investment advisory firm whose primary business is to provide discretionary investment advice primarily relating to private market investments.

In providing its investment advisory services, the Adviser provides discretionary portfolio management and investment advisory services to:

- companies registered or regulated under the Investment Company Act of 1940, as amended (the “Investment Company Act”), including business development companies and registered management investment companies (each hereafter referred to as a “Registered Investment Company” and collectively, the “Registered Investment Companies”);
- institutional clients through being contractually engaged as an investment adviser (a “Direct Relationship”);
- Private pooled investment vehicles whereby the Adviser acts as general partner and/or investment adviser/investment manager (each, a “Private Fund”);
- certain entities established to provide services tailored to specific clients’ needs whereby the Adviser acts as a general partner and/or investment adviser/investment manager through either a separate account or “fund of one” (each, a “Separate Account”);
- certain Private Funds as sub-adviser (“Sub-Advised Funds”); and/or
- a liquidity portfolio of publicly traded private equity related securities for Partners Group Private Equity (DC) CIT, a collective investment trust managed by Benefit Trust Company (hereafter referred to as the “DC Product”).

Together with the Registered Investment Companies, the DC Product, all Direct Relationships, Private Funds, Sub-Advised Funds and Separate Accounts are hereinafter referred to as the Adviser’s “Client(s)” or “Investment Vehicle(s)”. The Adviser’s Clients may invest in limited partnerships and/or other investment entities managed by affiliates of the Adviser. The Adviser’s services are based on each Client’s specific needs and stated investment objectives, and the Adviser’s services vary from Client to Client.

Subject to applicable law, the Adviser or its affiliates may enter into side letters or other arrangements with one or more Clients, or employees or affiliates of the Adviser, which have the effect of establishing rights under, or altering or supplementing, the terms of the Investment Vehicle’s offering documents. Such rights established by side letters, the constituent documents of parallel vehicles or other arrangements entered into by the Adviser, or an affiliate, may include, but are not limited to: (i) modification to a Client’s proportionate share of fees or expenses (including management fee, incentive allocation distributions, and/or other fees or expenses, through discounts, rebates or otherwise, which may differ among other things in alternative means of amount, timing, calculation basis and/or payment, as determined in the Adviser’s or affiliate’s sole discretion); (ii) the addition of or forbearance from a term contained within an agreement to accommodate a Client’s specific regulatory, tax, operational, policy or legal concern; (iii) a modification of the right of the Adviser, or affiliate, to make distributions in kind; (iv) the right to receive enhanced or modified disclosure in regards to investments in such Client’s account, (v) transfer rights, (vi)

rights related to specific investments or restrictions with respect to specific investments, directly or indirectly held by the partnership or investment vehicle, (vii) terms related to a limited partner's position as a member or observer of an advisory board, and/or (viii) rights relating to co-investments, (ix) aggregation of commitments from a consultant or other affiliated limited partners, (x) the outside dates of parallel vehicles, (xi) investment and tax structuring and/or (xii) other rights requested by limited partners from time-to-time and granted by the Adviser or its affiliates in their sole discretion. Such rights may be granted on account of, but not limited to, one of the following reasons: (i) a subscription by a Client at an early date; (ii) the time and size of a Client's commitment; (iii) the overall commitments or a prior or expected future commitment(s) by a Client to a vehicle whose investment advice is provided by the Adviser or one of its affiliates or (iv) a Client's legal, tax, operational, policy, commercial or regulatory requirements.

The Adviser, through affiliated general partners, also provides certain administrative services to investment vehicles that are not advisory clients of the Adviser.

With respect to the Registered Investment Companies, the Adviser tailors its advisory services based on the investment objectives and strategies of each Registered Investment Company. In that regard, the requests or needs of individual investors in the Registered Investment Companies are not taken into account, nor are such investors permitted to restrict or otherwise control the investments of the Registered Investment Companies. For more detailed information regarding the Registered Investment Companies please contact the Adviser at (212) 908-2600.

As of December 31, 2023, the Adviser managed discretionary assets on a committed basis in the amount of approximately \$21.3 billion. As of December 31, 2023, the Adviser also managed non-discretionary assets on a committed basis in the amount of approximately \$1.78 billion.

The Adviser is wholly owned by Partners Group Holding AG, a Swiss corporation. Partners Group Holding AG is a public company in Switzerland and is listed on the SIX Swiss Exchange (ticker: PGHN or "Partners Group").

The Adviser uses the services of one or more Partners Group subsidiaries or appropriate personnel of one or more Partners Group subsidiaries for investment advice, portfolio execution and trading, operational support, and client servicing in their local or regional markets or their areas of special expertise without specific consent by the Client, except to the extent explicitly restricted by the Client in or pursuant to its investment advisory agreement, or inconsistent with applicable law. Arrangements among affiliates take a variety of forms, including but not limited to dual employee, delegation, participating affiliate, sub-advisory, sub-agency, administrative or other servicing agreements. This practice is designed to make Partners Group's global capabilities available to the Adviser's Clients in as seamless a manner as practical within a varying global regulatory framework. In these circumstances, the Adviser remains fully responsible for its Clients from a legal and contractual perspective. Unless otherwise disclosed in the Client's investment management agreement, governing documents and/or offering memorandum or prospectus, the Adviser will not charge additional fees for the affiliates' services.

Item 5 – Fees and Compensation

The following is a general description of the fees, compensation and other expenses of the Investment Vehicles. Each Investment Vehicle's governing documents (or registration statement, as applicable) describe fees, compensation and expenses in greater detail. Clients should refer to such governing documents of the applicable Investment Vehicle for a complete understanding of how the Adviser or its

affiliates are compensated for advisory services. The information provided herein is qualified in its entirety by such governing documents or registration statement, as applicable.

Management Fees

The Adviser generally receives a management fee (generally paid quarterly, in arrears) from Clients based upon a percentage of the Client's capital commitments, contributed capital, net asset value or invested capital during the term of the account. Pursuant to the terms of each Client's governing documents, the management fee may change at the end of a Client's investment period or in connection with the raise of a successor fund.

Registered Investment Companies

The Registered Investment Companies generally pay the Adviser a monthly fee equal to a percentage of the greater of (i) the Registered Investment Company's net asset value, and (ii) the Registered Investment Company's net asset value less cash and cash equivalents plus the total of all commitments made by the Registered Investment Company that have not yet been drawn for investment.

Specific information concerning the Registered Investment Companies, including a description of the services provided by management and the fees charged for those services is contained in each Registered Investment Company's registration statement, which is publicly accessible through the SEC's Electronic Data Gathering, Analysis, and Retrieval System.

Other Investment Vehicles

Each Client, subject to its governing documents, will typically pay or otherwise bear (generally up to an agreed amount) the following standard fees for Investment Vehicles: fund level fees; management fees; and performance fees. The Adviser receives management fees and administrative fees in connection with the investment management and administrative services it, or an affiliate, provides to its Clients and it, or an affiliate, may also receive performance fees, carried interest or incentive allocations. All fees are subject to negotiation with Clients and underlying investors in Investment Vehicles. The management fee may be based on commitments and/or NAV depending on the terms of the separate account governing documents. Where the Adviser invests Client assets in underlying, third-party managed investment companies or pooled investment funds, the managers, advisers and/or general partners of such investment companies or funds will assess management/advisory fees and/or carried interest that are in addition to the compensation payable to the Adviser.

As stated in Item 4, a Client of the Adviser may invest in one or more Investment Vehicles where affiliates of the Adviser serve as the general partner and/or investment adviser/investment manager. In such circumstances, where the Client is already covered by a separate fee arrangement, fees that would otherwise have been payable to the Adviser or its affiliates in connection with the relevant investment are waived or rebated, as described in the Client's fee arrangement, such that the Client does not incur additional fees as a consequence of the relevant investment.

Investment Vehicle Expenses

The Adviser's Clients bear certain expenses in connection with advisory services, either as direct investors or as investors, directly or indirectly, in Investment Vehicles managed by the Adviser or its affiliates. Such expenses, which may be capped subject to the particular Investment Vehicle's offering documents, which

in the good faith judgment of the Adviser are incurred for the benefit of the Adviser's Clients, include, but are not limited to, any costs, expenses and liabilities, which, the good faith judgment of the Adviser or its affiliate, are related to the operation and activities of the Investment Vehicle, including relating to the acquiring, holding and divesting, directly or indirectly, of access vehicles (to the extent that an access vehicle does not directly bear its costs, expenses and liabilities from its own operating revenues), investments (to the extent that an investment does not directly bear its costs, expenses and liabilities from its own operating revenues), temporary investments and prospective investments (whether or not consummated). These include, but are not limited to, any fees and expenses not found to be in violation of applicable federal securities laws relating to: (a) the sourcing/introduction, assessment, negotiation, execution, evaluation, acquisition, structuring, financing, refinancing, hedging, holding management, disposition, realization and monitoring of investments and prospective investments (whether or not consummated) (including, introduction fees; fees and expenses related to the assessment of prospective investments whether or not consummated of a veto right or otherwise) or temporary investments (including but not limited to travel (in accordance with the Adviser's travel policy, as updated from time to time), hosting or attending industry conferences or events, lodging, and meals relating thereto, and third-party service provider and other consultant services relating to economic research, market segment research, commercial, legal and tax due diligence); (b) premiums for any litigation, D&O insurance, E&O insurance, general partner liability, ERISA fidelity bond, representation and warranty, cybersecurity liability or other insurance protecting an Investment Vehicle, its investments and any covered person from liabilities to third parties in connection with respective Investment Vehicle affairs; (c) legal, tax, auditing, accounting, valuation, regulatory, administration, compliance, marketing, actuarial, investment banking, sustainability-related, third-party service provider and other consultant services, including but not limited to fees and expenses relating to: financial statements and tax returns (of an Investment Vehicle and/or relevant investments thereof) and Schedule K-1s; FATCA/CRS; regulatory compliance at the partnership, access vehicle and investment level and ongoing compliance and reporting; anti-money laundering regulations and sanctions and the conduct of anti-money laundering and sanction checks; "customer due diligence" and jurisdiction-specific reviews of placement rules and investor suitability; anti-trust and competition laws and data privacy; investigations of the Adviser or its related persons by any governmental or regulatory authority (with investor consent but only to the extent and in the manner such investor consent is required by applicable law); fees and rebates (including costs and expenses associated with the operation, implementation, administration, and audit of the management fee and any other fees); corporate and administrative services such as domiciliation and corporate secretarial services (including document storage services, data tracking, and development and maintenance of reporting and tools); investor reporting, including the preparation of any quarterly statement and any other investor reporting (including translation services); auditing services; the appointment or removal of any director of any general partner of an Investment Vehicle who is not an employee of the Adviser or its affiliates (including any fees paid to such director), and all reasonable out-of-pocket expenses properly incurred by any such director or officer in connection with the business of such general partner of an Investment Vehicle; (d) Downstream Internal Service Costs in respect of access vehicles; (e) information technology services or electronic equipment purchased from third-party vendors, research publications and materials, subscriptions, licenses (e.g., relating to due diligence, monitoring, transfer agency, internal or external administration, custodial or depositary services and reporting requirements) and related procuring, developing, setup and maintenance services, including the fees, costs and expenses incurred in connection with the implementation, operation and maintenance of information systems, computer software (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of the Investment Vehicle, its investors, or an investment or potential

investment), data services and related technology used for investment-related research, organizing and storing portfolio data, financial modeling, risk management (including cybersecurity-related technology and software fees), financial reporting, accounting services, and the preparation of and providing access to Investment Vehicle reports and information (including through websites or other portals); (f) taxes, penalties, government and regulatory charges, related fees and expenses and duties (including a proportionate share of the registration and listing fees and expenses, any filing fees and expenses, and any ongoing maintenance charges); (g) principal, interest on and fees and expenses relating to or arising from any financing, borrowing, commitment, origination, security, cash management, custody guarantee or hedging services and/or related activities (including on a joint and several basis with other parallel vehicles and/or Partners Group vehicles); (h) expenses of an advisory board as detailed in any limited partnership agreement (including the travel of advisory board member); (i) costs of annual partnership meeting and fees and expenses arising from other similar partnership meetings (including extraordinary partnership meetings and/or individual meetings with limited partners); (j) re-structuring, winding up, liquidating and terminating a partnership and its access vehicles and investments (including fees related to extensions of the partnership's term), and costs and expenses incurred in connection with any amendments, restatements, elections or other modifications to, or the monitoring of compliance with, partnership agreements and side letters (including fees and expenses incurred in connection with the preparation, distribution and implementation of side letter elections); (k) all damages and any expenses incurred if a limited partner fails to comply with a drawdown notice; (l) subject to applicable law, fees, costs, expenses (including attorney's fees) and liabilities relating to any actual or threatened claim, dispute, investigation or other proceeding involving a partnership, its access vehicle or any investment, or otherwise incurred in connection with the investigation, prosecution, defense, judgement or settlement of litigation or arbitration (including, for the avoidance of doubt, regulatory and compliance fees and expenses, and fees and expenses associated with an examination of the Adviser or its affiliate) and the appointment of any agents for service of process on behalf of the partnership, its access vehicles, or its investments, and all expenses relating to any actual or threatened regulatory, tax, or other audit involving the partnership, its access vehicles or its investments (including damages and amounts paid in judgments, fines or settlement thereof) and claims, damages, liabilities, costs and expenses, including legal fees and other costs and expenses, relating to the indemnification of covered persons pursuant to the offering documents (including advancement of expenses); (m) costs and expenses that are classified as extraordinary expenses under generally accepted accounting principles; (n) costs and expenses associated with any feeder vehicle or other intermediate vehicle through which investors participate in the Investment Vehicle or any alternative vehicle of the Investment Vehicle, including any such costs and expenses described herein (which costs and expenses may be specially allocated to such feeder fund, other intermediate vehicle, alternative vehicle or their respective partners); (o) certain expenses related to investments in which a co-investor coinvests or is intended to coinvest (including the Investment Vehicle's pro rata share of any "broken deal expenses" in connection with any unconsummated transaction, as contemplated in sub-clause (a) above, to the extent not reimbursed by an investment or proposed investment or by other third parties); (p) all brokerage and finders' fees and commissions and discounts incurred in connection with the purchase or sale of securities; (q) any fees, costs and expenses approved by the advisory board; (r) any fees, costs and expenses related to the transfer of a Client's interest for which the Investment Vehicle or the Adviser or its affiliates have not been reimbursed; and (s) such other properly and reasonably chargeable expenses necessary to perform the operation of the Investment Vehicle as determined by the Adviser in its sole discretion; provided, however, that the Adviser and its affiliates will be responsible for their own routine overhead expenses, including rent, utilities, secretarial expenses and compensation and benefits of their respective employees, office equipment and communications expenses, provided, that the Adviser and its affiliates shall not be

responsible for Downstream Internal Service Costs, which expenses shall not be considered routine overhead expenses of the foregoing. For the avoidance of doubt, any costs, expenses and liabilities of an access vehicle (including downstream internal services costs), investment, temporary investment or prospective investment, that are borne or paid by such access vehicle, investment, temporary investment or a prospective investment shall not be charged to the partnership as a partnership expense but will be borne directly by the partnership.

The Investment Vehicle, as an investor in access vehicles and investments, shall be subject to its applicable portion of all fees and expenses of such access vehicles and investments, including any applicable portion of all fees and expenses of access vehicles and investments at the level of the access vehicles and investments, including Downstream Internal Service Costs or related real estate operating company fees "Related OpCo" Fees, as well as any management fees and carried interest obligations in connection therewith. Fees and expenses of Investment Vehicles and access vehicles directly bear their costs, expenses and liabilities from their own operating revenues, shall not be considered partnership expenses.

"Downstream Internal Service Costs" means, with respect to access vehicles, to the extent that the Adviser or its affiliates provide accounting, reporting, data processing, legal, tax, administrative services provided by the Adviser or its affiliates, compliance, investment-level or holding company-level management (including the provision of directors or advisory board personnel) and servicing, market research and other similar services, in each case that could otherwise be performed by third parties, the costs of performing such services (including, where applicable, employment costs (including salaries, benefits and bonuses, but only an allocable portion of such personnel costs associated with the provision of such services or where such personnel have been retained by the Adviser or its affiliates primarily for purpose of providing such services or for the purpose of establishing, operating, managing and winding up such structures), and the provision of office space and related overhead attributable thereto, as reasonably determined by the Adviser), in each case provided that such costs are assessed on arm's-length basis.

A rules-based approach is applied by the Adviser and its affiliates (hereinafter referred to as "Partners Group") in apportioning expenses between clients on a pro rata basis, however certain Clients, per the Client's agreement with the Adviser, may not be charged their pro rata portion of expenses that would otherwise be borne by such Clients, such remaining portions instead being borne by Partners Group and not to its Clients. Additionally, certain fees and expenses can result from Partners Group financing certain types of investments via credit facilities. In these instances, such fees and expenses are allocated to Clients that may benefit from the use of such financings and where such Client's constituent documents have disclosed that such financings may occur. Therefore, a Client could be allocated such expenses even where such Client did not draw upon the relevant credit facility.

Expenses incurred with respect to consummated investments are generally allocated among the Clients participating in such investments. With respect to each investment in which any co-investor co-invests with one or more Partners Group-managed Investment Vehicles or Separate Accounts, investment expenses or indemnification obligations related to such investments are generally borne by such Investment Vehicles or Separate Accounts and such co-investor(s) in proportion to the capital committed by each to such investment.

Broken deal expenses are generally allocated entirely to Investment Vehicles or Separate Accounts discretionarily managed by Partners Group that would be allocated the relevant potential, but ultimately unconsummated, investment. Discretionarily managed Partners Group Investment Vehicles or Separate

Accounts have priority allocation rights to investments whilst co-investors typically have no such rights but may participate to enable a transaction considered beneficial for the discretionarily managed Partners Group Investment Vehicles or Separate Accounts participating therein as such Investment Vehicles' and Separate Accounts' collective appetite alone may be insufficient to consummate such transactions. Accordingly, discretionarily managed Partners Group Investment Vehicles or Separate Accounts shall bear the entire amount of broken deal expenses incurred, in proportion to the capital they would have committed to the contemplated unconsummated investment, save for certain initial stage broken deal expenses which may be allocated to Partners Group Investment Vehicles and Separate Accounts (and not to co-investors) based on such Investment Vehicles' and Separate Accounts' investment objectives rather than a planned allocation to an investment.

Notwithstanding the above, Partners Group may enter into separate arrangements with Clients and co-investors in connection with the payment of investment related expenses (including broken deal expenses). The investments made by the Adviser on behalf of its Clients are generally in private securities, rather than publicly-traded securities, with the exception of currency hedging options and contracts, the liquidity portfolio of the DC Product, and listed securities of publicly-traded companies or a Registered Investment Company's underlying portfolio companies purchased by the Registered Investment Company. As a result, Clients other than the DC Product and Registered Investment Companies do not generally incur brokerage or brokerage-related transaction costs, save for costs associated with hedging currency or interest rate exposures. Additionally, the Adviser may also incorporate highly liquid senior secured or subordinated debt securities ("Broadly Syndicated Loans") into the portfolios of Investment Vehicles where similar commissions or other fees would be incurred by such Clients. Please refer to Item 12, Brokerage Practices, for a description of the Adviser's practices regarding selection of broker-dealers and trading.

Shared Fees

The Adviser, or its affiliates, receive certain fees in connection with the management, development and operation of Client investments (e.g. assuming directorships for the purpose of managing, developing or operating investments, acting as consultants, the provision of advice on mergers, acquisitions, add-on acquisitions, financings, re-financings, public offerings, sales and similar transactions relating to an investment, and the identification, execution and implementation of financial or operational value creation strategies, as well as sustainability initiatives) ("Operational Service Amounts") and/or certain other fees in connection with the business (e.g. transaction fees, break-up fees, monitoring fees, or other similar fees) ("Transaction Income," and together with the Operational Service Amounts, the "Equalization Rebate"). At the end of each calendar quarter, the Adviser, or its affiliates, shall calculate and reimburse to the Investment Vehicle a portion of the management fee equal to the Equalization Rebate for such calendar quarter (or such lower amount as may be agreed by an advisory board in any case) (the "Reimbursement Amount") provided that, to the extent the Reimbursement Amount exceeds the management fees payable for such period, the excess Reimbursement Amount shall be carried forward and reimbursed during the next succeeding payment period (and, if necessary, subsequent periods). Prior to dissolution of the Investment Vehicle, any remaining carried forward Reimbursement Amounts for which there has not been a reimbursement of a portion of the management fee will be paid by the Adviser or its affiliates to the Investment Vehicle and distributed to Clients in proportion to their commitments, unless a Client elects not to receive such amount, in which case the Adviser or its affiliates may retain such amount. Unless otherwise explicitly agreed to, Related OpCo Fees shall not be offset against the management fee. However, the Adviser, or its affiliate, will report on any Transaction Income and/or Equalization Rebate and/or Related OpCo Fees charged by the Adviser or its affiliates or a Related OpCo at the next advisory board meeting,

as applicable. At the time of dissolution of an Investment Vehicle (if applicable), any Reimbursement Amount that has not been applied to offset the management fee will be distributed to the Client in proportion to its commitment, unless a Client elects not to receive such amount.

Different fee and expense arrangements will apply to co-investors that invest alongside Clients and clients of the Adviser's affiliates. Specifically, Transaction Income attributable to such co-investors may be retained by Partners Group as such co-investors may not receive the benefit of having Transaction Income offset against management fees, to the extent that co-investors are paying the Adviser or its affiliates management fees. Additionally, co-investors may charge underlying portfolio companies, in which the Adviser's Clients are invested, separate fees similar to Transaction Income or an Equalization Rebate, that Partners Group does not consider when offsetting Transaction Income and/or Equalization Rebate against management fees as Partners Group is not party to such fee arrangements. Please see Item 10 for further information on co-investing activities of Partners Group.

Loan Servicing and Administrative Servicing

The Adviser or its affiliates from time to time provide loans and lines of credit to the Adviser's Clients and portfolio companies directly or through related lending vehicles specifically formed to accommodate such lending. The form of such lending or financing may include bridge loans, access vehicles loans, prefinancing of investments on behalf of Clients and warehouse loans to Clients. The Adviser or its affiliates may also provide syndication services to such entities including in respect of co-investments in transactions participated in by the Investment Vehicles or other Clients. The Adviser or its affiliates will generally receive fees, including underwriting, placement, syndication fees, transaction fees, commissions, underwriting discounts, interest payments and other compensation, payable in cash or securities, in respect of the activities described above. The Adviser and its affiliates will, as a consequence of such activities, from time to time hold positions in instruments or securities issued by portfolio companies. While such fees, commissions, interest payments and other compensation are believed by the Adviser to be reasonable for the relevant activities, such compensation is generally determined through negotiations with related parties and is therefore not conducted on an arms'-length basis. No compensation received by the Adviser or its affiliates for the foregoing activities is offset against management fees or carried interest distributions payable by the Adviser's Clients or other Clients or otherwise shared with Adviser's Clients or other Clients.

Revolver Credit Facilities

The Clients may from time to time utilize revolver credit facilities for the financing of senior debt investments where the use of leverage is permitted. This may be a dedicated revolver facility for one Client (dependent on the Client's individual requirements) or may be a shared revolver facility utilized by multiple Clients (including Clients of affiliates of the Adviser). Where a dedicated facility is in place, the Client generally covers the cost of the facility in addition to an ongoing fee to the provider of the facility. To the extent there are fees and expenses associated with shared revolver facilities, those fees and expenses for the shared revolver facilities will be applied pro-rata across the Clients utilizing the vehicle in addition to an ongoing fee for each Client to the facility provider.

Reduced Rates for Employees

Partners Group offers reduced fee rates to knowledgeable employees as defined in Rule 3c-5 under the Investment Company Act or "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations promulgated thereunder employees who wish to invest in Investment

Vehicles alongside investors; Partners Group does not offer employee-only Investment Vehicles, but employees may establish separate accounts advised by an affiliate of the Adviser. Additionally, Partners Group employees may receive discounts from portfolio companies of Investment Vehicles when such discounts are approved by Partners Group. Partners Group also offers reduced fee rates to eligible operating directors and certain senior employees of portfolio companies.

Subject to the Adviser's policies and procedures and only where permissible by applicable law, certain specified senior employees or partners of Partners Group are permitted to co-invest alongside other Clients subject to certain parameters outlined in the policies and procedures governing the scope of such co-investments, including that: (i) prior to any co-investment by a Partners Group senior employee or partner, Partners Group Clients have fully satisfied their demand for the applicable investment and (2) any relevant employees that are also members of an investment committee are not involved, directly or indirectly, in allocation decisions with respect to transactions in which they or their client mandate may invest or their associated exits (if not pro-rata across all Partners Group invested vehicles). Additionally, all investments made in accordance with the policies and procedures summarized in this paragraph by Partners Group employees or partners who are designated as "Access Persons" under the Adviser's Code of Ethics (the "Code") must have all of their private investments preapproved by the Adviser's Chief Compliance Officer, or his or her designee, in accordance with the Adviser's Code.

The information contained herein is a summary only and is qualified in its entirety by the information contained in the confidential private placement memorandum of any Investment Vehicle sponsored by the Adviser or its affiliates, which provides a detailed and complete description of the fees and costs associated with an investment in the relevant Investment Vehicle. Please contact the Adviser at (212) 908-2600 to request a copy of a particular Investment Vehicle's confidential private placement memorandum.

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

In some cases, the Adviser has entered into performance-based arrangements with Clients. Such arrangements are subject to individualized negotiation with each relevant Client. All such performance or incentive allocation arrangements are offered pursuant to Rule 205-3 of the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Performance-based allocation arrangements create an incentive for the Adviser to recommend investments that are riskier or more speculative than those which would be recommended under a different arrangement. Such arrangements also create an incentive to favor higher-fee paying Clients over other Clients of the Adviser in the allocation of investment opportunities. The Adviser has implemented procedures designed to ensure that all Clients are treated fairly, and to prevent this potential conflict from influencing the allocation of investment opportunities among its Clients – see Allocation process below.

In certain circumstances, the Adviser may be contractually required to offer certain types of investment opportunities that are part of a pre-defined target to certain Clients before such opportunities may be offered more broadly to all Clients. As a result, some Clients may not be offered certain investment opportunities. In addition, certain Clients are subject to regulatory limitations on their ability to invest in the same issuer as other Clients, and in some cases are precluded altogether from investing in an issuer in which another Client is invested or is investing.

The Adviser may, under certain circumstance, be entitled to an incentive fee for each Registered Investment Company as follows: at the end of each calendar quarter (and at certain other times), the Adviser will be entitled to receive an amount equal to a percentage of the excess, if any, of (i) the net profits of each Registered Investment Company for the relevant period over (ii) the then balance, if any, of the Loss Recovery Account (as defined below).

The "Loss Recovery Account" is a memorandum account, which will have an initial balance of zero and will be (i) increased upon the close of each calendar quarter of the Registered Investment Company by the amount of the net losses of the Registered Investment Company for the quarter, and (ii) decreased (but not below zero) upon the close of each calendar quarter by the amount of the net profits of the Registered Investment Company for the quarter.

The Investment Company Act generally prohibits registered funds from co-investing with affiliated funds where non-price terms are negotiated (such as financial and negative covenants, guarantees and collateral packages and indemnification provisions), unless an exception or exemption applies. It is possible that certain funds in which an Investment Vehicle could invest in may be registered under the Investment Company Act, including the Registered Investment Companies and certain of their related entities, which received an exemptive order from the SEC (the "Co-Investment Order") permitting registered funds managed by Partners Group to co-invest alongside affiliated funds so long as the conditions of the Co-Investment order are met. As a result, to the extent specific investment opportunities are appropriate for a non-registered fund and one or more registered funds, in addition to being subject to the Investment Vehicle's allocation policies and procedures, the opportunity will also be subject to the conditions of the Co-Investment Order. There can be no assurance that reliance by Partners Group on the Co-Investment Order will facilitate the successful consummation of investment opportunities, or that each fund or certain Investment Vehicles will be able to participate in investment opportunities pursued under the Co-Investment Order that are within its investment objectives.

Allocation Directive: Co-investment policy

To mitigate potential conflicts of interest, allocations of investment opportunities among Partners Group Priority Programs and Co-Investors are determined in accordance with the rules-based allocation directive of the Adviser and its affiliates in effect from time to time (such allocation directive as amended, restated or supplemented from time to time, the "Allocation Directive"). Priority Programs include all Partners Group managed commingled vehicles and mandates with the exception of dedicated co-investment vehicles and mandates, and seed programs which use proprietary capital to launch potential new strategies or planned client programs. Co-Investors may be advisory Clients in certain scenarios where Partners Group has entered into an obligation to show or invest a pre-defined amount of excess capacity over time, and Partners Group charges such Co-Investors management fees and/or performance-based compensation. Co-Investors are advisory Clients where an existing Investment Vehicle includes an undertaking by Partners Group in its sole discretion, to offer co-investment opportunities to such Investment Vehicle. Co-Investors also include investors that have indicated a demand for transactions where the size exceeds the demand for all other Client programs. Partners Group does not owe a fiduciary duty to Co-Investors who are not advisory Clients.

Allocations within a particular group of Clients are generally determined by the Adviser's portfolio management team with ultimate approval by the investment committee, in good faith and subject to

restrictions in the applicable governing documents, regulatory or tax restrictions or considerations and available capital and concentration restrictions or considerations, among other relevant factors.

Where an investment opportunity exceeds the demand of Priority Programs, Partners Group may offer excess capacity to Co-Investors. Partners Group will determine in its sole discretion whether a Co-Investor may be presented with any co-investment opportunity. In order to be able to undertake certain larger transactions, it may – from time to time – be beneficial to allocate exposure to an investment among existing Client programs disproportionately and/or to make use of balance sheet capital with the goal to subsequently syndicate to third-party Co-Investors. This allocation adjustment to programs is only permissible if i) allocations are within the respective concentration limits set out in the relevant program documentation; and ii) it can be established that it is more beneficial for the programs taking on the added exposure to remain at such allocation levels rather than the transaction not taking place at all. Partners Group will typically allocate more to certain programs first and use commercially reasonable efforts to syndicate all or part of the additional allocation to third-party Co-investors. If capital from existing Clients and Co-investors is not sufficient at any time, Partners Group may at its sole discretion allocate balance sheet capital. Such balance sheet capital will typically be syndicated first. Where amounts are syndicated, what the Adviser believes to be a market rate true-up interest will be applied.

Terms of Co-Investments

The Adviser, or any of its affiliates, may in their discretion: (i) receive performance-based fees, advisory fees, administrative fees or other similar fees from Co-Investors, and the Adviser, or its affiliates, may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such performance-based fees, advisory fees, administrative fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements.

With respect to consummated co-investments, the Adviser will seek to cause Co-Investors to generally bear their pro rata share of fees, costs and expenses related to the discovery, investigation, due diligence, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments; provided, however, that in determining such amounts, the fees, costs and expenses expended directly by such Co-Investors may be taken into account in allocating aggregate costs on a fair and reasonable basis. With respect to a proposed co-investment that is not consummated, the Adviser may seek to cause Co-Investors that commit to participate in such proposed co-investment to bear their share of any fees, costs or expenses that were incurred in connection with such proposed co-investment, including breakup fees or broken deal expenses. However, in instances where Co-Investors have not yet committed to a proposed co-investment, any such fees, costs or expenses will generally be considered operating expenses and be borne by the (committed or investing) Client to the extent the applicable governing documents of such Client permit such treatment or where disclosure of such treatment was made to the investors in such Client prior to their investment therein. In the event that Co-Investors participate in a co-investment through one or more co-investment vehicles, they will generally bear their pro rata share of the aggregate organizational expenses) of all such vehicles. In those circumstances where such Co-Investors include one or more members of a portfolio company's management group, such Co-Investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Finally, some of the Co-Investors with whom Clients may co-invest have pre-existing investments with the Adviser or its affiliates, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with Clients.

Co-investors include investors that have indicated demand for transactions where the available transaction size exceeds the demand of other Clients. Such investors include Clients invested in programs, who have such knowledge and experience in financial and business matters necessary to make them capable of evaluating the merits and risks of the prospective investment.

Item 7 – Types of Clients

The Adviser provides investment advisory services to Clients such as the Registered Investment Companies, institutional investors and pooled investment vehicles. Although it currently does not do so, in the future, the Adviser may provide investment advisory services to certain high net worth investors via Direct Relationships. A broad range of US and non-US institutional investors, including, among others, governmental and corporate pension and profit-sharing plans, including investors regulated under the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), endowments and foundations, insurance companies, financial institutions, private wealth and other third-party distribution platforms invest in the Investment Vehicles and products managed by the Adviser.

Each institutional investor that has a Direct Relationship with the Adviser and each underlying investor of the Private Funds and Separate Accounts must meet the "accredited investor" standard of Rule 501 of the Securities Act of 1933, as amended (the "Securities Act"), and/or the "qualified purchaser" standard of Section 2(a)(51) of the Investment Company Act, as applicable. Underlying investors in the Registered Investment Companies must meet the "accredited investor" standard referenced above and the "qualified client" standard of Rule 205-3 of the Advisers Act. In the case of employees, they must meet the definition of "knowledgeable employees", as defined in Rule 3c-5 under the Investment Company Act or "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act and the rules and regulations promulgated thereunder. With respect to operating directors and certain senior employees of portfolio companies they must meet the definition of "accredited investor" standard of Rule 501 of the Securities Act and "qualified purchaser" standard of Section 2(a)(51) of the Investment Company Act and the rules and regulations promulgated thereunder.

Separate Accounts managed by the Adviser typically require a \$100 million minimum investment. Commitments of less than \$50 million may be subject to an additional Management Fee of 0.35% of the applicable Commitment (which may be waived by the general partner in its sole discretion). For investment into a Registered Investment Company, the minimum initial investment is generally \$50,000 for individuals and \$1 million for institutional investors.

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

The following is a summary of the Adviser's significant investment strategies, material risks and methods of analysis. Certain risks below may only apply to certain strategies. Investing directly or indirectly in securities managed or selected by the Adviser are speculative investments and involve significant risks. There can be no assurance that the Investment Vehicle will achieve its investment objective or otherwise be able to carry out its respective investment program. An investor should not invest unless they are able to sustain the loss of all or a significant portion of their investment.

In performing its investment advisory activities, the Adviser significantly relies upon sourcing, analysis, risk management and other functions performed by its affiliates. Professionals directly employed by the Adviser generally participate in the due diligence and analysis process with respect to investment opportunities in North and South America but have limited or no participation with respect to investment opportunities in other geographic regions other than the analyses made by the Adviser's investment committee (the "Adviser Investment Committee"). Through its relationship with its affiliates, the Adviser gains access to, and benefits from, a much broader range of investment opportunities, analytical resources and investment personnel than would otherwise be available while retaining full investment discretion on behalf of its Clients.

Partners Group sources investment opportunities on a global basis through referrals of its affiliates, including the Adviser. All investment opportunities sourced by the Adviser are referred to Partners Group for due diligence and analysis before being recommended or allocated to any of the Adviser's Clients. Once identified, investment opportunities are generally logged into a proprietary database that tracks Partners Group's analysis of the opportunity. Investment analysis by Partners Group generally involves: (i) a market assessment based on periodic analysis of relevant economic fundamentals, (ii) the development of a relative value outlook for different markets and/or for various investment subcategories within such markets and (iii) a critical review of individual investment opportunities available to Partners Group. Partners Group typically analyzes each individual investment opportunity through the step-by-step process outlined below. The manner in which each step is completed, including whether any steps may be completed concurrently, depends on the particular circumstances of each potential investment opportunity and remains at the discretion of Partners Group.

Investment Analysis Process

Investment analysis is primarily based upon proprietary research and due diligence performed by Partners Group. Partners Group may also review research reports generated by third parties, conduct interviews with investment managers and/or perform corporate inspections and other forms of due diligence. The Adviser does not utilize soft dollars.

Teaser

Investment opportunities sourced by Partners Group are presented as a "Teaser" to one of Partners Group's specialized investment committees, which are delineated by investment type. The Teaser consists of a brief summary of the opportunity. After reviewing a Teaser, the relevant specialized investment committee will either approve or reject the investment team's request to allocate due diligence resources to the relevant opportunity.

First Check

The initial analysis of an investment opportunity is typically referred to as a "First Check" or "FC". Each FC highlights various aspects of the relevant investment opportunity, such as strategy, management team, track record and/or market positioning. Such initial analyses are presented to either one of Partners Group's specialized investment committees or Partners Group's global investment committee (each, a "Partners Group Investment Committee") for an initial review, depending on the potential size of the investment opportunity. Partners Group's global investment committee is comprised of Partners Group's most senior professionals across the globe.

Preliminary Investment Recommendation/Indicative Bid

Where the appropriate Partners Group Investment Committee determines that an investment opportunity merits additional due diligence, selected investment professionals of Partners Group perform a thorough commercial due diligence assessment of the investment opportunity and prepare a Preliminary Investment Recommendation ("PIR"), or in case of secondary investments, an "Indicative Bid", which consists of a standard set of documents that detail the findings of the investment team performing the analysis on the investment opportunity. The investment team performing this assessment and preparing the PIR or Indicative Bid may or may not include professionals directly employed by the Adviser, depending on the nature and geographic location of the relevant investment opportunity.

When complete, the relevant PIR or Indicative Bid is presented to the appropriate Partners Group Investment Committee for review. The PIR or Indicative Bid may either be approved for further due diligence or rejected. Any PIR or Indicative Bid which is approved by the relevant Partners Group Investment Committee is sent back to the investment, tax and legal teams to follow up on any open issues or questions, to proceed with legal and tax due diligence, and to negotiate transaction documents.

Investment Recommendation/Binding Bid

Once the investment team has addressed any issues raised at the PIR or Indicative Bid stage, the opportunity is resubmitted to the relevant Partners Group Investment Committee as an Investment Recommendation ("IR"), or in case of secondary investments, a "Binding Bid". The relevant Partners Group Investment Committee then approves or rejects the investment opportunity. The Adviser generally will not make any investment for its Clients if the relevant Partners Group Investment Committee has not previously approved an IR or Binding Bid in respect of such investment. All final investment and divestment decisions with respect to the Adviser's Clients will always rest with the Adviser's investment committee. Sustainability factors are permitted to be considered in the Adviser's investment committee investment decision-making process and during ownership as appropriate, as described in Partners Group's Sustainability Directive.

Allocation Process

Concurrent with the investment analysis process described above, Partners Group's portfolio management team allocates prospective investment opportunities among Partners Group clients, including those of the Adviser. The Adviser will seek to allocate investment opportunities presented to the Adviser among the Partners Group Priority Programs and Co-Investors in a fair and equitable manner in accordance with the Allocation Directive. Partners Group Priority Programs will receive priority over Co-Investors in the allocation of investment opportunities, and there can be no assurance that any portion of such investment opportunity will be allocated to Co-Investors. The Adviser shall be permitted to allocate investment opportunities as set forth in the Investment Vehicle's offering documents.

The Adviser Investment Committee represents the interests of the Adviser's Clients during this allocation process. Specifically, the Adviser Investment Committee provides investment guidelines to Partners Group's portfolio management team detailing the appropriate kinds of investments that could be allocated to each of the Adviser's Clients based on certain factors, such as, but not limited to, investment type, geography, size, and diversification requirements. These inputs from the Adviser Investment Committee are independent of any specific deal analysis and are updated as necessary.

Based on the Client-specific factors communicated by the Adviser Investment Committee, Partners Group's portfolio management team may make preliminary allocations of investment opportunities to the Adviser's Clients. Preliminary allocations are typically determined at an early stage of the investment analysis process and allow both the Partners Group Investment Committees and the Adviser Investment Committee to assess potential demand for particular investment opportunities. Preliminary allocations are subject to change based on various factors such as, but not limited to, due diligence findings, structural changes, or changes in the investor syndicate.

The relevant Adviser Investment Committee is responsible for ensuring Partners Group's adherence to the Allocation Directive. Based on its independent analysis of the investment opportunity, both in terms of commercial appeal and suitability for the Adviser's Client(s), the Adviser Investment Committee may approve the allocation as proposed, approve a reduced allocation below the amount proposed, or reject the proposed allocation entirely. Any investment opportunity that is rejected by the Adviser Investment Committee will not be allocated to the relevant Client. The Adviser Investment Committee may also request an increased allocation with respect to particular investment opportunities or request an allocation to an investment opportunity not initially recommended to the Adviser's Client(s) by the portfolio management team, based on its analysis of each of its Client's investment objectives, guidelines, restrictions, investment demand and other suitability criteria. Nevertheless, all allocations are subject to availability and Partners Group's Allocation Directive, to which the Adviser is subject. Although the Adviser may reject any investment opportunity and/or proposed allocation, the Adviser may not compel Partners Group to make (or increase) the allocation in respect of any particular investment opportunity, and accordingly, the Adviser Investment Committee's requests for increased or new allocations may or may not be satisfied. Any investment opportunity the portfolio management team recommends for consideration is independently reviewed, considered and voted upon by the Adviser Investment Committee.

With input from the Adviser Investment Committee and the relevant Partners Group Investment Committee(s), Partners Group's portfolio management team proposes a final allocation of an investment opportunity among clients of Partners Group and/or its affiliates. If a final allocation to an investment opportunity includes one or more Clients of the Adviser, the Adviser Investment Committee must approve such allocation prior to execution of the investment. If approved, members of the Adviser Investment Committee will execute an investment direction letter that must be received by Partners Group's deal execution team prior to final sign off of the investment.

Liquid Private Markets Investments

The Adviser maintains separate local liquid private markets investment committees (each, the relevant "Local Liquid Investment Committee"). This committee follows a substantially similar investment analysis process described above (e.g. FC, PIR etc.) tailored to the publicly traded investment market.

Further, the Local Liquid Investment Committee participates in a global allocation framework similar to the process described above, with Partners Group's global portfolio committee providing recommendations to the Adviser Liquid Investment Committee on how to incorporate the firm's overall relative value market analysis into allocations of publicly traded investments.

Broadly Syndicated Loan Management Team

The Adviser also maintains a separate portfolio management team for its Clients' investments in Broadly Syndicated Loans (the "Adviser BSL Management Team") that manages the Adviser's Clients' Broadly

Syndicated Loan ("BSL") portfolios. The Adviser BSL Management Team follows a substantially similar investment analysis process described above, tailored to the Broadly Syndicated Loan market.

Further, the Adviser BSL Management Team participates in a global allocation framework similar to the process described above, with Partners Group's global liquid loans team providing recommendations to the Adviser BSL Management Team on how to incorporate the firm's overall relative value market analysis into allocations of Broadly Syndicated Loans.

For transactions in potential BSLs approved by the Adviser Investment Committee, the BSL Management Team allocates prospective BSLs among the Adviser's Clients, alongside management teams of the Adviser's affiliates seeking to allocate the same or similar opportunities to their clients, by indicating client-specific demand for such transactions within Partners Group's portfolio management systems. Allocations among Clients of the Adviser and its affiliates are based on such demand. However, when the relevant counterparty cuts back Partners Group's allocation below the firm's aggregate demand, final allocations to each relevant client is subject to a pre-set, mechanical and objective allocation process designed to allocate the final amount in a fair manner. If the global liquid loans team determines a new allocation among Partners Group clients is needed outside of these rules, the BSL Management Team must approve the new allocation to its Clients. Accordingly, due to differences in (1) the nature of each investment opportunity, (2) the amount available for investment in a given transaction and (3) the aggregate demand among Partners Group clients for investments, allocations in respect to a given transaction may or may not include allocations for Clients of the Adviser. All allocations are subject to availability and Partners Group's Global Allocation Directive, to which the Adviser is subject.

Investment Considerations

Sustainability. Partners Group makes a commitment to its clients that, in connection with its investment activities, and in accordance with its responsible investment policy, it intends to take sustainability-related items into consideration in relation to Investments and potential Investments. In connection with this commitment, Partners Group is a signatory to the United Nations Principles of Responsible Investing ("UNPRI").

US Employee Retirement Income Security Act of 1974, as amended ("ERISA"). Fiduciaries of Benefit Plan Investors should be aware that none of the Investment Vehicle, the general partner, the Adviser and/or their Affiliates are undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the offering or purchase of the Interests and that the general partner and/or its affiliates have financial interests associated with the purchase of the Interests including the fees and other allocations and distributions they may receive from the Investment Vehicle as a result of the purchase of the Interests by a Benefit Plan Investor.

Material Risks

Before investing, prospective investors should ensure that they (i) understand the risk factors associated with private investments, which generally include, but are not limited to, the material risks outlined below, and (ii) have the financial ability and willingness to accept such risks. For a more comprehensive description of the risks associated with investing in an Investment Vehicle sponsored by the Adviser or its affiliates, please reference the relevant private placement memorandum or offering document. All private market investments risk the loss of capital. There can be no guarantee or representation that the Adviser, or any of its Investment Vehicles, will achieve their respective objective. An investment in an Investment Vehicle

is highly speculative and involves certain risks, some (but not all) of which are discussed below, which an investor should consider carefully before investing. The information contained herein regarding such risks is a summary only and is qualified in its entirety by information found in the relevant private placement memorandum or offering document.

Investment Risks

Investment risks in general. The Adviser's investments may involve highly speculative investment techniques, highly concentrated portfolios, control and non-control positions and/or illiquid investments. An Investment Vehicle may be a non-specified asset offering, and Clients generally will not have an opportunity to evaluate specific assets prior to investing. Because of the specialized nature of the Investment Vehicle, an investment in the Investment Vehicle may not be suitable for certain Clients and, in any event, an investment in the Investment Vehicle should constitute only a limited part of a Client's total portfolio. There can be no assurance that (i) the Investment Vehicle will have any profits, (ii) cash will be available for distributions, (iii) the income of the Investment Vehicle will exceed its expenses, (iv) the net asset value of the Investment Vehicle will increase and (v) Clients will not sustain a total loss of their investment in the Investment Vehicle.

Nature of private equity investments. Private equity securities generally represent the most junior position within an issuer's capital structure and are therefore subject to the greatest risk of loss. Targeted returns will reflect the assumed level of risk, but there can be no assurance that the Client will be adequately compensated for risks taken. The Investment Vehicle would not typically receive interim cash dividends or other distributions on its private equity investments during its holding period but would realize its entire return upon eventual redemption or sale. The timing of ultimate realization is highly uncertain, as there can be no assurance that the issuer will be able to generate sufficient cash to redeem them, and these securities will have no readily available market for liquidity. As a result, the holding period for these securities may be lengthy.

Business risks. An Investment Vehicle's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results of the Investment Vehicle or these companies in a specified period will be difficult to predict. Whilst such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk that can result in substantial losses. In some cases, the success of the Investment Vehicle's investment strategy will depend, in part, on the ability of the portfolio company's management team to restructure and effect improvements in the operations of a portfolio company. There can be no assurance that such management teams will be able to successfully identify and implement such improvements. An investment in the Investment Vehicle should only be considered by Clients who can afford a loss of their entire investment.

Growth equity transactions. Investment Vehicles are generally permitted to target growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments may involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive

development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Early stage investments. It is anticipated that an Investment Vehicle may make investments in early stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by an Investment Vehicle will be successful.

Limitations on ability to exit investments. An Investment Vehicle will generally exit investments in two principal ways: (i) private sales (including mergers with or acquisitions of its portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these avenues may not be available to the Investment Vehicle, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio companies may be constrained at any particular time.

Lack of operating history. The Investment Vehicle may have commenced operations recently and therefore have limited or no operating history upon which prospective investors may evaluate its performance. There can be no assurance that the Investment Vehicle will achieve its investment objective.

Lack of transparency. The Adviser does not control the investments or operations of some of its investments. An underlying investment's general partner may employ investment strategies that differ from its past practices and are not fully disclosed to the Adviser, and that involve risks that are not anticipated by the Adviser. Some underlying investment's general partners have a limited operating history, and some have limited experience in executing one or more investment strategies to be employed for an investment. Furthermore, there is no guarantee that the information given to the Adviser and reports given to the Adviser with respect to underlying investments will not be fraudulent, inaccurate or incomplete.

Prior results not indicative of future performance. The current performance or past performance of the Adviser's or its affiliates' other investment funds are not predictive of an Investment Vehicle's future performance. The Adviser may cause an Investment Vehicle to acquire different investments than prior or other investment funds managed by the Adviser or its affiliates due to any existing or future restrictions on investing in private markets, current market conditions, differing terms and objectives, etc. As a result, the Investment Vehicle may generate different returns than prior or other investment funds managed by the Adviser or its affiliates.

Identification of investment opportunities. The success of an Investment Vehicle depends on the availability and identification of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Adviser and its affiliates. The industries and sectors in which the Investment Vehicles invest are highly competitive. The Adviser and its affiliates compete for investments with other operating companies, financial institutions, and other institutional investors as well as private equity, hedge and other investment funds and asset managers, and this competition could adversely impact the availability of investments and terms upon which the Adviser or its affiliates effect transactions with respect to the purchase, sale and/or financing or refinancing of such investments. There can be no assurance that an Investment Vehicle will be able to identify sufficient attractive investment opportunities to meet its investment objective(s).

Nature of portfolio companies. The Investment Vehicle will include direct and indirect exposure in various companies, ventures and businesses (“portfolio companies”). This may include portfolio companies in the early phases of development, which can be highly risky due to the lack of a significant operating history, fully developed product lines, experienced management, uncertain or negative cash flows or a proven market for their products. The Adviser’s investments may also include portfolio companies that are in a state of distress, have a poor record and/or are undergoing restructuring or changes in management, and there can be no assurance that such restructuring or changes will be successful. The management of such portfolio companies may depend on one or a small number of key individuals, and the loss of the services of any of these individuals may adversely affect the performance of such portfolio companies.

Regulatory approvals and government licenses. Portfolio companies in certain jurisdictions are dependent upon the grant, renewal or continuance in force of appropriate contracts, licenses, permits and regulatory approvals and consents which are generally valid only for a defined time period, subject to limitations or provide for withdrawal in certain circumstances. There can be no assurance that a portfolio company targeted by an Investment Vehicle will be able to (i) obtain all such required regulatory approvals and licenses that it does not yet have or that it will require in the future; (ii) obtain any necessary modifications to existing regulatory approvals and licenses; or (iii) maintain required regulatory approvals and licenses. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals and licenses, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sales to third parties, could limit the portfolio company’s ability to engage in certain regulated activities or could otherwise result in additional costs to a portfolio company. Additionally, governments and other regulators often impose conditions on the operations and activities of a portfolio company as a condition of granting its approval or to satisfy regulatory requirements. Such conditions, which could be statutory or commercial in nature, could limit a portfolio company’s ability to invest in competing industries or acquire significant market power in a particular market, or provide a disincentive to do so. Further, governmental agencies from time to time impose conditions of ongoing ownership or equivalent requirements on a portfolio company in respect of underlying projects. This could include a requirement that certain assets remain managed by a portfolio company, an Investment Vehicle or their affiliates in the absence of further approval. Such conditions are susceptible to revision or cancellation and legal redress could be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured.

Sustainability risks. Partners Group integrates certain sustainability considerations at the enterprise level as part of its investment processes that are intended to create long-lasting, sustainable returns for investors consistent with a positive impact for stakeholders and, as such, the Investment Vehicle may be subject to the risk that its performance may differ from other funds which are not subject to enterprise level sustainability integration. For example, integration of a specific sustainability consideration into Partners Group’s enterprise level due diligence and selection criteria could indirectly affect the Investment Vehicle’s exposure to certain sectors or types of investments, and as a result, negatively impact the Investment Vehicle’s performance under certain market conditions and time horizons. In addition, increased regulation with respect to sustainability investing or requirement to consider such factors could have a material effect on the Adviser, its affiliates and/or the Investment Vehicle. For example, certain proposed sustainability regulations, if adopted, could significantly affect the Adviser, its affiliates and/or the Investment Vehicle, including by increasing compliance burdens and associated regulatory costs. There can be no assurance

that the integration of sustainability considerations by Partners Group will be successful at the enterprise level.

Retirement plan and state-specific sustainability considerations. In recent years, a number of states have adopted and continue to adopt new laws, regulations and policies which may expressly restrict the ability of state, municipal and other governmental plans or public university endowments to make or exclude certain investments, including investments that state regulators designate as supporting or boycotting the fossil fuels or arms manufacturing industries. In addition, certain state pension plans are currently operating, or may in the future operate due to law or policy, in a manner that restricts their ability to consider some or all sustainability factors in making investment or proxy voting decisions. State pension plans may also require funds to make certifications regarding the consideration of sustainability factors in the Investment Vehicle's own investment process or proxy voting procedures. As a result, the integration of Partners Group's sustainability considerations into the Adviser's management of the Investment Vehicle may impose limitations on the ability of the Investment Vehicle to accept capital from certain investors and the Investment Vehicle may have to require or allow certain investors to withdraw from the Investment Vehicle. Similar integration of sustainability considerations in light of such current or future state laws or policies may also preclude the Investment Vehicle from making investments that it otherwise finds desirable and could require the Investment Vehicle to liquidate or dispose of investments at a disadvantageous time, resulting in lower proceeds to the Investment Vehicle than might have otherwise been the case. Such current or future state laws also may preclude the Adviser from certain proxy voting decisions that it believes to be advantageous to investors. This is an evolving area of law and policy, and future developments may be adverse to the Investment Vehicles and their investors.

In addition, the extent to which Partner Group's sustainability factors should or may play a role in an ERISA plan fiduciary's investment decisions is addressed in recently finalized Department of Labor regulations, and it is the ERISA Plan fiduciary's obligation to determine whether an investment in the Investment Vehicle is appropriate for the ERISA Plan. The future status of such sustainability-related regulations has been the subject of various ongoing legal challenges and vigorous political and public debate which may not be conclusively resolved for some time.

Economic, political and legal risks. The Adviser will make investments in a number of countries, including emerging markets, exposing investors to a range of potential economic, political, currency and legal risks that might not exist in the Adviser's domicile, which could have an adverse effect on the Adviser or its investments. These may include, but are not limited to, declines in economic growth, inflation (including hyperinflation), deflation, currency revaluation, nationalization, expropriation, confiscatory taxation, governmental restrictions, adverse regulation, social or political instability, negative diplomatic developments, military conflicts, terrorist attacks, epidemics and pandemics.

Clients should note that private markets in countries where the Adviser's investments are made may be significantly less developed than those in the United States. Certain investments may be subject to extensive regulation by national governments and/or political subdivisions thereof, which prevent the Adviser from making investments it otherwise would make, or which may cause the Adviser to incur substantial additional costs or delays that it otherwise would not suffer.

Such countries may have different regulatory standards with respect to insider trading rules, restrictions on market manipulation, shareholder proxy requirements and/or disclosure of information. In addition, the laws of various countries governing business organizations, bankruptcy and insolvency may make legal action

difficult and provide little, if any, legal protection for investors. Any such laws or regulations may change unpredictably based on political, economic, social, and/or market developments.

Russia's invasion of Ukraine. On February 24, 2022, Russia launched a full-scale invasion of Ukraine. As a result of the invasion, a number of countries worldwide (including, but not limited to the member states of the European Union, the United States, the United Kingdom and Switzerland), have developed and continue to develop coordinated sanctions and export-control measure packages targeting Russia and certain individuals. The uncertain nature, magnitude and duration of Russia's invasion of Ukraine, and its escalation (such as Russia's mobilization of military reserves and the possibility of significant cyberwarfare against military and civilian targets globally) and actions taken by countries and other states and multinational organizations in response thereto, including, amongst other things, the potential effects of sanctions, the resulting displacement of persons both within Ukraine and to neighboring countries, export-control measures, travel bans and asset seizures, as well as any Russian retaliatory actions (either directly or through proxy actions), including, amongst other things, restrictions on oil and gas exports and cyber-attacks, on the world economy and markets, have contributed to increased market volatility and uncertainty. Such geopolitical risks may have a material adverse impact on macroeconomic factors which affect the Adviser's business, as well as the operations of the Adviser and its affiliates. In addition, to the extent that the Investment Vehicle has exposure to investments in Russia, Ukraine or adjoining geographic regions, the value of the Investment Vehicle's investments may be adversely affected.

War in Israel. The Israel-Hamas war in the Middle East, which began on October 7, 2023, has created, and may continue to create, uncertainty and instability for market participants, and could adversely affect the Investment Vehicle. Such geopolitical risks may have a material adverse impact on macroeconomic factors and materially and adversely affect global trade, currency exchange rates, inflation, supply chains, regional economies and the global economy which may in turn impair the Adviser's business. In addition, to the extent that the Adviser has exposure to investments in the Middle East or adjoining geographic regions, the value of the Adviser's investments may be adversely affected.

General economic and market conditions risk. The success of the Adviser's activities will be affected by general economic and market conditions as influenced by economic, social, political, and/or environmental events over which the Adviser has no control. Events and conditions such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations) are some factors that may have an effect on the level and volatility of financial instruments' prices and the liquidity of the investments. In addition, the effects of climate change and the increasing frequency of severe weather events may pose risks to any of the investments which are located in or have connections to a geographical location impacted by such severe weather events or may have an impact on general market conditions by increasing market volatility, affecting the prices of financial instruments and affecting the liquidity of the Adviser's investments.

An outbreak of communicable diseases such as coronavirus disease 2019 (COVID-19), whether on a regional or global scale, may have an impact on the investments and influence overall market conditions due to travel and/or movement restrictions and prolonged closures of workplaces and may increase market volatility, affect the price of financial instruments and affect the liquidity of the investments.

Volatility or illiquidity could impair the Investment Vehicle's profitability or result in losses. The Investment Vehicle may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets- the larger the positions, the greater the potential loss. The economies of countries

may differ favorably or unfavorably from each other in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, economies are heavily dependent upon international trade and accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Economic impact of the COVID-19 pandemic or the future outbreak of any other highly infectious or contagious diseases. In December 2019, SARS-CoV-2, which causes COVID-19, was first identified in the human population. The disease spread globally, which lead the World Health Organization, on March 11, 2020, to declare the COVID-19 outbreak to be a pandemic. The COVID-19 outbreak led to federal, state and local governments enacting various restrictions in an attempt to limit the spread of the virus, including school and office closings, limitations on social or public gatherings and other social distancing measures, such as working remotely, travel restrictions, quarantines and shelter in place orders. While these restrictions have been lifted in most cases, they may be reinstituted in certain regions of the world at some point in the future. The effects of COVID-19 have contributed to increased volatility in global markets and have affected and will likely continue to affect certain countries, companies, industries and market sectors more dramatically than others. The COVID-19 pandemic has had, and any other outbreak of an infectious disease or other serious public health concern could have, a significant negative impact on economic and market conditions and could trigger a prolonged period of global economic slowdown.

Any outbreak of disease epidemics or pandemics, together with any resulting voluntary and U.S. federal and state and non-U.S. governmental actions, could meaningfully disrupt the global economy and affect the Adviser's ability to fulfil its investment objectives. For example, the Adviser's ability to operate effectively, including the ability of its personnel or service providers and other contractors to function, communicate and travel to the extent necessary, may be impaired. The spread of COVID-19 or other new or existing infectious diseases among the Adviser's personnel and its service providers would also significantly affect the Adviser's ability to properly oversee the affairs of the Investment Vehicle (particularly to the extent such impacted personnel include key investment professionals or other members of senior management), which could result in a temporary or permanent suspension of the Adviser's investment activities or operations.

In connection with the impacts of the COVID-19 pandemic and any future such public health crisis, the Investment Vehicle is expected to incur heightened legal expenses which could similarly have an adverse impact to the Investment Vehicle's returns. For example, the Investment Vehicle and its investments may be subject to heightened litigation. The resulting costs of any such litigation may be significant and are expected to be borne by the Investment Vehicle and its investments. There is also a heightened risk of cyber and other security vulnerabilities during a public health emergency which could result in adverse effects to the Investment Vehicle or its investments in the form of economic harm, data loss or other negative outcomes.

Inflation and rising interest rates. Both domestic and international markets experienced significant inflationary pressures in recent years and inflation rates in the United States, as well as in other countries, are currently expected to continue at elevated levels in the near term. In addition, the U.S. Federal Reserve and central banks in various other countries have raised and may again raise interest rates in response to concerns about inflation, which, coupled with reduced government spending and volatility in financial

markets, may have the effect of further increasing economic uncertainty and heightening these risks. Interest rate increases or other government actions taken to seek to reduce inflation could also result in recessionary pressures in many parts of the world or on a global scale. Interest rate and inflation risks pose a significant market risk to the Investment Vehicle and its investments. If a portfolio company is unable to pass any increases in its costs along to its customers, it could adversely affect its results and ability to pay interest and repay principal on any loans, particularly if interest rates rise further in response to inflation. In addition, any projected future decreases in a portfolio company's operating results due to inflation could adversely impact the fair value of such investment. Any decreases in the fair value of the Investment Vehicle's investments could result in future unrealized losses and therefore reduce the Investment Vehicle's net assets resulting from operations.

Outcome of the UK referendum to leave the EU. The United Kingdom (the "UK") held a referendum on June 23, 2016, on whether to leave or remain in the European Union (the "EU"). The outcome of the referendum was in favor of leaving the EU. The UK officially withdrew from the EU on January 31, 2020 ("Brexit") and lost all its rights and obligations as an EU member state on January 1, 2021. As part of the withdrawal agreement agreed between the UK and the EU (the "Withdrawal Agreement"), a transitional period was agreed which extended the application of EU law, and provided for continuing membership of the EU single market, until December 31, 2020.

On December 24, 2020, the EU and the UK agreed on a free trade agreement (the "Trade and Cooperation Agreement"), which sets out the principles of the relationship between the EU and the UK following the end of the transitional period. The Trade and Cooperation Agreement took effect provisionally from January 1, 2021, pending formal ratification from the EU and the UK. Following ratification by both sides, the Trade and Cooperation Agreement entered into force on May 1, 2021. The Trade and Cooperation Agreement does not replace the Withdrawal Agreement. The Trade and Cooperation Agreement does not necessarily create a permanent set of rules, but is a basis for an evolving relationship between the EU and the UK, with scope for increasing divergence or closer cooperation which may vary between different areas. Accordingly, a number of uncertainties in connection with the future of the UK and its relationship with the EU remain. '

Explicit agreement on future access in the financial services sector was not included in the Trade and Cooperation Agreement, and so the future framework between the EU and UK in this space is not currently certain. Future regulatory divergence and further legal uncertainty are possible. Brexit is likely to significantly affect the political, fiscal, legal and regulatory landscape in the UK and could have a material impact on its economy and the future growth of its various industries. The impact on the UK economy could reduce, amongst other things: its share of world exports compared with the United States, and the number of the world's top 100 multi-national companies headquartered in the UK. Although it is not possible to predict fully the effects of the Brexit, it could have a material adverse effect on, amongst other things, UK and/or European fund managers, companies, and investors, and could therefore have a material adverse effect on the business of the Investment Vehicle or the business of any of its investments. Brexit may result in (amongst other things) significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and increased legal, regulatory or compliance burden for Adviser and its affiliates, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Investment Vehicle. While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement may have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the UK and elsewhere in Europe.

Accordingly, risks associated with Brexit also include the potential for prejudice to financial services businesses based in the UK which deal with businesses in the EU, such as affiliates of the Adviser, and disruption to regulatory regimes related to the operations of a partnership and its advisers and service providers that are based in the EU or the UK. It cannot be ruled out that further regulatory changes connected with the UK's departure from the EU could require a restructuring of any UK financial services business appointed with respect to the Investment Vehicle or its investments, as applicable.

In addition, the potential impact of the UK's withdrawal as a member state of the EU on the UK tax framework is yet to be fully understood, and certain related developments and changes of tax law may have an adverse effect on the tax treatment of any investments in the UK. Further, it is impossible to predict at this time the consequences which any divergence between UK value added tax ("VAT") law and EU VAT law following the UK's withdrawal as a member state of the EU could have on any investments in the UK, to the extent the Partnership makes such investments. For these reasons, the decision of the UK to leave the EU could have adverse consequences on the Partnership, the performance of its investments and its ability to fulfil its investment objective and implement its investment strategy. During the life of an Investment Vehicle the Adviser may also incur additional costs in determining the impact of the UK's future relationship with the EU, and any changes in law and regulation that may impact such Investment Vehicle and its underlying investments.

Transition from LIBOR risk. Although the London Interbank Offered Rate ("LIBOR") is no longer published as of June 30, 2023, certain financing arrangements to which an Investment Vehicle is a party may continue to accrue interest at a floating rate based on LIBOR. LIBOR and other inter-bank lending rates and indices (together with LIBOR, the "IBORs") are the subject of ongoing national and international regulatory reform. Most, but not all, LIBOR settings are now transitioned to alternative near risk-free rates ("RFRs"). It is expected that many new financing arrangements entered into by the Investment Vehicle will therefore likely reference an RFR as the applicable interest rate. The RFRs are conceptually and operationally different from LIBOR. For example, overnight rate RFRs may only be determinable on a 'backward' looking basis and therefore are only known at the end of an interest period, whereas LIBOR is a 'forward' looking rate. Moreover, certain RFRs (such as Secured Overnight Financing Rate or "SOFR" for U.S. dollar debt) are not well established in the market, and all RFRs remain novel in comparison to LIBOR. There consequently remains some uncertainty as to what the economic, accounting, commercial, tax and legal implications of the use of RFRs will be and how they will perform over significant time periods, particularly as market participants are still becoming accustomed to the use of such benchmarks. As a result, it is possible that the use of RFRs may have an adverse effect on the Investment Vehicle and therefore investors. For example, the efficacy of new financing arrangements entered into by the Investment Vehicle may be less than expected or desired, which could reduce the returns available to investors.

Additionally, there may be difficulties with transitioning an existing financing arrangement from LIBOR to the applicable RFR. Such difficulties could adversely impact the Investment Vehicle and therefore investors. For example, there may be delays or failures in meeting the conditions to amend such a financing arrangement and there may be mismatches if the reference rate cannot be remediated or if a hedge related to such financing arrangement and the financing arrangement itself cannot be transitioned to the same RFR at the same time. The potential impact of wider conceptual and operational differences between LIBOR and RFRs would also likely apply to remediation of these contracts in due course. In addition, higher borrowing costs may apply to the Investment Vehicle's financing arrangements.

Therefore, prospective investors should be aware that the Investment Vehicle is likely to bear additional costs and expenses in relation to LIBOR discontinuation and the use of RFRs. Given the relative novelty of the use of RFRs in financial markets, the exact impact of the use of the RFRs remains to be seen. If the Investment Vehicle does enter into a LIBOR-linked financing arrangement, there may be further costs or other adverse effects incurred by the Investment Vehicle in relation to remediation of these to RFRs in due course.

Eurozone risk. The Adviser's investments may invest directly or indirectly from time to time in European companies and assets and companies and assets that may be affected by the Eurozone economy. Ongoing concerns regarding the sovereign debt of various Eurozone countries, including the potential for investors to incur substantial write-downs, reductions in the face value of sovereign debt and/or sovereign defaults, as well as the possibility that one or more countries might leave the EU or the Eurozone create risks that could materially and adversely affect the Adviser's investments. Sovereign debt defaults and EU and/or Eurozone exits could have material adverse effects on the Adviser's investments in European companies and assets, including, but not limited to, the availability of credit to support such companies' financing needs, uncertainty and disruption in relation to financing, increased currency risk in relation to contracts denominated in Euro and wider economic disruption in markets served by those companies, while austerity and/or other measures introduced to limit or contain these issues may themselves lead to economic contraction and resulting adverse effects for the Adviser. Legal uncertainty about the funding of Euro-denominated obligations following any breakup or exits from the Eurozone, particularly in the case of investments in companies and assets in affected countries, could also have material adverse effects on the Adviser.

United States' financial stability and political outlook. Due to U.S. federal budget deficit concerns, S&P downgraded the federal government's credit rating from AAA to AA+ for the first time in history on August 5, 2011, which was most recently affirmed by S&P in March 2022. Also, In August 2023, Fitch Ratings downgraded the U.S. government's credit rating from AAA to AA+. Additionally, Moody's has warned that it may downgrade the U.S. government's credit rating and, on November 10, 2023, lowered its outlook on the U.S. credit rating to "negative" from "stable" citing large fiscal deficits and a decline in debt affordability. Further downgrades or warnings by S&P or other rating agencies, and the U.S. government's credit and deficit concerns in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with the Adviser's debt portfolio and its ability to access the debt markets on favorable terms. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on the Adviser's investments.

Following the 2022 mid-term elections in the United States, control of the U.S. Congress is divided between the Democratic Party and the Republican Party, with the Democratic party controlling the Senate and Republican Party controlling the House of Representatives. A divided U.S. Congress substantially limits the ability of either party to adopt significant legislation. Nonetheless, if Congress does agree to adopt legislation relating to the regulatory framework of U.S. financial markets (either as a result of bipartisan agreement between the Democrats and Republicans or as a result of either party winning control of both the Senate and the House or Representatives in the Presidential elections in 2024 or beyond), such changes could result in greater regulation of nonbank lenders and may negatively impact the Adviser's credit investments, however, the nature, timing and economic and political effects of any such changes remain highly uncertain. Similarly, even without an act of Congress, the U.S. federal financial regulators and/or various state authorities could adopt regulations or implement supervisory measures in response to perceived risks associated with lending and other financial activities occurring outside the regulatory

perimeter of banks and bank holding companies, the impact of which likewise may negatively impact the Adviser's credit Investments. The United States may also potentially withdraw from, renegotiate or enter into various trade agreements and take other actions that would change current U.S. trade policies. Any delay in the Adviser's ability to access its cash, cash equivalents and other liquid Investments, or the loss of some or all of such funds, or inability to pay key vendors and others timely, could have a material adverse effect on the Adviser's operations (and on those of its investments) and cause it, and its underlying investments to seek additional capital sooner than planned. Furthermore, U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States or globally. Although U.S. lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, ratings agencies have lowered or threatened to lower the long-term sovereign credit rating of the United States. The impact of this or any further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. It is not possible to predict which, if any, of these actions will be taken or, if taken, their effect on the financial stability of the United States. Such actions could have a significant adverse effect on the value of the Adviser's investments and the returns of the Client.

United States tariff, import/export regulations and other economic sanction laws. There has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. These changes could create significant uncertainty about the future relationship between the United States and other countries with respect to such trade policies, treaties and tariffs. Any tariffs imposed on products imported into the United States and other changes in U.S. trade policy may result in, and may continue to trigger, retaliatory actions by affected countries. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict the Adviser's investments' access to suppliers or customers and have a material adverse effect on their business, financial condition or results of operations, which in turn would negatively impact the Investment Vehicle.

Additionally, economic sanction laws in the United States and other jurisdictions may prohibit the Adviser or its affiliates from transacting with certain countries, individuals and companies. In the United States, the U.S. Department of the Treasury's (the "Treasury") Office of Foreign Assets Control ("OFAC") administers and enforces laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. 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 <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 the Adviser's investment activities in certain countries (and, in particular, certain emerging market countries). At the same time, the Adviser and its affiliates may be obligated to comply with certain anti-boycott laws and regulations, which prevent them from engaging in certain discriminatory practices that may be allowed or required in certain jurisdictions. The Adviser's failure to discriminate in this

manner could make it more difficult for the Adviser to pursue certain investments and engage in certain business activities.

The United States Foreign Corrupt Practices Act (the “FCPA”), and other anti-corruption laws and regulations, as well as anti-boycott regulations, may also apply to and restrict the investments. The U.S. government has indicated that it is particularly focused on FCPA enforcement, which may increase the risk that the Adviser becomes the subject of such actual or threatened enforcement. In addition, certain commentators have suggested that private investment firms and the funds that they manage may face increased scrutiny and/or liability with respect to the activities of their underlying investments. As such, a violation of the FCPA or other applicable regulations by the Adviser could have a material adverse effect on the investments.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the UK, with enactment of the UK Bribery Act, has expanded the reach of its anti-bribery laws significantly. While the Adviser and its affiliates have developed and implemented policies and procedures designed to ensure strict compliance by the Adviser and its affiliates with the FCPA and the UK Bribery Act and the sanctions regimes that apply to the Adviser and its affiliates, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of such policies and procedures, affiliates of portfolio companies, particularly in cases in which the Adviser and its affiliates does not control such portfolio company, may engage in activities that could result in FCPA, UK Bribery Act or other violations of law. Any determination that the Adviser or its affiliates have violated the FCPA, UK Bribery Act or other applicable anti-corruption laws or anti-bribery laws or sanctions requirements could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, disclosure obligations and a general loss of investor confidence, any one of which could adversely affect the Adviser’s and its affiliates’ business prospects and/or financial position, as well as the Investment Vehicle’s ability to achieve its investment objective(s) and/or conduct its operations.

Moreover, if after subscribing to the Investment Vehicle an investor becomes the subject of certain sanctions, the Investment Vehicle would likely be required to cease any further dealings with the investor’s interest until such sanctions are lifted or a license is sought under applicable law to continue dealings. For the avoidance of doubt, the Adviser and its affiliates have the sole discretion to determine the remedy if an investor is included on certain sanctions lists and are under no obligation to seek a license to continue dealing with such an investor. Although the Adviser and its affiliates expend significant effort to comply with the sanction’s regimes in the countries where they operate, the violation of any of these rules by the Adviser or its affiliates or the Investment Vehicle’s activities or investors would adversely affect the Investment Vehicle.

Regulatory changes with respect to private funds and advisers. In August 2023, the SEC voted to adopt previously proposed new rules and amendments to existing rules under the Advisers Act (collectively, the “Private Funds Rules”) specifically related to investment advisers and their activities with respect to private funds they advise. In particular, the Private Funds Rules will, among other changes, impose quarterly reporting by private funds that are within the scope of the rule to investors that is required to contain detailed information on performance, investments, adviser-compensation, fees and expenses, capital inflows and capital outflows; require registered investment advisers to obtain an annual audit for all private funds that meets the requirements of the existing Advisers Act custody rule; require registered investment advisers to obtain a fairness or valuation opinion and make certain disclosures, in connection with adviser-led

secondary transactions (also known as GP-led secondaries); restrict advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements, which practices include, without limitation, charging regulatory or compliance fees or expenses, or fees or expenses associated with an examination, of the Adviser or its related persons to private fund clients, seeking reimbursement for certain investigation-related expenses, reducing the amount of the general partner's clawback by actual, potential or hypothetical taxes applicable to the general partner or its employees, borrowing from a private fund, making non-pro rata fee or expense allocations; restrict advisers from engaging in certain forms of preferential treatment to private fund investors related to liquidity and information rights if they would be reasonably expected to have a material negative effect on other investors and otherwise require advisers to make certain disclosures regarding preferential treatment of investors; and prohibit an adviser from having a private fund bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the Advisers Act; and impose additional requirements on advisers to document their annual compliance reviews in writing and retain additional required books and records. All or a portion of the Private Funds Rules may or may not apply to the Investment Vehicle following its effective date(s).

While the full impact of the Private Funds Rules cannot yet be determined, it is generally anticipated that these rules will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries and actions (including public regulatory sanctions) and limiting the Adviser's and its affiliates' ability or willingness to negotiate certain types of individualized terms with investors in the Investment Vehicle or similar pools of assets that invest alongside the Investment Vehicle, which may cause certain investors to not subscribe to the Investment Vehicle who otherwise might have. The Investment Vehicle is expected to bear (either directly or indirectly through its portfolio companies) certain regulatory and compliance costs relating to the Private Funds Rules, which could include (without limitation) fees, costs and expenses incurred in connection with preparing and distributing to investors the quarterly statements required by the rules, soliciting and obtaining from investors any consents required by the rules, providing investors with any notices or disclosures required by the rules and obtaining and distributing to investors fairness or valuation opinions in connection with adviser-led secondary transaction (including fees paid to third parties engaged by the Adviser or its affiliates or the Investment Vehicle to perform or assist with such actions or processes), and general advice provided to the Adviser and its affiliates regarding the implementation of the Private Funds Rules, a proportionate share of the costs for advice provided to the Investment Vehicle regarding implementation of the Private Funds Rules which fees, costs and expenses could be expected to be material.

Enhanced scrutiny and regulation of the financial services industry. The current U.S. regulatory environment may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The U.S. Department of the Treasury has issued a series of recommendations in several reports for streamlining banking regulation and changing key features of the Dodd-Frank Act and other measures taken by regulators following the most recent financial crisis. Potential investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on the Investment Vehicle and its activities. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity and private markets industry generally and/or on the Investment Vehicle or the Adviser. On May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying

the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than USD \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted certain clarifying amendments to the Volcker Rule's restrictions on sponsoring and investing in certain covered hedge funds and private equity funds, along with certain new exemptions allowing banking entities to sponsor and invest without limit in credit vehicles, venture capital funds, customer facilitation funds and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments, which were effective as of October 2020, should therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments and other legislative and regulatory developments on the Investment Vehicle and its activities remain uncertain, and the private investment fund industry may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. Prospective investors should note that any continued regulatory scrutiny or initiatives or any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on, or otherwise impede, the Investment Vehicle and its activities.

Pay-to-play laws, regulations, and policies. In light of controversies and highly publicized incidents involving money managers, a number of states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies that 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 adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. If the Adviser fails to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on the Investment Vehicle or any fund or account alongside which the Investment Vehicle invests by, for example, providing the basis for the withdrawal of the affected government plan investor.

As a result, there can be no assurance that any of the foregoing will not have an adverse impact on the Investment Vehicle or otherwise impede the Adviser's ability to effectively achieve the Investment Vehicle's investment objective(s).

Risks relating to investments in derivative instruments. The U.S. Commodity Futures Trading Commission (the "CFTC") has significantly limited certain exemptions from registration requirements under the Commodities Exchange Act ("CEA") that have been previously available to operators of commodity pools offered exclusively to "qualified eligible persons." In the event that investments in derivative instruments regulated under the CEA, including futures, swaps and options, exceed a certain threshold, the Adviser may be required to register as a "commodity pool operator" and/or "commodity trading advisor" with the CFTC. In the event the Adviser is required to register with the CFTC, it will become subject to additional disclosure, recordkeeping and reporting requirements, which may increase the expenses of the Investment Vehicle.

Private fund offering. The Adviser intends to offer interests of certain Investment Vehicles without registration under applicable securities laws in reliance on an exemption for “transactions by a fund not involving any public offering”. While the Adviser and its affiliates believe reliance on such exemption is justified, there can be no assurance that factors such as the manner in which offers and sales are made, concurrent offerings by other companies, the scope of disclosure provided, failures to make notices, filings, or changes in applicable laws, regulations or interpretations will not cause the Investment Vehicle to fail to qualify for such exemptions under U.S. federal or one or more states’ securities laws. Further, even non-meritorious claims that offers of interests were not made in compliance with applicable securities laws could materially and adversely affect the Adviser’s and its affiliates’ ability to conduct the Investment Vehicle’s business.

Risks relating to the absence of regulatory oversight. Investment Vehicles, with the exception of the Registered Investment Companies, have not been, and are not expected to be, registered under the Securities Act, or any state or other U.S. or non-U.S. securities laws. Except for the Registered Investment Companies, the Investment Vehicles will not be registered under the Investment Company Act. Accordingly, the provisions of the Investment Company Act applicable to investors in a registered investment company (which are intended to provide certain regulatory safeguards to such investors) are not applicable to investors in those Investment Vehicles. Compliance with the requirements for exemption from the Investment Company Act could cause the Investment Vehicle to engage in (or forego engaging in) particular transactions that may otherwise be adverse to the Investment Vehicle. Further, excluding the Registered Investment Companies, if the Investment Vehicle were deemed to be an investment company and therefore required to register under the Investment Company Act due to lack of possible exemption, this could prevent the Investment Vehicle from operating in its intended manner and could have a material adverse effect on the Investment Vehicle.

Risks relating to financial institutions; distress events. An investment in an Investment Vehicle is subject to the risk that one of the banks, brokers, hedging counterparties, lenders or other custodians (each, a “Financial Institution”) of some or all of the Investment Vehicle’s (or any portfolio company’s) assets fails to timely perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. If a Financial Institution experiences a Distress Event, an Investment Vehicle’s general partner, the Client or one of its portfolio companies may not be able to access deposits, borrowing facilities or other services, either permanently or for an extended period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, and the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss. Other jurisdictions may not have similar schemes or may be subject to further criteria or carveouts. Any Financial Institutions that are not subject to similar regimes pose increased risk of loss.

While in recent years governmental intervention has at times resulted in additional protections for depositors and counterparties during Distress Events, there can be no assurance that such intervention will occur in a future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss,

substantial delays or negative impact on banking or brokerage conditions or markets. Any Distress Event has a potentially adverse effect on the ability of the Adviser to manage the Investment Vehicle and the investments, and on the ability of the Adviser or its affiliates, the Investment Vehicle and any portfolio companies to maintain operations, which in each case could result in significant losses and in unconsummated investment acquisitions and dispositions, including the Adviser being forced to default under its financing transactions in order to exercise "self-help" actions to mitigate any losses from a Distress Event. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event the Investment Vehicle is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Investment Vehicle to access capital contributions or otherwise); the inability of the Investment Vehicle to acquire or dispose of investments, or acquire or dispose of such investments at prices that the Adviser believes reflect the fair value of such investments; and the inability of portfolio companies to make payroll, fulfil obligations or maintain operations.

If a Distress Event leads to a loss of access to the Adviser's or its affiliates', the Investment Vehicle's or one of its portfolio company's deposits, borrowing facilities or other services, such loss may constrain the Adviser's or its affiliates' or the Investment Vehicle's, as applicable, ability to support its portfolio companies, increase (whether temporarily or on a permanent basis) the frequency of capital calls to applicable Clients and have an overall negative impact on the Investment Vehicle's internal rate of return.

It is also possible that the Investment Vehicle or a portfolio company will incur additional expenses or delays in putting in place alternative arrangements or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital, or otherwise) in a case of loss of access to services or otherwise during a Distress Event. Although the Adviser and its affiliates expect to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. The Investment Vehicle and its portfolio companies are subject to similar risks if a Financial Institution utilized by a Client or by suppliers, vendors, service providers or other counterparties of the Investment Vehicle or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on the Investment Vehicle.

Many Financial Institutions require, as a condition to using their services (including lending services) or otherwise, that the Adviser and its affiliates or Investment Vehicle maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. To mitigate such risks, the Adviser and its affiliates, and/or the Investment Vehicle may incur additional costs in connection with managing a more complex treasury operation designed to maximize deposit protection insurance or schemes (or similar protections) or be required to agree to less favorable terms for Financial Institution services in order to avoid agreeing to maintain all or a set amount of its respective accounts or assets with the Financial Institution. Although the Adviser, its affiliates and the Investment Vehicle seek to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Investment Vehicle, the Adviser, its affiliates and the Investment Vehicle are under no obligation to use a minimum number of Financial Institutions with respect to the Investment Vehicle or to maintain account balances at or below the relevant insured amounts.

Risks relating to accounting, auditing and financial reporting, etc. The legal, regulatory, disclosure, accounting, auditing and reporting standards in certain of the countries in which the Adviser invests (both directly and indirectly) may be less stringent and may not provide the same degree of protection or information to investors as would generally apply in the United States. Although the Adviser itself will be preparing its accounts in accordance with a recognized set of accounting principles, the assets, liabilities, profits and losses appearing in published financial statements of the Investment Vehicle may not reflect their financial position or operating results as they would be reflected under generally accepted accounting principles in the United States. When a service provider to the Adviser or an Investment Vehicle is preparing account information or providing valuation or other accounting work-product, there is no guarantee that the Adviser will discover an inaccuracy provided by such third-party service provider before reports are issued. Accordingly, the net assets of the Investment Vehicle published from time to time may not accurately reflect a realistic value for any or all of the investments.

In addition, certain of the investments may be in portfolio companies that do not maintain internal management accounts or adopt financial budgeting or internal audit procedures to standards normally expected of companies in the United States. Accordingly, information supplied to the Adviser may be incomplete, inaccurate and/or significantly delayed.

Valuations. Investments made by Partners Group are generally illiquid and therefore may be difficult to value. The Adviser intends to carry investments at market value or, if there is no such market value readily available, at fair value as determined by the Adviser, in accordance with any applicable valuation policies. There is not a public market or active secondary market for some or all of the assets the Adviser intends to acquire. Rather, many of the investments may be traded on a privately negotiated over-the-counter secondary market for institutional investors. As a result, the Adviser will value these securities at fair value as determined in good faith by the Adviser and its affiliates in accordance with the applicable valuation policies (which will be provided, on request).

The determination of fair value, and thus the amount of unrealized losses the Adviser may incur in any year, is to a degree subjective, and the Adviser has a conflict of interest in making the determination. The Adviser values these securities at fair value determined in good faith by the Adviser or a third-party service provider in accordance with the applicable valuation policies. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate and may be based on estimates, the Adviser's determinations of fair value may differ materially from the values that would have been used if an active market for these non-traded securities existed. Due to this uncertainty, the Adviser's fair value determinations may cause the Investment Vehicle's net asset value on a given date to materially differ from the value that the partnership may ultimately realize upon the sale of one or more Adviser's investments.

Moreover, the amount of the Management Fee or other fees payable, the amount of the incentive allocation to which a special limited partner or a designee is entitled with respect to the Investment Vehicle, and the timing of its receipt of the incentive allocation will depend in part on the value of the Adviser's investments. If any valuations made by the Adviser or its affiliates are incorrect (including with respect to an in-kind distribution), the incentive allocation payable to the special limited partner or a designee, or the timing of receipt of the incentive allocation, could also be incorrect. Accordingly, the Adviser is potentially incentivized to influence or adjust the valuation of the Investment Vehicle's assets. For example, the Adviser or its affiliates could be incentivized to (i) employ valuation methodologies that may improve the Investment Vehicle's track record or (ii) minimize losses from Write-Offs that must be returned prior to the special

limited partner or its designee receiving the incentive allocation. In addition, where the Management Fee is calculated based on the valuation of an investment, or a determination of whether an investment has been written off or otherwise permanently impaired, the Adviser will have an incentive to make determinations that result in the continued payment of, or a higher, Management Fee. Absent bad faith or manifest error, valuation determinations in accordance with the applicable valuation policies will be conclusive and binding.

Leverage. The use of leverage magnifies both the favorable and unfavorable effects on equity values of the investments (both direct and indirect). Many portfolio companies are likely to have or acquire highly leveraged capital structures, increasing their exposure to adverse economic factors such as rising interest rates, reduced cash flows, fluctuations in exchange rates, inflation, downturns in the economy or deterioration in the condition of the company or its industry. In addition, a highly leveraged company or asset often will be subject to restrictive covenants in its lending agreements restricting its activity, or limited in making strategic financing, and will have increased exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. In addition, leveraged entities or assets are often subject to restrictions on making interest payments and other distributions. If an event occurs that prevents a portfolio company from making distributions for a certain period, this could affect the levels and timing of any returns of the Investment Vehicle. Additionally, if an entity cannot generate adequate cash flow to meet debt obligations, it may default on its loan agreements or be forced into bankruptcy resulting in a restructuring of its capital structure or liquidation of the entity. Furthermore, to the extent companies in which the Investment Vehicle has invested become insolvent, the Adviser may determine, in cooperation with other debt holders or on its own, to engage, at the Investment Vehicle's expense in whole or in part, counsel and other advisers in connection therewith. Leverage could result in more serious adverse consequences to such companies or assets in the event these factors or events occur than would be the case for less leveraged investments. To the extent companies or assets in which the Investment Vehicle has invested become insolvent, the Adviser could determine, in cooperation with other investors or on their own, to engage at the Investment Vehicle's expense in whole or in part, counsel and other advisors in connection therewith. The Investment Vehicle itself may use leverage and this may have a positive or negative effect on returns.

Hedging. The Adviser may (but is under no obligation to) employ hedging techniques designed to protect against adverse movements in currency, interest rates or other risks. While such transactions may reduce certain risks to which the Investment Vehicle may be exposed. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks and involve transaction expenses associated with the hedging. Thus, while the Adviser may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates or other factors may result in poorer overall performance for the Adviser's Clients than if it had not entered into such hedging transactions. Conversely, if the Adviser does not employ such hedging mechanisms, the Investment Vehicle may be exposed to greater currency risk, which may have adverse results for the Investment Vehicle and its performance, compared to if such mechanisms were effectively employed.

Currency risk. The investments may be made in a number of different currencies. Any returns on, and the value of such investments may, therefore, be materially affected by exchange rate fluctuations, local exchange control, limited liquidity of the relevant foreign exchange markets, the convertibility of the currencies in question and/or other factors. A decline in the value of the currencies in which Client's investments are denominated against the currency or the relevant Investment Vehicle may result in a decrease in value of that Client's net assets and the interests in terms of the currency. The Adviser may or may not hedge the value of investments made by Clients against currency fluctuations, and even if the

Adviser deems hedging appropriate, it may not be possible or practicable to hedge currency risk exposure. Accordingly, the performance of the Investment Vehicle and the investments could be adversely affected by such currency fluctuations.

Furthermore, calculations of performance shall be based on the currency in which the respective investment is made such that any incentive allocation is based on the performance of the respective investment rather than on currency fluctuations. Accordingly, incentive allocation may not be payable even if Clients receive significant returns from a particular investment due to changes in currency valuations, and, conversely, incentive allocation may be payable where no profit, on an Investment Vehicle currency basis, is realized by the Clients. Notwithstanding the foregoing, to the extent any realized investments are denominated in a currency other than the Investment Vehicle currency, calculations with respect to the performance of all realized investments as a whole shall be made by converting the applicable contributions and distributions to the Investment Vehicle currency, using the applicable foreign currency exchange rate as of the date of the acquisition of the applicable realized investment.

Temporary investments. The Adviser may invest assets in short-term instruments pending investment, distribution or for any other purpose, which may consist of (i) obligations of governments and agencies and repurchase agreements with respect to such obligations, (ii) commercial paper, (iii) time deposits in and debit notes of banks that are subject to regulation by a national banking regulator and (iv) money market mutual funds consisting primarily of items described in one or more of the foregoing Clauses (i), (ii) and (iii), in each case subject to such rating agency ratings and maturities as set forth in the Client's agreement. The temporary investments entered into by an Investment Vehicle may be made at the direction of the Adviser or at the discretion of a third-party service provider such as a bank or custodian. This will produce returns that may be significantly lower than the returns which the Adviser expects to achieve when the Adviser's portfolio is fully invested in accordance with the Client's investment objective(s). As a result, any distributions that the Adviser or its affiliate pays while the Client's portfolio is not fully invested in accordance with its investment objective may be lower than the distributions that the Adviser may be able to pay when the Adviser's portfolio is fully invested in accordance with the Client's investment objective. Temporary investments may lose value and the returns on such instruments may be lower than what the Client might have achieved if they had held or invested such funds directly over the same period.

Financial market fluctuations. Fluctuations in the market prices of securities may affect the value of the investments and may increase the risks inherent in such investments. The ability of a particular issuer to refinance its debts and remain solvent may depend on the ability to sell new securities in the capital markets, to borrow from banks or otherwise access capital, which may be impracticable or impossible in certain market environments.

Illiquid investments. The investments generally will be subject to legal, contractual or other restrictions on transfer or will be investments for which no liquid market exists. As a consequence, the Adviser or its affiliates may not be able to sell its investments when it desires to do so or to realize what it perceives to be their fair value upon a sale. It is not generally expected that investments will be sold for a number of years after such investments are made. Consequently, the investments in the Investment Vehicle are only suitable for sophisticated investors who are willing to hold their interest for the term of the Investment Vehicle and who understand that they may lose all or a significant portion of their invested capital.

Placement agents. One (1) or more third parties may act as placement agents for interests in the Investment Vehicle and, in that capacity, act for the Adviser and in such capacity would not act as investment advisers to Clients in connection with the offering of the Investment Vehicles. Investors must independently evaluate

the offering and make their own investment decisions. The Adviser may pay each placement agent a placement fee based upon the amount committed to by investors that each such placement agent introduces to the Adviser.

Possible lack of diversification. There can be no assurance as to the degree of diversification that will be achieved in the investments made by the Adviser. Concentrated investment exposure in a Client's portfolio could magnify the other risks described herein. The Adviser may participate in a limited number of investments and, as a consequence, the aggregate return of the Client's portfolio may be substantially adversely affected by the unfavorable performance of even a single investment. Furthermore, to the extent that the capital raised is less than the targeted amount, the Adviser may invest in fewer portfolio companies and thus be less diversified than would otherwise be desirable. In addition, the Adviser's investment programs are often concentrated in a limited number of sectors or geographies. During periods of difficult market conditions or slowdowns in certain regions or geographies, the adverse effect on a Client could be exacerbated by the geographies or sectoral concentration of its investments. If the Adviser is unable to sell, assign or otherwise syndicate out of the positions in investments that it holds that are greater than the Investment Vehicle's target positions, the Adviser will be forced to hold its excess interest in such investments for an indeterminate period of time. Further the Investment Vehicle could be overdiversified creating a risk of diluted returns and increased competition, transaction costs, complexities and taxes, amongst other risks.

Risk of Investments in small and medium-sized companies. The Investment Vehicle is expected to invest in assets in a broad spectrum of securities of companies that the Adviser believes to have attractive long-term growth potential. The Investment Vehicle has the flexibility to invest in both small and medium-sized companies, as deemed appropriate by the Adviser and its affiliates. Smaller companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require additional financing. Medium-sized companies often have limited product lines, markets or financial resources, and they may be dependent upon one or a few key people for management. Medium-sized companies in an expansion or profitable stage may have obtained capital in the form of debt to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

Time required to maturity of investments. A significant period of time may elapse from the time the Investment Vehicle commits to make an investment until the time such investment matures and the Investment Vehicle is able to realize a return on the investment. As a result, it is possible that no significant return will be realized by the Investment Vehicle from most of its investments for a substantial number of years.

Director liability. The Adviser or an affiliate will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the portfolio companies. Serving on the board of directors (or similar governing body) of a portfolio company exposes the Adviser's and its affiliates' covered persons, and ultimately the Adviser and its affiliates, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect covered persons including officers and directors from such liability. The Adviser and its affiliates will indemnify its covered persons for liabilities incurred in connection with the operation of the Investment Vehicle, including liabilities arising from such suits, and

such indemnification obligations could be substantial. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Investment Vehicle's investment activities.

Disposition of investments. In connection with the disposition of an investment, the Investment Vehicle may be required to make representations and warranties regarding the business and its financial affairs. The Investment Vehicle may also be required to indemnify the purchasers of such investment to the extent that any such representations and warranties are inaccurate or misleading. These arrangements may result in liabilities for the Investment Vehicle. The disposition of investments by the Investment Vehicle may also give rise to certain tax liabilities.

Feeder or parallel vehicles. The Investment Vehicle may form one or more feeder or parallel vehicles or alternative vehicles as part of the "fund" structure. Each feeder or parallel vehicle or alternative vehicle may be subject to different legal, tax or regulatory requirements. Different vehicles may offer access to the Investment Vehicle on different terms, including terms relating to fees (including Management Fee and/or incentive allocation distributions, including differences in amount and/or timing) and expenses, or could experience different performance, than the Investment Vehicle. In addition, because the Investment Vehicle incurs expenses that may not be incurred by other investors investing via the parallel or feeder vehicles or alternative vehicles, such investors may experience different performance than investors in the feeder or parallel vehicles or alternative vehicles.

Expedited transactions. Investment analyses and decisions by the Adviser may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to the Adviser at the time such decisions are made may be limited, and the Adviser may not have access to detailed information regarding a portfolio investment. Therefore, no assurance can be made that the Adviser will have knowledge of all circumstances that may adversely affect such portfolio investment.

Volatility. The value of the Investment Vehicle's assets may fluctuate significantly over a short period of time. Accordingly, investors should understand that the results of a particular period will not necessarily be indicative of results in future periods. Variance in the degree of volatility of the market from the Investment Vehicle's expectations may produce material losses to the Investment Vehicle.

Litigation risks. The Investment Vehicle will be subject to a variety of litigation risks, particularly if one (1) or more of the investments in which it invests faces financial or other difficulties during the term of the Investment Vehicle. Legal disputes, involving any or all of the Investment Vehicle, the Adviser or its affiliates, may arise from the Investment Vehicle's activities and investments and could have a material adverse effect on the Investment Vehicle.

Control issues. In connection with the management of investments, the Adviser and its affiliates may exercise control over an asset. The exercise of control imposes risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liabilities in which the limited liability characteristics of a corporation may be ignored. If these liabilities were to arise, the Investment Vehicle might suffer a significant loss.

Where the Investment Vehicle acquires non-controlling interests in an Investment, the Adviser and its affiliates may not have the ultimate control or authority to have (i) the right to participate in the management, control or operation of the investments, (ii) the opportunity to evaluate the relevant economic, financial and other information that will be used by the respective managers, or (iii) the authority to remove the management of any investment. Investors in the Investment Vehicle will not acquire any direct economic or voting interest in investments.

Uncertainty of future results; forward-looking statements; opinions. The Investment Vehicle's governing documents may contain certain financial or economic projections, estimates and other forward-looking information. This information was prepared by the Adviser and its affiliates based on their experience and on assumptions of fact and opinion as to future events which they believed to be reasonable when made. There can be no assurance, however, that assumptions made are accurate, that the financial and other results projected or estimated will be achieved, or that similar results will be attainable by the Investment Vehicle. Past performance cannot be relied on as an indicator of future performance or success.

Statements in the Investment Vehicle's governing documents (including those relating to current and future market conditions and trends in respect thereof) that are not historical facts are based on current expectations, estimates, projections, opinions and/or beliefs of the Adviser or its affiliates. Such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon. Moreover, certain information contained in the governing documents constitute "forward-looking" statements, which can be identified by the use of forward-looking terminology such as "may", "can", "will", "would", "seek", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "believe", the negatives thereof, other variations thereon or comparable terminology. Due to various risks and uncertainties, including those set forth herein, actual events or results or the actual performance of the Investment Vehicle may differ materially from those reflected or contemplated in such forward-looking statements.

Cybersecurity risk. Cybersecurity incidents and cyber-attacks are occurring globally at a more frequent and severe levels and will likely continue to increase in frequency in the future. Information and technology systems may be vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information. Although the Adviser and its affiliates, the Investment Vehicle and the portfolio companies have implemented various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, the Investment Vehicle and its respective third-party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial, governmental or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The Adviser or its affiliates, the Investment Vehicle and the portfolio companies may have to make significant investments to fix or

replace such systems. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and their beneficial owners) and the intellectual property and trade secrets of the Adviser and its affiliates, the Investment Vehicle or the portfolio companies. Such a failure could harm the reputation of the Adviser or its affiliates, the Investment Vehicle or the portfolio companies, subject them to legal claims and adverse publicity and otherwise affect their business and financial performance. Moreover, the platforms operated by the Investment Vehicle may store sensitive data, and certain security breaches could materially adversely affect the ability of the Investment Vehicle and its subsidiaries to perform their obligations in connection with their respective businesses.

Additionally, the third-party service providers of the Adviser or its affiliates, the Investment Vehicle and the portfolio companies are subject to the same risks and threats. The Adviser and its affiliates, the Investment Vehicle and the portfolio companies conduct reasonable due diligence before engaging third-party service providers and require third-party service providers to implement measures to manage risks relating to these events. Nevertheless, an event that affects a third-party service provider could also affect the Adviser or its affiliates, the Investment Vehicle, and the portfolio companies.

Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's or its affiliate's systems to disclose sensitive information in order to gain access to the Adviser's or its affiliate's data or that of the Investment Vehicle's investors. A successful penetration or circumvention of the security of the Adviser's or its affiliate's systems by unauthorized third parties could result in the loss or theft of an Investment Vehicle's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Investment Vehicle, the Adviser and its affiliates, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, the Adviser or its affiliates may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Technological innovations. Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches may be created that will compete with the Adviser and/or its investments or alter the market practices the Adviser's strategy has been designed to function within and depend on for investment return. Any of these new approaches could damage the Adviser's investments, significantly disrupt the market in which it operates and subject it to increased competition, which could materially and adversely affect its business, financial condition and results of Investments.

For example, recent technological advances in artificial intelligence and machine learning technologies (collectively, "AI Technologies"), including, for example, the OpenAI ChatGPT applications and derivations thereof (including Partners Group's proprietary technology, Primera GenAI), create opportunities for the

Adviser, the Investment Vehicle, portfolio companies and their respective affiliates, as well as risks. While the Adviser and its affiliates (and certain portfolio companies) may use certain AI Technologies, with use cases including but not limited to investment activities, operating and other business activities, they are evaluating further ways to leverage such technologies. Actual usage of such AI Technologies will vary across its business, the Investment Vehicle and portfolio companies, and while the Adviser and its affiliates expects from time to time to adopt and adjust usage policies and procedures governing the use of AI Technologies by its personnel, there is a risk of misuse of such AI Technologies.

Further, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data as well as algorithms in use could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact the Adviser or its affiliates, the Investment Vehicle and/or portfolio companies to the extent they rely on the work product of such AI Technologies, and they may also be more susceptible to cybersecurity threats given the volume and reliance on data and algorithms inherent in AI Technologies. In addition, the Adviser or its affiliates, the Investment Vehicle and/or portfolio companies could be exposed to risks to the extent third-party service providers or any counterparties use AI Technologies in their business activities. None of the Adviser or its affiliates are expected to be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilizing AI Technologies are provided. In addition, AI Technologies may be competitive with the business of portfolio companies or increase the potential for obsolescence of a portfolio company's products or services (particularly as the capabilities of AI Technologies improve), and accordingly the increased adoption and use of AI Technologies may have an adverse effect on portfolio companies or their respective businesses. For more information on risks relating to information security and data use see also "Cybersecurity risk" above.

Moreover, while the Adviser and its affiliates have implemented certain compliance protocols and ringfencing controls that are designed to prevent confidential information regarding the Adviser, the Investment Vehicle and their respective affiliates (including material non-public information) from being incorporated into the training dataset of AI Technologies, there can be no assurance that such protocols and controls will be successful or that the Adviser or any of its affiliates will be able to identify or prevent any circumvention or violation of such measures, and it is possible that third parties may cause such information to be uploaded to the dataset in contravention of non-disclosure agreements, or that individual personnel of the Adviser, its affiliates or other related parties may do so in contravention of such protocols. In the event of an unauthorized upload of information to an AI Technology dataset, such confidential information may become part of a dataset that is accessible by AI Technologies applications and users, and it may not be possible for the Adviser or its affiliates to subsequently overwrite or remove such information from the applicable dataset.

AI Technologies and their current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

Possibility of fraud and other misconduct of employees and service providers. Misconduct by employees of the Adviser or its affiliates, or by service providers to the Adviser, its affiliates or the Investment Vehicle

could cause significant losses to the Investment Vehicles. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the Investment Vehicle, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects, investment opportunities and/or future marketing activities of the Investment Vehicle and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to the Investment Vehicle. The Adviser and its affiliates have controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser and its affiliates will be able to identify or prevent such misconduct.

Business continuity risks. Pandemics, political instability, military conflicts, terrorist attacks or other sudden crises may also overburden the infrastructure of global financial, political and technological systems, which could pose risks to the Adviser's ability to perform functions necessary for its provision of investment services to its Clients. For example, the COVID-19 crisis required a large portion of the world's labor force to work remotely, close down office locations, and restrict travel.

Investments through offshore holding companies. The Investment Vehicles are permitted to invest in portfolio companies operating in a particular country indirectly through holding companies organized outside of such country. Governmental regulation in the first country could restrict the ability of the portfolio company to pay dividends or make other payments to a foreign holding company. Additionally, any transfer of funds from a holding company to an operating subsidiary, either as a shareholder loan or as an increase in equity capital, is from time to time subject to registration with or approval by government authorities in such country. Such restrictions could materially and adversely limit the ability of any foreign holding company in which the Investment Vehicle invests to grow or make investments or acquisitions that could be beneficial to the business, pay dividends, or otherwise fund and conduct its business.

Due diligence. The Adviser seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investments opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of most private equity and real asset investments, to prepare a framework for driving operational achievement and value creation from the date of acquisition. Due diligence generally entails evaluation of important and complex financially material business, financial, tax, accounting, environmental social and governance issues, regulatory and legal issues, assessment of cybersecurity, information technology systems and other technological factors. Consultants, legal advisors, accountants, investment banks and other third parties are generally involved in the due diligence process to varying degrees depending on the type of investment.

When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. Nevertheless, the due diligence investigation that the Adviser performs with respect to any investment opportunity will not always reveal or highlight all of the relevant facts that are necessary or helpful in evaluating the investment opportunity. In addition, instances of fraud and other deceptive practices committed by management teams of investments in which the Adviser invests could undermine the Adviser's due diligence process. Conduct occurring at portfolio companies, even

conduct that occurred prior to an Investment Vehicle's investment therein, could have an adverse impact on the Investment Vehicle. Further, instances of bribery, fraud, accounting irregularities and other improper, illegal or corrupt practices can be difficult to detect, and fraud and other deceptive practices can be widespread in certain jurisdictions. The Investment Vehicles from time to time invest in emerging market countries that often do not have regulations as stringent as developed nations, or where there exists insufficient coordination of anti-corruption initiatives or existing regulations are not enforced.

Additionally, in connection with the evaluation of a potential investment opportunity, the Adviser engages with individuals retained by expert networks who are under an obligation not to disclose confidential information. The Adviser seeks to avoid inadvertently obtaining confidential information from such sources and has therefore implemented procedures to mitigate the risk that the use of expert networks could result in the receipt of confidential information by investment professionals. However, no assurance can be made that such individuals do not share confidential information. In such cases, the Adviser could become restricted from pursuing those investments, which could have an adverse impact on the Investment Vehicle.

As a part of due diligence on a potential investment, the Adviser or its affiliates sometimes invests in the securities or interests of a portfolio company on the basis of the company's financial information or projections. Management judgments are generally the basis for projected operating results. Projections are merely estimates of future results based on assumptions made when the projections were developed. There is no certainty that a company will achieve its projected results, and actual results can vary significantly from projections. Unpredictable general economic conditions can have a material adverse impact on the reliability of such projections and the performance of an investment.

Early termination. The Adviser may, in certain circumstances set forth in the Investment Vehicle's governing documents, commence the winding-up of the Investment Vehicle's and the liquidation of the Investment Vehicle's assets prior to, or after the end of, the investment period. Clients should be aware that as a result they may receive proceeds in respect of their investments sooner than they may have anticipated. Moreover, in such circumstances, a Client's commitment is likely not to be fully deployed.

Management Risks

Reliance on the Adviser. The Adviser has full discretionary authority to identify, structure, allocate, execute, administer, monitor and liquidate the investments and, in doing so, has no responsibility to consult with any Client. Accordingly, an investor in the Investment Vehicle must rely upon the abilities of the Adviser, and no person should invest in the Investment Vehicle unless such person is willing to entrust all aspects of the investment and management decisions of the Investment Vehicle to the Adviser.

Dependence on personnel in key positions. The ability of the Adviser to manage the Adviser's affairs currently depends on its directors and the personnel of its affiliates. The Adviser will be relying extensively on the experience, relationships and expertise of such personnel. There can be no assurance that the same directors and/or personnel will remain employed with the Adviser or its affiliates, or otherwise continue to be able to carry on their current duties throughout the term of the Investment Vehicle. In addition, the ability of the Adviser's investments to meet their investment objectives may depend on certain personnel in key positions. There can be no assurance that such individuals will remain involved with such investments or otherwise continue to be able to carry on their historical or expected roles throughout the term of such investments. The failure of all or any such individuals to devote substantially all of their business time to the business affairs of the Adviser or its affiliates could have a material adverse impact on the Investment

Vehicle. Under the Adviser's integrated approach to investment management, deal generation, execution and monitoring, professionals typically contribute to more than one business line.

Other obligations of the personnel of the Adviser and its affiliates. Although the directors, officers, principals and other personnel of the Adviser and its affiliates will devote as much time as they believe is necessary to assist the Investment Vehicle to achieve its investment objective(s), none of them expects to devote substantially all of his or her working time to the affairs of the Investment Vehicle on account of prior and potential future commitments to other business activities.

Lack of management control by limited partners. Under the limited partnership agreement for Private Funds, the limited partners do not have the right to participate in the management, control or operation of the partnership or to remove the general partner or the manager except under certain limited circumstances.

Partnership Expenses: There is no guarantee the enumerated list included in the definition of partnership expenses in a limited partnership agreement includes the full set of partnership expenses that may be charged to the partnership (if applicable). Certain services provided to the partnership currently borne by the Adviser or its affiliates that are also enumerated in the definition of partnership expenses in the limited partnership agreement may be delegated to a third-party service provider in the future, in which case, the partnership expenses paid by the partnership may increase at that time. Travel expenses will be charged to the partnership in accordance with the Adviser's or its affiliates' travel policy in effect from time to time. The travel policy is available upon request.

Removal or replacement of the general partner. Under the limited partnership agreement for Private Funds, the general partner may be removed and/or replaced by the limited partners, which would result in the removal of the manager. If the general partner and/or the manager ceases to be involved in the management or control of the business of the partnership, there can be no certainty regarding the partnership's ability to consummate investments, restructuring or exit opportunities thereafter. To the extent any investments of the Investment Vehicle may include certain assets that are required by their applicable agreements to be held by entities managed by the manager, a default may occur upon the removal of the manager (as a result of the general partner's removal and/or replacement) in accordance with such agreements, which could, in turn, adversely affect the value of such assets, and potentially cause losses for the Investment Vehicle.

Certain tax-related risks

Taxation risks. An investment in the Investment Vehicle involves complex income and other tax considerations that will differ for each prospective investor. Each prospective Client should review the risk factors below and consult their tax adviser with respect to the income and other tax consequences of an investment in the Investment Vehicle.

Changes to tax laws. All statements contained herein concerning the tax consequences of any investment in the Investment Vehicle are based upon existing law and the interpretations thereof. The rules dealing with taxation are constantly under review, and no assurance can be given that the currently anticipated income tax treatment of the Investment Vehicle or an investment in the Investment Vehicle will not be modified by legislative, judicial or administrative changes, possibly with retroactive effect. Changes to the tax law, which may have retroactive application, could adversely affect the Investment Vehicle or its portfolio

companies. It cannot be predicted whether, when, in what forms, or with what effective dates, the tax laws applicable to the Investment Vehicle or its portfolio companies will change.

Tax in non-U.S. jurisdictions. The Investment Vehicle may make investments in jurisdictions outside the United States and the Investment Vehicle, its investments and the portfolio companies may be subject to additional or unforeseen taxation or tax return filing obligations in such jurisdictions, including any jurisdictions in which any vehicles through which the Investment Vehicle makes investments are resident for tax purposes or otherwise carry on business. Moreover, withholding taxes, branch taxes, VAT or other taxes may be imposed on income or gains of the Investment Vehicle from investments in such jurisdictions. In addition, local tax incurred in such jurisdictions by the Investment Vehicle may not be creditable to or deductible by the Clients in their respective home tax jurisdictions.

Tax conflicts. The investors in the Investment Vehicle will from time to time have conflicting tax and other interests with respect to their investments in the Investment Vehicle. The conflicting interests of investors may relate or arise from, among other things, the tax situation of a Client, the structure of the Investment Vehicle, the nature of investments made by the Investment Vehicle, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest will arise from time to time in connection with the decisions made by the Adviser, including with respect to the nature or structuring of investments that may be more beneficial for one Client, than for another Client, especially with respect to Clients' individual tax situations. When structuring and implementing investments of the Investment Vehicle, the Adviser will take reasonable account of the tax consequences for the Investment Vehicle as a whole and not the tax consequences for individual Clients. The Investment Vehicle may also in certain circumstances be required to pay additional withholding or other taxes as the consequence of the particular tax, regulatory, corporate or similar status of one or more investors. In such event, the Adviser may, in its sole discretion, determine whether or not such taxes shall ultimately be borne by the Client(s) whose participation has triggered such taxes in accordance with the Investment Vehicle's governing documents. This may have an impact on the returns received by investors, including investors whose participation did not directly trigger such additional taxes.

Structure of the Investment Vehicle and investments. There can be no assurance that the structure of the Investment Vehicle or of any investment will be tax efficient to any particular Client. Prospective Clients are urged to consult their own tax advisors with reference to their specific tax situations, including any applicable U.S. federal, state, or local or non-U.S. taxes that an investment in the Investment Vehicle may raise for such investors.

Income taxes of investors may exceed cash distributions. Even if the Investment Vehicle has income or gains for U.S. federal income tax purposes, it will not be obliged to make distributions (or may lack sufficient cash available for distributions) to enable the investors to pay their U.S. federal, state and local taxes as a result of such income or gain allocations. In such event, the Clients will have to utilize other resources to satisfy tax liabilities and cannot resort to distributions made by the Investment Vehicle to assist in satisfying such tax liabilities.

Allocation of tax liabilities. A Client may bear the cost of any taxes arising as a result of such investor's interest in the Investment Vehicle rather than such taxes being an expense of the Investment Vehicle. This may include withholding taxes on payments made by an investment holding subsidiary of the Investment

Vehicle as well as corporate taxes paid by the Investment Vehicle and/or an investment holding subsidiary of the Investment Vehicle.

Investor Risks

Multiple levels of expense. The Investment Vehicle and its investments will each incur and/or impose management and/or administrative costs, expenses and incentive allocations. Clients will be required to bear their proportionate share of such fees, costs and expenses.

Lack of transferability of the interests. The interests offered (i) may not be registered under the laws of any jurisdiction, (ii) are subject to statutory and contractual restrictions on transfer and (iii) are not transferable or divisible or otherwise encumberable, except with the prior written consent of the Adviser. Clients generally will not be excused from participation in any investment. Clients must represent that they are acquiring interests for investment purposes only and not to resell or distribute them. There will not be any market for the interests. In addition, where applicable, the transfer of interests will be limited to ensure that it will not result in all or any portion of the assets of the Investment Vehicle including “plan assets” within the meaning of the ERISA Plan Asset Regulation or any applicable Similar Law (as defined below).

No right of withdrawal. Pursuant to the terms of the Investment Vehicle’s governing documents, a Client may not withdraw from the Investment Vehicle, except to the extent required to comply with applicable laws or regulations. The Investment Vehicle may not be able to withdraw from its investments pursuant to the terms of its constituent documents or any such withdrawal may otherwise be undesirable to the Investment Vehicle, as determined by the Adviser in its sole discretion.

Unpredictability of distributions. Distributions will be made in the sole discretion of the general partner, subject to the limitations in the offering documents, and may be subject to recall. Other than distributions sourced from regular operating profits of underlying Investments, return of capital and realization of gains, if any, on investments will generally occur only upon the refinancing of investments made by the Investment Vehicle, repayment of project loans or other disposition by the Investment Vehicle of investments, which may not occur (if at all) for many years after the Investment Vehicle’s acquisition of such investments.

Certain significant investors. One or more significant investors may comprise a substantial amount of the commitments and, as a result, may control or have significant influence over any vote or decision of the investors. Such significant investors will likely act or vote entirely in their own interests, which may not be aligned with the best interest of the Investment Vehicle as a whole or with the best interests of the investors in the aggregate. If a significant investor defaults on its obligations to make its capital contributions, it could have adverse consequences for the Investment Vehicle and the other Clients.

Side letters. The Investment Vehicle and the Adviser and one or more of its affiliates, on its own behalf or on behalf of the Investment Vehicle, from time to time may enter into side letters or other similar agreements with Clients in connection with their subscription to the Investment Vehicle. The side letters or other similar agreements have the effect of establishing rights under, altering or supplementing the terms of the governing documents of the Investment Vehicle with respect to one or more such Clients in a manner more favorable to such Clients than those applicable to other Clients. Such rights or terms in any such side letter may include, without limitation, terms relating to certain provisions of the investment terms, including management fees, organizational expenses, incentive allocation, interest owed from Clients to the Adviser

or its affiliates and other fee and expense-related terms, borrowing, investment restrictions, sustainability considerations, transfer restrictions on interests, compulsory disposal of interests, investor report delivery, notice regarding the occurrence of certain regulatory or other specified events, sales commissions, Adviser or its affiliates representations and warranties, nonfunding partner terms, tax treatment and tax structuring related to a specific Client, terms required for a specific limited partner arising from the laws and regulations they are subject to, and disposal of potential in-kind distributions. In addition, certain Clients (such as related investors or investors that utilize the same consultant or advisor or that otherwise invest through the same platform) may be permitted to aggregate their assets for purposes of fee reductions. In general, the Investment Vehicle will not be required to notify any or all of the other Clients of any such side letters or any of the rights and/or terms or provisions thereof, nor will the Investment Vehicle be required to offer such additional and/or different rights and/or terms to any or all of the other Clients.

Required withdrawal of a limited partner. The general partner, upon thirty (30) days prior written notice, may, in its sole discretion, require any limited partner to either (i) withdraw from the partnership or (ii) transfer its interest to an alternative vehicle at the end of any fiscal quarter in which such notice is given if the Adviser determines, acting reasonably, that the continued participation of such limited partner in the partnership would (a) materially adversely affect the partnership, e.g., in connection with the failure of a limited partner to provide information enabling the Adviser to comply with applicable know your customer, anti-money laundering, proliferation financing or anti-terrorist financing laws, rules or regulations, (b) cause a breach of current or future sanctions or embargos of the European Union, the United States, the United Nations or such other jurisdiction, body or organization as the Adviser may determine in its sole discretion (c) cause the partnership to be required to register under the Investment Company Act (or to lose eligibility for an available exclusion or exemption from registration thereunder), (d) result in material adverse tax consequences to the partnership or the other limited partners, (e) cause the partnership to violate any provisions of the Securities Act or any applicable state or non-U.S. securities laws or (f) cause the partnership to become subject to ERISA; provided, that the Adviser may provide the limited partner with an opportunity to (1) cure within 30 days or less, to the extent curable without prejudicing the partnership in any way (as determined in the reasonable judgment of the Adviser), any change in status that has or is likely to result in (a), (b), (c), (d), (e) or (f) above or (2) otherwise transfer its interests in the partnership to a third party in accordance with the limited partnership agreement. In such an instance, the withdrawing limited partner will not be required to make any further contributions to the partnership.

Risks relating to ERISA. There can be no assurance that, notwithstanding the commercially reasonable efforts of the Adviser, the underlying assets of the Investment Vehicle will not otherwise be deemed to include “plan assets” for purposes of Title I of ERISA or Section 4975 of the Code. If the assets of the Investment Vehicle were deemed to be “plan assets”, this could result in, among other things, (i) the application of the prudence and other fiduciary standards of Title I of ERISA to investments and (ii) the possibility that certain transactions in which the Investment Vehicle might otherwise seek to engage in the ordinary course of its business and operation could constitute non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Code, which could restrict the Investment Vehicle from entering into an otherwise desirable investment or from entering into an otherwise favorable transaction. In addition, fiduciaries considering an investment in the Investment Vehicle could, under certain circumstances, be liable for prohibited transactions under Section 406 of ERISA or Section 4975 of the Code or other violations as a result of their investment or as co-fiduciaries for actions taken by or on behalf of the Investment Vehicle or the Adviser.

Risks relating to non-exempt prohibited transaction and loss of QPAM exemption under ERISA. To the extent that the assets of an Investment Vehicle are treated as “plan assets” subject to ERISA, the Adviser may be prohibited from causing the Investment Vehicle to engage in a broad range of transactions with a “party in interest” with respect to any investing plan limited partner unless the Department of Labor’s Prohibited Transaction Class Exemption 84-14, as amended (the “QPAM Exemption”) The U.S. Department of Labor has proposed an amendment to the QPAM Exemption which, if finalized in its current form, could make it more difficult for the Adviser to act as a “qualified professional asset manager” in certain circumstances. There are significant uncertainties regarding the interpretation and application of such proposed amendment. Changes to the QPAM Exemption made by such amendment and any further changes in the QPAM Exemption or the interpretation thereof may be adverse to the Investment Vehicle and its limited partners to the extent the Investment Vehicle’s assets are treated as “plan assets” subject to ERISA.

Reserves. The Adviser, or its affiliates, may establish reserves for investments, operating expenses of the Investment Vehicle, liabilities and other matters. Estimating the appropriate amount of such reserves is difficult. Inadequate or excessive reserves could impair the investment returns to Clients. If reserves are inadequate, the Investment Vehicle may be unable to take advantage of attractive investment opportunities. If reserves are excessive, the Investment Vehicle may decline attractive investment opportunities.

Default of limited partners; failure to meet a capital call. If a limited partner fails to comply with a drawdown notice, the general partner, in its sole discretion, may take certain actions against such limited partner as summarized in the limited partnership agreement. If a limited partner fails to comply with a drawdown notice and the contributions made by funding limited partnership are inadequate to cover the defaulted contribution, the partnership may be unable to pay its obligations when due. As a result, the partnership may be subjected to significant penalties that could limit opportunities for investment diversification and materially adversely affect the returns of the limited partner (including funding limited partners). Accordingly, the general partner will seek to ensure that the partnership does not default on any such obligation. There can, however, be no assurance that the Investment Vehicle will meet capital calls due in connection with investments in pooled investment vehicles on a timely basis if one or more of the partnership's limited partners default. In addition, in the event that a limited partner defaults on a capital call, funding limited partners may be required to make up the shortfall from other sources.

Dilution from subsequent closings. Investors in the partnership subscribing for interests at subsequent closings will generally participate in existing investments of the partnership, diluting the interests of existing investors in the partnership therein. Such limited partners subscribing for interests at subsequent closings will pay interest to the partnership and the general partner to equalize the economics that previously admitted limited partners paid at earlier closings as set forth in the limited partnership agreement.

Distributions in kind. If the partnership receives distributions in kind from an investment, the Adviser may incur additional costs and risks to dispose of such assets, or alternatively may make distributions in kind to limited partners. There can be no assurance that limited partners will be able to dispose of such assets or that the value of such assets as determined by the partnership for purposes of the distribution will ultimately be realized. Disposition of any such assets by limited partners will likely require them to incur costs and expenses.

Liability for return of distributions. Under certain circumstances, proceeds distributable (or previously distributed) to the partnership’s limited partners may be retained and reinvested (or recalled for

reinvestment) by the general partner or used (or recalled for use) by the general partner for partnership obligations or any other proper purpose. To the extent such amounts are reinvested, a limited partner will remain exposed to reinvestment and other risks associated with such Investments, including exposure to potential unfunded tax liabilities with respect to re-investment. In addition, as the general partner has the right to recall distributions from an investment where capital has been returned, a limited partner may be required to make contributions in excess of its commitment, and to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

Partnership debt. The partnership or access vehicles may utilize indebtedness that is secured by remaining commitments as well as indebtedness secured by investments of the partnership. This indebtedness may be structured in a way that (i) the partnership is responsible for the repayment of the indebtedness and (ii) the remaining commitments of the limited partners in the partnership or the investments of the partnership are pledged to secure indebtedness obtained for the benefit of one or more parallel vehicle or person. Limited partners whose remaining commitments have been pledged may be called upon to fund their entire remaining commitment to repay indebtedness, and the failure of other limited partners in the partnership or any parallel vehicle or person to honor their capital commitments may result in a limited partner's payments exceeding its pro rata share of the indebtedness. In the event that any lender or other credit party requires payment by one or more limited partner of more than its pro rata share of the indebtedness required to be repaid by the partnership or the repayment by the partnership of more than its pro rata share of the indebtedness of the parallel vehicles, the other limited partners in the partnership or the parallel vehicles may not have sufficient credit or assets to appropriately reimburse the funding limited partners or the partnership for having made the repayment. In addition, if certain investments are cross-collateralized, borrowing incurred with respect to one investment can impair the transferability and/or the value of other investments.

There can be no assurance that the partnership or access vehicles will be able to obtain indebtedness or that indebtedness will be available to the partnership or access vehicles on attractive terms or otherwise on terms which may be otherwise currently available in the market or available to competitors. To the extent that indebtedness is available to the partnership, there can be no assurance that such indebtedness will be on terms favorable to the partnership, including with respect to interest rates.

In the event the investments are unable to generate sufficient cash flow to meet principal and interest payments on the partnership's indebtedness, as well as pay other operating expenses of the partnership, the partnership's capital may be lost and any return on its investments may be reduced. Moreover, the presence of debt creates significant additional risks, such as: (i) lenders or other credit parties may have rights to participate in certain decisions relating to the management of the partnership or its investments, (ii) financial obligations of the partnership under such debt will have to be repaid before the limited partners will be able to receive a return, if any, on their interests and (iii) cash flow from operations may be insufficient to pay the partnership's debt service, potentially resulting in capital calls being made on the limited partners or foreclosure on the collateral given by the partnership to secure its obligations under such debt. Any inability of the partnership to repay such borrowings could result in a reduction of the limited partners' investments in the partnership.

Leverage facilities and debt service coverage ratio. With respect to any asset-backed facility entered into by the Adviser, or its access vehicles, a decrease in the market value of the investments (due to market conditions, the fair valuation of the investments or otherwise) would increase the effective amount of

leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Adviser or its affiliates must repay the borrowed funds to the lender. Liquidation of the investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of the Investment Vehicle and could, if the value of its investments had declined significantly, cause the Investment Vehicle to lose all or a substantial amount of its capital. In the event of a sudden, precipitous drop in the value of the Investment Vehicle's assets, the Investment Vehicle might not be able to dispose of assets quickly enough to pay off its debt resulting in a foreclosure or other total loss of some or all of the pledged assets. Investment Vehicle-level debt facilities or access vehicle-level debt facilities typically include other covenants such as, but not limited to, covenants against the Investment Vehicle incurring or being in default under other recourse debt, including certain Investment Vehicle guarantees of asset level debt, which, if triggered could cause adverse consequences to the Investment Vehicle if it is unable to cure or otherwise mitigate such breach.

Subscription Facilities; guarantees; contractual obligations. Certain Investment Vehicles obtain one or more revolving credit facilities ("Subscription Facilities"). Subscription Facilities of Investment Vehicles are expected to be used by Investment Vehicles to make investments, or otherwise in connection with the making, holding or disposition of investments, including, without limitation, to support ongoing operations and activities of Adviser's portfolio companies and entities through which investments are directly or indirectly held (including on an aggregated basis with Adviser's or its affiliate's vehicles, co-investors or other investors and/or related investment vehicles) and in order to enable Investment Vehicles to pay management fees or other expenses and liabilities. Borrowings, using Subscription Facilities are permitted to be entered into on a joint and several liability of Investment Vehicle and any parallel vehicles or alternative vehicles (and any of the foregoing entities are generally permitted to be added as an additional borrower under a Subscription Facility). In such case, the Investment Vehicle's assets (including remaining commitment) would be available to satisfy the liabilities and other obligations of any such vehicles, companies or other entities. Internal reallocation mechanics between the Investment Vehicle and the parallel vehicles or alternative vehicles involved will aim at ensuring that claims and liabilities are accurately, fairly and reasonably allocated. In addition, investors in Investment Vehicles could be required to recontribute funds previously distributed by an Investment Vehicle in the event that the Investment Vehicle's assets are insufficient to satisfy such liabilities and obligations. Investment Vehicles are also permitted to pledge their assets (including remaining commitment), grant security interests in, liens on and otherwise encumber such assets and expect to guarantee loans and other extensions of credit and otherwise provide credit support with respect to the indebtedness of others (including portfolio companies and entities through which investments by the Investment Vehicle are directly or indirectly held) for the above purposes.

Certain calculations of net internal rate of return ("IRR") in respect of investment and performance data included and/or referred to in the governing documents, and with respect to the Investment Vehicle, as reported to limited partners from time to time, are based on the dates contributions are made by the Investment Vehicle to the relevant Investments. This treatment also applies in instances where the Investment Vehicle utilizes borrowings under subscription facilities in advance of receiving capital contributions from limited partners to repay any such borrowings and related interest expense. Interest may accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when such Investments are actually funded, or when borrowings used to fund such investments are repaid by the Investment Vehicle. As a general matter, use of borrowing in lieu of drawing down commitments amplifies returns (either negatively or positively) to limited partners and, as a result, use of Subscription Facilities will impact calculations of returns and will result in a higher or lower reported IRR than if the facility had not been utilized and instead such limited partners' capital had been contributed at

the inception of an investment. This will present conflicts of interest as a result of certain factors, including the interest rate on such borrowings typically being less than the rate of the preferred return and that such preferred return does not accrue on such borrowings, and only accrues on capital contributions when made or when such borrowings used to acquire an investment are realized. The Adviser has an incentive to, and may, permanently fund the acquisition and ongoing capital needs of investments and the Investment Vehicle with the proceeds of such borrowings in lieu of drawing down commitments, and, accordingly, contributions to repay such borrowings may be required only at the time of disposition (or never if principal and interest on such borrowings are repaid out of investment proceeds). As a result, use of such long-term borrowing arrangements with respect to investments may reduce or eliminate the preferred return received by the limited partners or Clients and accelerate or increase distributions of carried interest to the general partner or its Affiliates, providing the Adviser with an economic incentive to fund Investments through long-term borrowings in lieu of contributions. Subject to the limitations in the constituent agreements, the use of subscription facilities by the Investment Vehicle is within the general partner's discretion. The calculation and methodology described in the preceding paragraph may apply to the calculation and methodology used for the incentive allocation as well.

In addition, the batching of drawdowns may amplify the magnitude of potential defaults by limited partners as a result of there being fewer but larger drawdowns. To the extent subscription facilities are due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of liquidity constraints on limited partners and/or limited partners facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Finally, the existence of subscription facilities may impair a limited partner's ability to use its Interest in the Investment Vehicle as collateral for other indebtedness or to effect a transfer of its interest in the Investment Vehicle as a result of restrictions imposed on such transfers by the lender.

Debt Risks

Multi-Sector investment strategy. The Adviser or its affiliates may make loans to companies across a wide variety of sectors and geographic regions. Accordingly, the Adviser will be required to maintain expertise, relationships and market knowledge across a broad range of product types and geographic regions, and will be subject to the market conditions affecting each such product type in various markets, including such factors as the local economic climate, business layoffs, industry slowdowns, changing demographics and local supply and demand issues affecting each such market. This multi-sector approach could require more management time, staff support and expense than an Investment Vehicle whose focus is dedicated to a greater extent on a single product type in fewer jurisdictions than is contemplated by the Adviser.

Distressed/defaulted securities. The Investment Vehicle may invest in the securities of companies that are or subsequently become involved in bankruptcy proceedings, reorganizations or financial restructurings, and that may face pending covenant violations or significant debt maturities. In such a case, the Adviser may have a more active participation in the affairs of such issuers than is generally assumed by a debt investor. Investments in companies operating in a workout or bankruptcy modes also present additional legal risks, including fraudulent conveyance, voidable preference and equitable subordination risks. Such investments could, in certain circumstances, subject the Adviser or its affiliates to certain additional potential liabilities, which may exceed the value of the Investment Vehicle's original investment therein. Furthermore, such investments could also subject the Investment Vehicle to litigation risks or prevent the Investment Vehicle from disposing of securities. In any reorganization or liquidation proceeding relating to a portfolio

company or investment, the Investment Vehicle may lose its entire investment, may be required to accept cash or securities with a value less than the Investment Vehicle's original investment and/or may be required to accept payment over an extended period of time. The market for distressed securities is expected to be less liquid than the market for securities of companies that are not distressed. The value of distressed securities therefore tends to be more volatile and subject to increased price sensitivity to adverse economic effects including interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, or specific developments within such companies. A substantial length of time may be required to liquidate investments in securities that become distressed. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Investment Vehicle may find it more difficult to sell such securities when the Adviser believes it advisable to do so or may only be able to sell such securities at a loss and/or below fair market value. The Investment Vehicle and the Adviser may also find it more difficult to determine the fair market value of distressed securities for purposes of computing the Investment Vehicle's net asset value. In some cases, the Investment Vehicle may be prohibited by contract from selling its investments for a period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that the Adviser will correctly evaluate the value of the assets collateralizing the Investment Vehicle's loans or the prospects for a successful reorganization or similar action.

Defaulted debt securities and other securities of distressed companies. The investments may include low grade or unrated debt securities (i.e., private debt, leveraged loans, "high yield" or "junk" bonds) or investments in securities of distressed companies. Such investments involve substantial, highly significant risks. The market for distressed securities is expected to be less liquid than the market for securities of companies that are not distressed. A substantial length of time may be required to liquidate investments in securities that become distressed. Furthermore, at times, a major portion of an issue of distressed securities may be held by relatively few investors and the market may be limited to a narrow range of potential counterparties, such as other financial institutions. Under adverse market or economic conditions or in the event of adverse changes in the financial condition of the issuer, the Investment Vehicle may find it more difficult to sell such securities when the Adviser believes it advisable to do so or may only be able to sell such securities at a loss. The Investment Vehicle may also find it more difficult to determine the fair market value of distressed securities for the purpose of computing the Investment Vehicle's net asset value. In some cases, the Investment Vehicle may be prohibited by contract from selling investment for a period of time. Successful investing in distressed companies involves substantial time, effort and expertise, as compared to other types of investments. Information necessary to properly evaluate a distress situation may be difficult to obtain or be unavailable and the risks attendant to a restructuring or reorganization may not necessarily be identifiable or susceptible to considered analysis at the time of investment.

For example, high-yield bonds are regarded as being predominantly speculative as to the issuer's ability to make payments of principal and interest. Issuers of high-yield bonds may be highly leveraged and may not have available to them more traditional methods of financing. Therefore, the risks associated with acquiring the securities of such issuers generally are greater than is the case with higher rated securities. In addition, the risk of loss due to default by the issuer is significantly greater for the holders of high-yield bonds because the securities may be unsecured and may be subordinated to other creditors of the issuer. Similar risks apply to other private debt securities.

Risks associated with delay draw facilities. The Investment Vehicle may make investments that require multiple fundings over time or are structured as "revolvers" or "delayed-draws". These types of investments

generally have funding obligations that extend over a period of time and which may extend beyond the Investment Period. In such circumstances, the Investment Vehicle may be required to reserve remaining commitments for future funding obligations and may be required to fund such obligations after the termination of the investment period. However, there can be no assurance that the reserved funds will ultimately be utilized for investments, which may result in the Investment Vehicle not fully deploying its committed capital. Moreover, borrowers with deteriorating creditworthiness may continue to satisfy their contractual obligations and therefore be eligible to draw unfunded amounts at times when the Investment Vehicle might prefer not to advance such amounts. In addition, the Investment Vehicle may have assumptions as to when a company with which the Investment Vehicle transacts may draw on unfunded amounts when the Investment Vehicle enters into the commitment. If the borrower does not draw as expected, the commitment may not prove as attractive an investment as originally anticipated. Furthermore, any failure to advance requested funds to a borrower with which the Investment Vehicle transacts could result in possible assertions of offsets against amounts previously funded.

Bankruptcy considerations. When a company seeks relief under the U.S. Bankruptcy Code, as amended from time to time (the “U.S. Bankruptcy Code”) (or has petition filed against it), an automatic stay prevents all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect liens or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the bankruptcy filing must petition the court to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so if the court concludes that the value of the property in which the creditor has an interest will be “adequately protected” during the proceedings. If the bankruptcy court’s assessment of adequate protection is inaccurate, a creditor’s collateral may be wasted without the creditor being afforded the opportunity to preserve it. Thus, even if the Investment Vehicle holds a secured claim, it may be prevented from collecting the liquidation value of the collateral securing its debt, unless relief from the automatic stay is granted by the court. If relief from stay is not granted, the Investment Vehicle may not realize a distribution on account of its secured claim until a plan of reorganization or liquidation for the debtor is confirmed. Bankruptcy proceedings can involve substantial legal, professional and administrative costs to the company and the partnership, and, during the process, the investee company’s competitive position may erode, key management personnel may depart and the company may not be able to invest adequately. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be adversely affected by an erosion of the issuer’s fundamental value. Such investments can result in a total loss of principal. Bankruptcy proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. The equitable power of bankruptcy judges (as more fully described below) also can result in uncertainty as to the ultimate resolution of claims.

Security interests held by creditors are closely scrutinized and frequently challenged in bankruptcy proceedings and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under the Uniform Commercial Code or other applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral, and, because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will be more likely to experience a significant loss of its investment. There can be no assurance that the security interests securing the Investment Vehicle’s claims will not be challenged vigorously and found defective in some respect, or that the Investment Vehicle will be able to prevail against any such challenges.

Moreover, debt may be disallowed or subordinated to the claims of other creditors if the creditor is found to have engaged in certain inequitable conduct resulting in harm to other parties with respect to the affairs of a company filing for protection from creditors under the U.S. Bankruptcy Code. In addition, creditors' claims may be treated as equity if they are deemed to be contributions to capital, or if a creditor attempts to control the outcome of the business affairs of a company prior to its filing under the U.S. Bankruptcy Code. If a creditor is found to have interfered with the company's affairs to the detriment of other creditors or shareholders, the creditor may be held liable for damages to injured parties. While the Investment Vehicle will attempt to avoid taking the types of action that would lead to equitable subordination or creditor liability, there can be no assurance that such claims will not be asserted. In addition, if representation on an unsecured creditors' committee of a company causes the Investment Vehicle or the Adviser to be deemed a fiduciary for all general unsecured creditors, the securities of such company held by the Investment Vehicle may become restricted securities, which are not freely tradable.

While the challenges to liens and debt described above normally occur in a bankruptcy proceeding, the conditions or conduct that would lead to an attack in a bankruptcy proceeding could in certain circumstances result in actions brought by other creditors of the debtor, shareholders of the debtor, or even the debtor itself in other state or U.S. federal proceedings, including pursuant to state fraudulent transfer laws. As is the case in a bankruptcy proceeding, there can be no assurance that such claims will not be asserted or that the Investment Vehicle will be able successfully to defend against them. To the extent that the Investment Vehicle assumes an active role in any legal proceeding involving the debtor, the Investment Vehicle may be prevented from disposing of securities issued by such debtor due to the Investment Vehicle's possession of material, non-public information concerning such debtor.

The Investment Vehicle may invest in or extend loans to issuers that have filed for protection under Chapter 11 of the U.S. Bankruptcy Code. These debtor-in-possession ("DIP") loans are most often revolving working-capital or term loan facilities put into place at the outset of a Chapter 11 case to provide the debtor with both immediate cash and the ongoing working capital that will be required during the reorganization process. While such loans are generally less risky than many other types of loans as a result of their seniority in the debtor's capital structure and because their terms have been approved by a U.S. federal bankruptcy court order, it is possible that the debtor's reorganization efforts may fail and the proceeds of the ensuing liquidation of the DIP lender's collateral might be insufficient to repay in full the DIP loan.

In addition, issuers located in non-U.S. jurisdictions may be involved in restructurings, bankruptcy proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the U.S. Bankruptcy Code and the rights of creditors afforded in U.S. jurisdictions. To the extent such non-U.S. laws and regulations do not provide the Investment Vehicle with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, the Investment Vehicle's investments in any such issuers may be adversely affected. For example, bankruptcy law and process in a non-U.S. jurisdiction may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

Interest rate and prepayment risk. As part of its investment program, an Investment Vehicle may invest in fixed- and floating- rate loans. The price of most fixed-income securities moves in the opposite direction of

the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. Consequently, the longer the maturity of a fixed-income security, the risk that interest rates will rise, and thus the price of the security will fall will be greater than it would have been for a security with a shorter maturity. If the Investment Vehicle holds a fixed-income security to maturity, the change in its price before maturity will have little impact on the Investment Vehicle's performance; however, if the Investment Vehicle has to sell the fixed-income security before the maturity date, an increase in interest rates may result in a loss to the Investment Vehicle. Moreover, the Investment Vehicle's credit investments may be subject to early redemption features, refinancing options, prepayment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Investment Vehicle earlier than expected, resulting in a lower return to the Investment Vehicle than initially estimated. In addition, if market interest rates decline, it is likely that borrowers will seek to repay their loans prior to the stated maturity in order to refinance at lower rates. If that happens, then, except as protected by any yield maintenance provisions, the Investment Vehicle will lose the benefit of the above-market interest rate payments it otherwise would receive on the repaid loans and, to the extent that the Investment Vehicle reinvests the proceeds of a prepayment in these circumstances, it will likely receive a rate of interest that is lower than the rate on the debt positions that were prepaid as a result of the refinancing.

Credit ratings not a guarantee of quality. Credit ratings of investments (to the extent an investment is rated) represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. 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, such that an obligor's current financial condition may be better or worse than a rating indicates. Consequently, credit ratings of any corporate debt obligation should be used only as a preliminary indicator of investment quality and should not be considered 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.

Non-controlling Investments and/or Investments with third parties in joint ventures or other entities. It is expected that the Investment Vehicle will hold non-controlling interests in portfolio companies and, therefore, may have no right to appoint a director or ability to influence such companies' management. Similarly, the Investment Vehicle may co-invest with third parties through joint ventures, other entities or similar arrangements, thereby acquiring non-controlling interests in certain investments. In such cases, the Investment Vehicle will be significantly reliant on the existing management, board of directors and other shareholders of such companies, which may include representation of other financial investors with whom the Investment Vehicle is not affiliated and whose interests may conflict with the interests of the Investment Vehicle. In addition, portfolio companies may need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, the Investment Vehicle may be adversely affected thereby.

Moreover, in cases where the Investment Vehicle may co-invest, such investments may involve risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer (i) may have financial difficulties resulting in a negative impact on such investment, (ii) may have economic or business interests or goals which are inconsistent with those of the Investment Vehicle, may be in a position to take (or block) action in a manner contrary to the Investment Vehicle's investment objectives, or (iii) may face the increased possibility of default, diminished liquidity or insolvency due to a sustained or general economic downturn. In addition, the Investment Vehicle may in certain circumstances be liable for the actions of its third-party partners or co-venturers. Investments made with third parties in joint ventures or other entities also may involve compensation arrangements including carried interest and/or other fees payable to such third-party partners or co-venturers, particularly in those circumstances where such third-party partners or co-investors include a management group.

Prepayment considerations; term of the Investment Vehicle. The actual term of the Investment Vehicle will be determined by the timing of receipts of payments in respect of the investments (whether through sale, maturity, redemption, default or other liquidation or disposition) and will be affected by the financial condition of each of the obligors of the underlying Investments and the characteristics of such Investments attributable to the Investment Vehicle, including the existence and frequency of exercise of any optional or mandatory redemption features, the prevailing level of interest rates, the redemption price, the actual default rate, the actual level of recoveries on any defaulted Investments and the frequency of tender or exchange offers for such Investments. In particular, loans are generally repayable at par and a high proportion of loans could be repaid. Certain of the investments are expected to be subject to optional redemption or prepayment by the obligors of such Investments thereunder. Any disposition of an investment may change the composition and characteristics of the Investments and the rate of payment thereon, and, accordingly, may affect the actual term of the Investment Vehicle.

The Investment Vehicle may invest in Investments which may not be advantageously disposed of prior to the date that the Investment Vehicle will be liquidated, either by expiration of the term or otherwise. Although the Adviser expects that investments will either be disposed of prior to dissolution or be suitable for in kind distribution at dissolution, the Investment Vehicle may have to sell, distribute or otherwise dispose of Investments at a disadvantageous time as a result of dissolution.

Floating rates. The Investment Vehicle's credit investments may be based on floating rates. General interest rate fluctuations may have a substantial negative impact on the Investment Vehicle and its investments. A considerable rise of the floating rates may push issuers into default positions which could have a substantial negative impact on the Investment Vehicle and its investments. A reduction in the interest rates on new investments relative to interest rates on current investments could also have an adverse impact on the Investment Vehicle's net interest income. An increase in interest rates could decrease the value of any investments the Investment Vehicle holds which earn fixed interest rates, and also could increase interest expense, thereby decreasing the Investment Vehicle's net income.

Declining interest rates also can adversely affect the Investment Vehicle's overall performance, as such circumstance may force the Investment Vehicle to re-deploy principal and interest payments from existing investments into lower-yielding investments. This "reinvestment risk" can be exacerbated to the extent borrowers can prepay their loans without significant penalties, particularly because such prepayments tend to increase as interest rates decline.

Investment modification risk. The terms and conditions of loan agreements and related assignments with respect to the Investments may be amended, modified or waived only by the agreement of the lenders. Generally, any such agreement must include a majority or a super majority (measured by outstanding loans or commitments) and, in certain circumstances, a unanimous vote of the lenders. Consequently, the terms and conditions of the payment obligation arising from Investments could be modified, amended or waived in a manner contrary to the preferences of the Investment Vehicle if a sufficient number of the other lenders concurred with such modification, amendment or waiver. There can be no assurance that any obligations arising from an investment will maintain the terms and conditions to which the Investment Vehicle originally agreed.

The exercise of remedies may also be subject to the vote of a specified percentage of the lenders thereunder. The Investment Vehicle may consent to certain amendments, waivers or modifications to the investments requested by obligors or the lead agents for loan syndication agreements. The Investment Vehicle may extend or defer the maturity, adjust the outstanding balance of any investment, reduce or forgive interest or fees, release material collateral or guarantees, or otherwise amend, modify or waive the terms of any related loan agreement, including the payment terms thereunder. Any amendment, waiver or modification of an investment could adversely impact the Investment Vehicle's returns.

Private credit terms. A private credit investment may have a contractual return that is not paid entirely in cash, but rather is paid partially or wholly in-kind or as an accreting liquidation preference. This may have the effect of lengthening the time before cash is received and increasing the Investment Vehicle's risk exposure. While the Adviser seeks to achieve the Investment Vehicle's targeted returns for any given investment, including any private credit investment, other factors, such as overall economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the Investment Vehicle's holding period, and some investments may take several additional years from the initial investment date to achieve a realization. In some cases, the Investment Vehicle may be prohibited by contract from selling certain securities for a period of time. If the Investment Vehicle is required to liquidate all or a portion of its portfolio positions quickly, then the Investment Vehicle may realize significantly less than the value at which the Investment Vehicle previously recorded those investments.

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 the Investment Vehicle's investments, the Investment Vehicle could be subject to lender liability claims made against it with respect to its U.S. Investments, if any, as part of a group of lenders and may be liable for pro rata liabilities of the agent or lead lender.

In addition, under common law principles that in some cases form the basis for lender liability claims, if a lending institution (i) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower; (ii) engages in other inequitable conduct to the detriment of such other creditors; (iii) engages in fraud with respect to, or makes misrepresentations to, such other creditors; or (iv) uses its influence as a stockholder to dominate or control a borrower to the detriment of the other creditors of such borrower, 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.” Because of the nature of certain of the Investment Vehicle’s investments, the Investment Vehicle could be subject to claims from creditors of an obligor that the Investment Vehicle’s investments issued by such obligor should be equitably subordinated.

The preceding discussion is based upon principles of U.S. federal and state laws. Insofar as Investments that are obligations of non-U.S. obligors are concerned, the laws of certain foreign jurisdictions may impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

Fraudulent conveyance and legislative risks. Various laws enacted for the protection of creditors may apply to certain investments that are debt obligations, although the existence and applicability of such laws will vary between jurisdictions. For example, if a court were to find that an obligor did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by an investment and the grant of any security interest securing such investment, and, after giving effect to such indebtedness, the obligor (i) was insolvent, (ii) was engaged in a business for which the assets remaining in such obligor constituted unreasonably small capital, or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court may: (a) invalidate such indebtedness and such security interest as a fraudulent conveyance; (b) subordinate such indebtedness to existing or future creditors of the obligor; or (c) recover amounts previously paid by the obligor in satisfaction of such indebtedness or proceeds of such security interest previously applied in satisfaction of such indebtedness. In addition, if an obligor in whose debt the Investment Vehicle has an investment becomes insolvent, any payment made on such investment may be subject to avoidance, cancellation and/or clawback as a “preference” if made within a certain period of time (which for example under some current laws may be as long as two (2) years) before insolvency.

In general, if payments on an investment are voidable, whether as fraudulent conveyances, extortionate transactions or preferences, such payments may be recaptured either from the initial recipient or from subsequent transferees of such payments. To the extent that any such payments are recaptured from the Investment Vehicle, there may be a material adverse effect on the performance of the Investment Vehicle, and, by extension, the Investment Vehicle’s business, financial condition, and results of operations and the value of the Interests.

Creditor committee risk. The Adviser, on behalf of the Investment Vehicle, may elect to appoint a representative to serve on creditors’ committees, official or unofficial, equity holders’ committees or other groups (in addition to boards of directors) to ensure preservation or enhancement of the Investment Vehicle’s position as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Adviser (or an appointed representative of such entity as applicable) concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to the Investment Vehicle, it may resign from that committee or group, and the Investment Vehicle may not realize the benefits, if any, of participation on the committee or group. In addition, and also as discussed above, if the Investment Vehicle is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such portfolio company while it continues to be represented on such committee or group and potentially thereafter.

Inability to refinance. While a substantial portion of the investments of the Investment Vehicle may be investments that are self-liquidating and fully amortizing, the Investment Vehicle may seek to finance, refinance or dispose of one or more of its portfolio assets to obtain liquidity, leverage the return on its equity or to reduce potential losses with respect to non-performing portfolio assets. Under such circumstances, there may be no established trading or lending market for the portfolio assets. Although the Investment Vehicle intends to enter into any such financings on then-current market terms on an arm's-length basis; provided that such an arm's-length basis can reasonably be determined in the discretion of the Adviser, such financings may contain mark-to-market or other leverage ratio maintenance provisions, as well as other covenants and will contain default provisions. A change in the market or deterioration of specific portfolio assets could result in a margin or capital call, if applicable. If the Investment Vehicle is not able to pay or refinance any such financing, to dispose of its portfolio assets if necessary to do so or to meet a margin call, if applicable, or otherwise defaults on such a financing, the Client could suffer losses. In addition, the success of certain investments may be partially or wholly dependent upon the borrower being able to refinance the loan held by the Investment Vehicle.

Convertible securities. Convertible securities 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 different issuer within a particular period of time at a specified price or formula. A convertible security entitles its holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock, in each case, until the convertible security matures or is redeemed, converted or exchanged. 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 Investment Vehicle called for redemption, the Investment Vehicle 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 Investment Vehicle's ability to achieve its investment objective.

Bank loans and participations. The investments may be comprised (directly or indirectly) of bank loans acquired in the primary or secondary market (sometimes through assignment or participations). These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (ii) so-called lender-liability claims by the issuer of the obligations; (iii) environmental liabilities that may arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Investment Vehicle to directly enforce its rights with respect to participations. The loans invested in by the Investment Vehicle may include term loans and revolving loans, may pay interest at a floating rate, and may be senior or subordinated.

Successful claims by third parties arising from these and other risks, absent bad faith, may be borne by the Investment Vehicle. Bank loans are frequently traded on the basis of standardized documentation, which is used in order to facilitate trading and market liquidity. There can be no assurance, however, that future levels of supply and demand in bank loan trading will provide an adequate degree of liquidity, that the current level of liquidity will continue or that the same documentation will be used in the future. The settlement of trading in bank loans often requires the consent of the borrower or the involvement of third parties, such as administrative or syndication agents, and there presently is no central clearinghouse or authority that monitors or facilitates the trading or settlement of all bank loan trades. Often, settlement may be delayed due to the actions of a third party or counterparty, and adverse price movements may occur in the time between trade and settlement, which could result in adverse consequences for the Investment Vehicle. The failure to satisfy certain contractually imposed settlement requirements results in the forfeiture of delayed compensation, as provided for under the Loan Syndications and Trading Association ("LSTA") Standard Terms and Conditions for Par/Near Par Trade Confirmations. The Investment Vehicle will bear any such forfeiture.

The Investment Vehicle may acquire interests in bank loans either directly (by way of sale or assignment) or indirectly (by way of participation). The purchaser of an assignment typically succeeds to all the rights and obligations of the assigning institution and becomes a contracting party under the credit agreement with respect to the debt obligation; however, its rights can be more restricted than those of the assigning institution. In addition, if the Investment Vehicle acquires loans pursuant to an assignment, it is possible that the Investment Vehicle's claims may be subject to attack (i.e., equitable subordination or disallowance) on account of the conduct of the transferee. Participation interests in a portion of a debt obligation typically result in a contractual relationship only with the institution participating out the interest and not with the borrower. In purchasing participations, the Investment Vehicle will not have established any direct contractual relationship with the borrower and therefore the Investment Vehicle may have no right to enforce compliance by the borrower with the terms of the loan agreement, nor any rights of set-off against the borrower, and the Investment Vehicle may not directly benefit from the collateral supporting the debt obligation in which it has purchased the participation. The Investment Vehicle will be required to rely on the lender or the participant that sold the participation not only for the enforcement of the Investment Vehicle's rights against the borrower but also for the receipt and processing of payments due to the Investment Vehicle. As a result, the Investment Vehicle may assume the credit risk of both the borrower and the institution selling the participation to the Investment Vehicle. Because it may be necessary to assert through the selling lender or participant such rights as may exist against the borrower, in the event the borrower fails to pay principal and interest when due, such assertion of rights against the borrower may be subject to delays, expenses and risks that are greater than those that would be involved if the Investment Vehicle could enforce its rights against the borrower directly.

Selling institutions commonly reserve the right to administer the debt obligations sold by them as they see fit and to amend the documentation evidencing such debt obligations in all respects. A selling institution may have interests different from those of the Investment Vehicle, and might not consider the interests of the Investment Vehicle when taking actions with respect to the loan underlying the participation. Further, if the selling institution does not retain any portion of the applicable loan, it may have limited interest in monitoring the terms of the loan agreement and the continuing creditworthiness of the borrower. The participation agreements may not provide the Investment Vehicle with voting rights, and to the extent it does provide voting rights, it is often coupled with the right of the selling institution to repurchase the participation if the participant does not vote favorably. Participations are typically sold strictly without recourse to the seller, and the seller will generally make no representations or warranties about the underlying loan, the borrowers, the documentation of the loans or any collateral securing the loans which may materially affect recovery rates.

Credit risk. One of the fundamental risks associated with a credit investment is credit risk, which is the risk that a company will be unable to make principal and interest payments on its outstanding debt obligations when due. The Investment Vehicle's return to Clients would be adversely impacted if an issuer of debt or other instruments in which the Investment Vehicle invests becomes unable to make such payments when due.

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

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

Similarly, while the Investment Vehicle will generally target investing in companies it believes are of high quality, these companies could still present a high degree of business and credit risk. Companies in which the Investment Vehicle invests could deteriorate as a result of, among other factors, an adverse

development in their business, a change in the competitive environment, or economic and financial market downturns and dislocations or a change in law and/or regulation. As a result, companies that the Investment Vehicle expected to be stable or improve may operate, or expect to operate, at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

In certain circumstances, investing in the form of a participation may be the most advantageous or the only route for the Investment Vehicle to make or hold an investment, including in light of limitations relating to local laws or the willingness of administrative agents or borrowers to allow the Investment Vehicle to become a direct lender. Where rated, some of the loans acquired by the Investment Vehicle would likely be below investment grade.

Middle market loans. Borrowers under loans originated by the Investment Vehicle or in which the Investment Vehicle may invest may include privately owned small and mid-sized companies, which present a greater risk of loss than loans to larger companies. Compared to larger, publicly owned firms, these companies generally have more limited access to capital and higher funding costs, may be in a weaker financial position, and may need more capital to expand or compete. These financial challenges may make it difficult for the Investment Vehicle's borrowers to make scheduled payments of interest or principal on the Investment Vehicle's loans. Accordingly, advances made to these types of borrowers entail higher risks than advances made to companies that are able to access traditional credit sources.

Risks associated with Investments in small to medium-sized entities. The Investment Vehicle may, in pursuit of the investment objectives, originate loans to and invest in privately and publicly held issuers that are categorized as small to medium-sized entities ("SMEs"). Investments in such SMEs involve a number of risks generally associated with other types of loans. Additional risks associated with such SMEs include the following:

- (i) SMEs may have limited financial resources and may therefore be unable to meet their obligations, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Investment Vehicle realizing any guarantees it may have obtained in connection with its investments;
- (ii) SMEs typically have shorter operating histories, narrower product lines and smaller market shares than larger businesses, making them more vulnerable to competitors' actions, market conditions and general economic downturns;
- (iii) SMEs typically depend on the management skills of a small group of persons; accordingly the resignation or termination of one or more of these persons could have a material adverse impact on the Investment Vehicle's investment in these SMEs;
- (iv) little public information is available about these SMEs and the Adviser may be unable to uncover all material information about these SMEs, which may prevent it from making a fully informed investment decision and cause the Investment Vehicle to lose money on its investments;
- (v) SMEs have less predictable operating results, and may require substantial additional capital to support their operations, maintain their competitive position or expand their financial operations;
- (vi) SMEs may have difficulty accessing the capital markets to meet future capital needs; and
- (vii) SMEs are usually evidenced by privately negotiated documentation not based on any particular industry standard (e.g., Loan Market Association or Loan Syndicate Trading Association).

Collateral risk. The collateral and security arrangements in relation to secured obligations in which the Investment Vehicle may invest will be subject to such security or collateral having been correctly created and perfected and subject to any applicable legal or regulatory requirements, which may restrict the giving of collateral or security by an obligor, such as, for example, thin capitalization, over-indebtedness, financial assistance and corporate benefit requirements. If the investments do not benefit from the expected collateral or security arrangements, this may adversely affect the value of, or, in the event of default, the recovery of principal or interest from, such investments made by the Investment Vehicle. Accordingly, any such failure to properly create or perfect collateral and security interests attaching to the investments could have a material adverse effect on the performance of the Investment Vehicle, and, by extension, the Investment Vehicle's business, financial condition, and results of operations and the value of the interests.

Contingent liability risk. The Investment Vehicle may incur contingent liabilities in connection with an investment. For example, the Investment Vehicle may originate and/or 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 Investment Vehicle will be obligated to fund the amounts due. There can be no assurance that the Investment Vehicle will adequately reserve for their contingent liabilities and that such liabilities will not have an adverse effect on the Investment Vehicle.

PIK and Private credit terms. An investment may have a contractual return that is not paid entirely in cash, but rather features a paid-in-kind ("PIK") element paid partially or wholly in-kind or as an accreting liquidation preference, in which case the Investment Vehicle will be forgoing a cash margin for an accrued interest amount rolled throughout the life of the loan. This may have the effect of lengthening the time before cash is received and increasing the Investment Vehicle's risk exposure. While the Adviser seeks to achieve the Investment Vehicle's targeted returns for any given Investment, including any Investment, other factors, such as overall economic conditions, the competitive environment and the availability of potential purchasers of the securities, may shorten or lengthen the Investment Vehicle's holding period, and some investments may take several additional years from the initial investment date to achieve a realization. In some cases, the Investment Vehicle may be prohibited by contract from selling certain securities for a period of time. If the Investment Vehicle is required to liquidate all or a portion of its portfolio positions quickly, then the Investment Vehicle may realize significantly less than the value at which the Investment Vehicle previously recorded those investments.

Covenant-lite loans. The Investment Vehicle's investments may include "covenant-lite" loans. "Covenant-lite" loans typically do not obligate the obligor to comply with financial covenants that would be applicable during reporting periods.

Investments comprised of "covenant-lite" loans may expose the Investment Vehicle to different risks, including with respect to liquidity, price volatility and ability to restructure loans, than is the case with other loans. In addition, the lack of such financial covenants may make it more difficult to trigger a default in respect of such loans.

Unfunded Amounts. The Investment Vehicle's investments may include loan or equity commitments that are unfunded at the time of Investment. The Investment Vehicle may be obliged to advance the unfunded amount of a loan or equity commitment at the borrower's request, subject to certain conditions as set out in the relevant transaction documents. Borrowers with deteriorating creditworthiness may continue to satisfy their contractual conditions and therefore be eligible to draw unfunded amounts at times when the

Investment Vehicle might prefer not to advance such amounts. In addition, the Investment Vehicles may have assumptions as to when a company with which the Investment Vehicles transacts may draw on unfunded amounts when the Investment Vehicles enters into the commitment. If the borrower does not draw as expected, the commitment may not prove as attractive an investment as originally anticipated. Furthermore, any failure to advance requested funds to a borrower with which the Investment Vehicles transacts could result in possible assertions of offsets against amounts previously funded.

Unitranche loan risk. Unitranche loans provide leverage levels comparable to a combination of first lien and second lien or subordinated loans, and may rank junior to other debt instruments issued by a portfolio company. Unitranche loans generally allow the borrower to make a large lump sum payment of principal at the end of the loan term, and there is a heightened risk of loss if the borrower is unable to pay the lump sum or refinance the amount owed at maturity.

Equity security risk. The Investment Vehicle may acquire equity securities as a result of its investments, particularly in a distressed situation. Equity securities may include common and preferred stocks and warrants, rights and equivalents. As with other investments that the Investment Vehicle may make, the value of equity securities held by the Investment Vehicle may be adversely affected by actual or perceived negative events relating to the Investment Vehicle of such securities, the industry or geographic areas in which such Investment Vehicle operates or the financial markets generally. However, equity securities may be even more susceptible to such events given their subordinate position in an investment's capital structure. As such, equity securities generally have greater price volatility than fixed income securities or debt instruments. Preferred securities are subordinated to bonds and other debt securities in an investment's capital structure in terms of priority for corporate income and liquidation payments and, therefore, will be subject to greater credit risk than those debt securities. Depending on the features of the particular security, holders of preferred stock may bear the risks disclosed herein regarding equity or fixed income securities.

The Investment Vehicles may also receive or purchase warrants or rights as a result of its investments. 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 Investment Vehicle's ability to exercise the warrants or rights at such time, or in such quantities, as the Investment Vehicle would otherwise wish.

Certain financing transactions and affiliated lending arrangements. Unless otherwise prohibited by applicable law or pursuant to certain Investment Vehicle's governing documents, certain Investment Vehicles are authorized to engage in cross investments with, or receive financing from, the applicable Investment Vehicle's general partner or its affiliates or other Investment Vehicles which may include participation in a pooled revolver entity to commit equity and debt financing to the pooled revolver entity for the purpose of financing senior credit investments by such entity in third-party borrowers (the "Pooled Revolver Entity"). The Pooled Revolver Entity is party to a loan agreement (the "Loan Agreement") with one or more Clients where an affiliate of the general partner serves as the swingline lender (the "Swingline Lender") to the Pooled Revolver Entity and will earn fees from the Investment Vehicle or other participating Clients in connection with its role as Swingline Lender. The Loan Agreement governing the loans to the Pooled Revolver Entity was not negotiated with an unaffiliated third party, and therefore may not be as

favorable to the Adviser as if it had been. Additionally, costs related to the Pooled Revolver Entity will be applied on a pro-rata basis across the program that participates in senior credit investments in the U.S., which all will utilize the facility in addition to an ongoing fee payable for each program to the facility provider.

The proceeds of such financing transactions could be used to, among other things, repay, redeem, or otherwise benefit the Adviser other Clients, or any of their respective affiliates. The Adviser anticipates that transactions of this type would be entered into where they are expected to be beneficial to the Investment Vehicle or the applicable portfolio investment, such as where the Adviser believes that participating in the financing opportunity can benefit the Adviser and other Clients, where for example, the Adviser believes that its involvement or the involvement of its affiliates can provide the Investment Vehicle or the relevant portfolio investment with more favorable pricing, leverage or other terms than it believes in good faith are available from one or more third-party financing sources at the time.

In addition, in situations in which the Adviser and its affiliates and/or another Client hold an interest in a portfolio investment that differs from that of the Investment Vehicle, conflicts of interest will arise in connection with, among other things, (i) the nature, timing and terms of each program's investment, (ii) the allocation of control and other governance rights among the Clients, (iii) the strategic objectives or timing underlying each Client's investments, (iv) differing disposition rights, views and/or needs for all or part of an investment and/or (v) resolution of liabilities in connection with an investment among Clients. These conflicts result from various factors, including, among other things, investments in different levels of the capital structure, different measurements of control, different risk profiles, different rights with respect to disposition alternatives, different investment objectives, strategies and horizons and different target rates of return as well as rights in connection with co-investors. To the extent that any conflicts of interest arise, the Adviser intends to manage them in accordance with the Adviser's or its affiliates' conflict of interest policy.

Sub-investment grade and unrated debt obligation risk. The Investment Vehicle's investment strategy may include investing in sub-investment grade and unrated debt obligations. Investments in the sub-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated obligations and may be considered to be predominantly speculative with respect to the obligor's capacity to pay interest and repay principal. They may also be considered to be subject to greater risk than securities with higher ratings in the event of deteriorating general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that which exists for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the Investment Vehicle, which, in turn, could have a material adverse effect on the performance of the Investment Vehicle, and, by extension, the Investment Vehicle's business, financial condition, and results of operations and the value of the interests.

In addition, the Investment Vehicle may invest in debt obligations that 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 that rank behind other outstanding securities and obligations of the obligor (all or a significant portion of which may be secured on substantially all of that obligor's assets). The Investment Vehicles may also invest in debt obligations that are not protected by financial covenants or limitations on additional indebtedness. In addition, evaluating credit risk for debt securities 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 Investment Vehicles, and, by extension, the Investment Vehicle's business, financial condition, and results of operations and the value of the interests.

To the extent that the Investment Vehicle's invest in sub-investment grade investments that are also stressed or distressed then the risks discussed above are heightened.

Insolvency of portfolio companies under investments. The investments may be subject to various laws enacted for the protection of creditors in the jurisdictions of incorporation of the obligors and, if different, the jurisdictions from which the obligors conduct their business and in which they hold their assets, which may adversely affect such obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each obligor or its assets is located and may differ depending on the legal status of the obligor. In particular, it should be noted that a number of continental European and emerging market jurisdictions operate "debtor-friendly" insolvency regimes which could result in delays in payments under investments where obligations are subject to such regimes, in the event of their insolvency.

The different insolvency regimes applicable in the different jurisdictions result in a corresponding variability of recovery rates for senior secured loans entered into or issued by obligors in such jurisdictions. No reliable historical data for such recovery rates is available.

Insolvency proceedings. When a company seeks relief under the applicable insolvency laws of a particular jurisdiction (or has a petition filed against it), an automatic stay may prevent all entities, including creditors, from foreclosing or taking other actions to enforce claims, perfect security interests or reach collateral securing such claims. Creditors who have claims against the company prior to the date of the insolvency filing will generally require the permission of the court or a relevant insolvency officeholder to permit them to take any action to protect or enforce their claims or their rights in any collateral. Such creditors may be prohibited from doing so at the discretion of the court or the relevant insolvency officeholder. Thus, even if the Investment Vehicle holds a secured claim, it may be prevented from enforcing its security and collecting the value of the collateral securing its debt, unless relief from the automatic stay is granted. If relief from the stay is not granted, the Investment Vehicle may not realize a distribution on account of its secured claim until a distribution (if any) is made to the Investment Vehicle by the relevant court or insolvency officeholder.

Security interests held by creditors are closely scrutinized, may be challenged in insolvency proceedings, and may be invalidated for a variety of reasons. For example, security interests may be set aside because, as a technical matter, they have not been perfected properly under applicable law. If a security interest is invalidated, the secured creditor loses the value of the collateral, and, because loss of the secured status causes the claim to be treated as an unsecured claim, the holder of such claim will be more likely to experience a significant loss of its investment. There can be no assurance that the security interests securing the Investment Vehicle's claims will not be challenged vigorously and found defective in some respect, or that the Investment Vehicle will be able to prevail against the challenge.

Insolvency proceedings are inherently litigious, time consuming, highly complex and driven extensively by facts and circumstances, which can result in challenges in predicting outcomes. Insolvency proceedings may have adverse and permanent effects on a company. For instance, a company may lose its market position and key employees or otherwise become incapable of emerging from insolvency proceedings and restoring itself as a viable entity. Further, if insolvency proceedings result in liquidation, the liquidation value of a company may not equal the liquidation value that was believed to exist at the time of the investment.

The administrative costs incurred in connection with insolvency proceedings are frequently high and will be paid out of the debtor's estate prior to any return to creditors. Certain claims, such as claims for taxes, may in certain jurisdictions have priority by law over the claims of other creditors.

In addition, portfolio companies located in some jurisdictions may be involved in restructurings, insolvency proceedings and/or reorganizations that are not subject to laws and regulations that are similar to the laws and the rights of creditors afforded in U.S. jurisdictions. To the extent such laws and regulations do not provide the Investment Vehicle with equivalent rights and privileges necessary to promote and protect its interest in any such proceeding, the Investment Vehicle's investments in any such portfolio companies may be adversely affected. For example, insolvency law and process in such other jurisdictions may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims.

Portfolio companies may incur additional senior debt. The obligors may incur additional indebtedness ranking pari passu with the senior debt of the relevant obligors and ranking pari passu or senior to the claims of the Investment Vehicle.

Characteristics of senior secured loans. Senior secured loans are of a type generally incurred by the obligors thereunder in connection with highly leveraged transactions, often (although not exclusively) to finance internal growth, acquisitions, mergers and/or stock purchases. As a result of, among other things, the additional debt incurred by the obligor in the course of such a transaction, the obligor's creditworthiness is often judged by the rating agencies to be below investment grade. Senior secured loans are typically at the most senior level of the capital structure. Senior secured loans are generally secured on shares in certain group companies and may also be secured by specific collateral or guarantees, including, but not limited to, trademarks, patents, accounts receivable, inventory, equipment, buildings, real estate, franchises and common and preferred stock of the obligor and its subsidiaries although the security granted in respect of some senior secured loans may be limited to share security over the obligor group and some senior secured loans may also be unsecured. In continental Europe, security is often limited to shares in certain group companies, accounts receivable, bank account balances and intellectual property rights. This security may well not be perfected. Senior secured loans usually have shorter terms than more junior obligations and often require mandatory prepayments from excess cash flow, asset dispositions and offerings of debt and/or equity securities on a priority basis.

Limited Liquidity. There are limited liquidity risks associated with senior secured loans. As referred to above, the obligor under a leveraged loan often provides the lenders thereunder with extensive information about its business, which is not generally available to the public. Because of the provision of such confidential information, the unique and customized nature of a loan agreement, and the private syndication of the loan, leveraged loans are generally not as easily purchased or sold as publicly traded securities, and historically the trading volume in the loan market has been small relative to, for example, the high-yield bond market.

The unique nature of the loan documentation may involve a degree of complexity in negotiating a secondary market purchase or sale which may not exist, for example, in the bond market.

Historically, investors in or lenders under European senior secured loans have been predominantly commercial banks and investment banks. The range of investors for such loans has broadened to include money managers, insurance companies, arbitrageurs, hedge funds, distressed investors and mutual funds seeking increased potential total returns and portfolio managers of trusts or special purpose companies issuing collateralized bond and loan obligations. There can be no assurance that future levels of supply and

demand in loan trading will provide a sufficient degree of liquidity in the market. This means that such assets may be subject to greater disposal risk if such assets are sold following enforcement of the security over the portfolio or otherwise.

Unique terms of senior secured loans. Although any particular senior secured loan often will share many similar features with other loans and obligations of its type, the actual terms of any particular senior secured loan, will have been a matter of negotiation and will thus be unique. Any particular loan or obligation may contain terms that are not standard and that provide less protection to creditors than might be expected, including in respect of covenants, events of default, security or guarantees. The leveraged credit markets are constantly evolving. In the years immediately preceding the “credit crunch” in the summer of 2007, there was an increasing trend of less protection for creditors in terms of covenants and other terms than has historically been the case. The Adviser may select investments in the secondary market that provide less protection for creditors in the event of a default than is customary or current in the market.

Senior secured defaults and recoveries. There is limited historical data available as to the levels of defaults and/or recoveries that may be experienced on senior secured loans, and no assurance can be given as to the levels of default and/or recoveries that may apply to any senior secured loans invested in or purchased by the Investment Vehicle. As referred to above, although any particular senior secured loan often will share many similar features with other loans and obligations of its type, the actual terms of any particular senior secured loan will have been a matter of negotiation and will thus be unique. The types of protection afforded to creditors will therefore vary from investment to investment. Recoveries on both senior secured loans may also be affected by the different bankruptcy regimes applicable in different jurisdictions and the enforceability of claims against the obligors thereunder. See “Insolvency of Portfolio Companies under Investments” below.

The effect of an economic downturn on default rates and the ability of finance providers to protect their investment in a default situation is uncertain. Furthermore, the holders of senior secured loans are more diverse than ever before, including not only banks and specialist finance providers but also potentially alternative investment fund managers or advisers, investment managers or advisers, specialist debt and distressed debt investors and other financial institutions. The increasing diversification of the investor base has also been accompanied by an increase in the use of hedges, swaps and other derivative instruments to protect against or spread the economic risk of defaults. All of these developments may further increase the risk that historical recovery levels will not be realized. The returns on senior secured loans therefore may not adequately reflect the risk of future defaults and the ultimate recovery rates.

Mezzanine investments and other junior unsecured securities. The Investment Vehicle’s strategy may entail acquiring mezzanine debt, which generally will be unrated or have ratings or implied or imputed ratings below investment grade, as well as loans or securities (including payment-in-kind loans) that are junior, unsecured, equity or quasi-equity instruments. Mezzanine securities are typically senior to common stock and other equity securities in the capital structure and may be subordinated to large amounts of senior debt. Mezzanine debt is usually unsecured and/or subordinated to other obligations of the issuer, and generally has greater credit and liquidity risk than is typically associated with investment grade corporate obligations or with obligations that are senior and secured. While mezzanine debt investments and other loans or securities that are junior or unsecured investments may benefit from the same or similar covenants as those enjoyed by the indebtedness ranking more senior to such investments and may benefit from cross-default provisions and security over the issuer’s assets, some or all of such terms may not be part of

particular investments (for example, such investments may not be protected by financial covenants or limitations upon incurrence of additional indebtedness by the issuer). The risks associated with mezzanine debt include a greater possibility that adverse changes in the financial condition of the obligor or in general economic conditions (including a sustained period of rising interest rates or an economic downturn) may adversely affect the obligor's ability to pay principal and interest on its debt. Many obligors on mezzanine debt are highly leveraged, and specific developments affecting such obligors, including reduced cash flow from operations or the inability to refinance debt at maturity, may also adversely affect such obligors' ability to meet debt service obligations. Mezzanine 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.

Default rates for mezzanine debt and other junior unsecured securities have historically been higher than has been the case for investment grade securities. If an Investment Vehicle makes an investment that is not secured by collateral and the portfolio company in question becomes financially distressed or insolvent and does not successfully reorganize, the Investment Vehicle will have no assurance (compared to those distressed securities investors that acquire only fully collateralized positions) that it will recover any of the principal that it has invested. While junior, unsecured, equity or quasi-equity investments may benefit from the same or similar financial and other covenants as those enjoyed by the indebtedness ranking more senior to such investments and may benefit from cross-default provisions and security over a portfolio company's assets, some or all of such terms may not be part of the particular investments. Moreover, the ability of the Investment Vehicle to influence a portfolio company's affairs, especially during periods of financial distress or following insolvency, is likely to be substantially less than that of senior creditors. For example, under typical subordination terms, senior creditors are able to block the acceleration of the junior debt or the exercise by junior debt holders of other rights they may have as creditors. Accordingly, the Investment Vehicle may not be able to take steps to protect its investments in a timely manner or at all, and there can be no assurance that the return objectives of the Investment Vehicle or any particular investment will be achieved.

Mezzanine investments are generally subject to various creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant bankruptcy laws, so-called lender liability claims by the issuer of the obligations and environmental liabilities that arise with respect to collateral securing the obligations. Additionally, adverse credit events with respect to any investee company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of an investment in any such company. In addition, the debt instruments in which the Investment Vehicle will invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity and are not expected to be rated by a credit rating agency.

Subordinated interests and note classes. The Investment Vehicle may invest in subordinated interests and note classes, each representing a highly leveraged investment in the underlying reference assets. These interests may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Such subordinated interests will generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. The market value of these interests or notes will be significantly affected by, among other things, changes in the market value of, distributions and prepayments made by, and the prices and interest rates of, the underlying reference assets. Unsecured obligations will also

generally have lower rates of recovery than secured obligations following a default. Moreover, such interests may not be protected by financial covenants or limitations upon additional indebtedness and, in the event of the insolvency of an obligor of any unsecured obligation, the holders of such unsecured obligation will be considered general, unsecured creditors of the obligor and will have fewer rights than secured creditors of the obligor.

Collateralized loan obligation ("CLO") risk. CLOs are securities backed by an underlying portfolio of loan obligations. CLOs issue classes or "tranches" that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CLO securities as a class. Investments in CLO securities may be riskier and less transparent than direct investments in the underlying loans and debt obligations. The risks of investing in CLOs depend largely on the tranche invested in and the type of the underlying loans in the tranche of the CLO in which the Investment Vehicle directly or indirectly invests. The tranches in a CLO vary substantially in their risk profile, and debt tranches are more senior than equity tranches. The senior tranches are relatively safer because they have first priority on the collateral in the event of default. As a result, the senior tranches of a CLO generally have a higher credit rating and offer lower coupon rates than the junior tranches, which offer higher coupon rates to compensate for their higher default risk.

An Investment Vehicle may directly or indirectly invest in any level of a CLO's subordination chain, including subordinated (lower-rated) tranches and residual interests (the lowest tranche). CLOs are typically highly levered and, therefore, the junior debt and equity tranches that the Investment Vehicle may invest in are subject to a higher risk of total loss and deferral or nonpayment of interest than the more senior tranches to which they are subordinated. In addition, the Investment Vehicle or an Investment will generally have the right to receive payments only from the CLOs, and will generally not have direct rights against the underlying borrowers or entities that sponsored the CLOs. CLOs also carry risks including, but not limited to, interest rate risk and credit risk. Investments in CLOs may be subject to certain tax provisions that could result in the Investment Vehicle incurring tax or recognizing income prior to receiving cash distributions related to such income. CLOs that fail to comply with certain U.S. tax disclosure requirements may be subject to withholding requirements that could adversely affect cash flows.

Real Estate Risks

Real estate risks in general. All real estate investments, ranging from equity investments to credit investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit the Investment Vehicle's ability to vary the Investment Vehicle's portfolio promptly in response to changes in economic or other conditions. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the Investments. The investments will be subject to the risks inherent in the ownership and operation of real estate and real estate related businesses and assets. These risks include, but are not limited to, (a) the burdens of ownership of real estate property, (b) general and local economic conditions including but not limited to a recession, slowdown or sustained downturn in the U.S. market, and, to a lesser extent, the global economy (or any particular segment thereof) and overall weakening of, or disruptions in, the financial markets, (c) the supply and demand for properties, (d) changes in popularity of property types and locations, (e) adverse changes in the underlying value of the investment, (f) the imposition of rent controls, (g) the ongoing need for capital improvements, (h) changes in operating expenses, (i) energy and supply shortages, (j)

fluctuations in the average occupancy and room rates for hotel properties, (k) the financial resources of tenants, (l) changes in building, (m) environmental, zoning, eminent domain and other laws and/or regulations, (n) changes in real estate property tax rates, changes in interest rates and the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, (o) risks of fraud, delayed construction arising in investments in new development, (p) negative developments in the economy that depress travel activity, (q) environmental liabilities, (r) contingent liabilities on disposition of assets, (s) uninsured or uninsurable casualties, acts of God, terrorist attacks and war and (t) other factors which are beyond the control of the Adviser or its affiliates, the Investment Vehicle or their affiliates. There is no assurance that there will be a ready market for resale of investments because investments will generally not be liquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale by the Investment Vehicle or its investments.

Additionally, the Investment Vehicle may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by the Investment Vehicle will reduce the cash available for distribution and may require the Investment Vehicle to fund deficits resulting from the operation of a property. No assurance can be given that the Investment Vehicle will have funds available to make such repairs or improvements. In acquiring an asset, the Investment Vehicle may agree to lock-out provisions that materially restrict it from selling that asset for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed on that asset. These factors and any others that would impede the Investment Vehicle's ability to respond to adverse changes in the performance of its assets could significantly affect the Investment Vehicle's financial condition and operating results.

Risks of acquiring real estate property. The Investment Vehicle's investments will be subject to various risks which may cause fluctuations in occupancy, rental rates, operating income and expenses or which may render the sale or financing of its assets difficult or unattractive. For example, following the termination or expiration of a tenant's lease, there may be a period of time before the Investment Vehicle will begin receiving rental payments under a replacement lease. During that period, the Investment Vehicle will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions may impair the Investment Vehicle's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants may require the Investment Vehicle to make capital improvements to assets which would not have otherwise been planned. Any unbudgeted capital improvements that the Investment Vehicle undertakes may divert cash that would otherwise be available for distribution to Clients. Ultimately, to the extent that the Investment Vehicle is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will likely result, which could adversely impact the Investment Vehicle's operating results.

Further, the Investment Vehicle will have the ability to make certain equity investments through REITs. As a result, the Investment Vehicle may also be subject to certain risks associated with direct investments in REITs, including those in connection with the sale of REIT shares. REITs may be affected by changes in the value of their underlying assets and by defaults by borrowers or tenants. Furthermore, REITs are dependent upon specialized management skills, have limited diversification and are, therefore, subject to risks inherent in financing a limited number of projects. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition,

the performance of a REIT may be affected by changes in the tax laws or by its failure to qualify for tax-free pass-through of income.

Market impact on the operations of tenants. A downturn in the economy may impact the success of the operations of tenants. Some tenants may experience declining revenues, vacate the premises early, or file for bankruptcy. Any reduction in a tenant's ability to pay base rent, percentage rent or other charges, will adversely affect the Investment Vehicle's financial condition. Further, the Investment Vehicle's ability to re-lease vacant spaces may be negatively impacted by the current economic environment. The Investment Vehicle may see an increase in vacancy that could have a negative impact on the Investment Vehicle's returns.

Risks of acquisition activities. The Investment Vehicle intends to acquire existing properties to the extent that they can be acquired on advantageous terms and meet the Investment Vehicle's investment criteria. The success of the Investment Vehicle depends, in large part, on the availability of a sufficient number of investment opportunities that fall within the Investment Vehicle's investment objectives and the ability of the Adviser and its affiliates identify, negotiate, close, manage and exit those investment opportunities. Acquisitions of properties also entail general investment risks associated with any real estate investment.

The Investment Vehicle's acquisition activities and their success may be exposed to, among other things, the following risks:

- The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. There can be no assurance that the Adviser or its affiliates will be able to locate and complete investments which enable the Investment Vehicle to invest all of its committed capital in opportunities that satisfy the Investment Vehicle's investment objectives, realize the value of these investments or fully invest the Investment Vehicle's commitments;
- The Investment Vehicle may incur significant expenses in connection with the identification of investment opportunities and the investigation of other potential investments that are ultimately not consummated;
- The Investment Vehicle may be unable to acquire a desired property or company, or to acquire such property or company on economic terms less favorable than anticipated, because the Investment Vehicle will compete for the right to make investments with an ever-increasing number of other parties, including well-capitalized real estate investors, real estate investment vehicles, publicly traded real estate investment trusts, public and private investment funds, hedge funds, consortia and companies, and other institutional investors, specialty investors (such as mortgage banks, pension funds, sovereign wealth funds and real estate operating companies), various types of financial institutions and their affiliates, family groups and wealthy individuals some of which may have greater resources, more experience and/or may be willing to accept more risk than the Investment Vehicle;
- Even if the Investment Vehicle enters into an acquisition agreement for a property, such an agreement would typically be subject to customary conditions to closing, including satisfactory completion of due diligence investigations, which may be costly;
- Even if the Investment Vehicle is able to acquire a desired property, competition from other real estate investors may significantly increase the purchase price paid;

- The Investment Vehicle may be unable to finance acquisitions on favorable terms and/or terms obtained by competitors;
- Once acquired, a property may fail to perform as the Investment Vehicle projected when analyzing its investments; and
- The Investment Vehicle's estimates of the costs of repositioning, re-tenanting or refurbishing acquired properties may be inaccurate.

The Investment Vehicle may also acquire properties subject to known or unknown liabilities and with limited or no recourse. As a result, if liability were asserted against the Investment Vehicle based upon such properties, the Investment Vehicle might have to pay substantial sums to dispute or remedy the matter, which could adversely affect the Investment Vehicle's cash flow and returns. Unknown liabilities with respect to properties acquired could include, for example: liabilities for clean-up of undisclosed environmental contamination; claims by tenants, vendors or other persons relating to the former owners of the properties; liabilities incurred in the ordinary course of business; and claims for indemnification by general partners, directors, officers and others indemnified by the former owners of the properties. As a result of the foregoing, even if suitable investments are made, the Investment Vehicle's financial condition and results of operations could be materially and adversely affected, and the objective of the Investment Vehicle may not be achieved.

Risks of acquiring real estate loans and participations. Real estate loans acquired by the Investment Vehicle or its investments may be at the time of their acquisition, or may become after acquisition, non-performing for a wide variety of reasons. Such non-performing real estate loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loans. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loans, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that the Adviser or its affiliates may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by the Investment Vehicle or its investments. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some jurisdictions, foreclosure actions can take up to several years or more to litigate. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and may result in disrupting ongoing leasing and management of the property. In addition, certain of the mortgage loans in which the Investment Vehicle invests may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time.

It is anticipated that a substantial portion of any credit investments made by the Investment Vehicle will not be rated by any recognized rating agency. Generally, the value of unrated classes of debt is more subject to fluctuation due to economic conditions than rated classes. Overall credit quality may move up or down frequently within this category. Similarly, if the Investment Vehicle acquires low-rated debt securities issued in securitizations, or credit support classes of securitizations (which generally are expected to be first-loss

classes and which are unrated at the time of acquisition), such holdings will incrementally increase the risk of nonpayment or of a significant delay in payment relating to such investments. If the ratings on any such assets were downgraded, it would adversely affect their value and the value of the Investment Vehicle.

Commercial mortgage-backed securities. The Investment Vehicle may acquire subordinated tranches of Commercial Mortgage-Backed Securities (“CMBS”) issuances. In general, subordinated tranches of CMBS are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and also have subordinated rights as to receipt of interest distributions. Such subordinated tranches are subject to a greater risk of nonpayment than senior tranches of CMBS or CMBS that are backed by third-party credit enhancement. In addition, an active secondary market for such subordinated securities is not as well developed as the market for certain other mortgage-backed securities. Accordingly, such subordinated CMBS may have limited marketability and there can be no assurance that a more efficient secondary market will develop.

Special risks relating to commercial mortgage loans. Commercial mortgage loans have certain distinct risk characteristics. Mortgage loans on commercial properties generally lack standardized terms, which may complicate their structure and increase due diligence costs. Commercial real estate properties tend to be unique and are more difficult to value than residential real estate properties. In addition, commercial real estate properties, particularly industrial and warehouse properties, are generally subject to relatively greater environmental risks than non-commercial properties and to the corresponding burdens and costs of compliance with environmental laws and other regulations.

As noted above, commercial mortgage loans also tend to have shorter maturities than residential mortgage loans and are generally not fully amortizing, which means that they may have a significant principal balance or “balloon” payment due on maturity. Mortgage loans with a balloon payment involve a greater risk to a lender than fully amortizing loans because the ability of a borrower to make a balloon payment typically will depend upon its ability either to fully refinance the loan or to sell the property securing the loan at a price sufficient to permit the borrower to make the balloon payment. The ability of a borrower to effect a refinancing or sale will be affected by a number of factors, including the value of the property, the level of available mortgage rates at the time of sale or refinancing, the borrower’s equity in the property, the financial condition and operating history of the property and the borrower, tax laws, prevailing economic conditions and the availability of credit for loans secured by the specific type of property. Mortgage loans generally are non-recourse to borrowers. In the event of foreclosure on a Commercial Mortgage Loan, the value of the collateral securing the mortgage loan at the time of foreclosure may be less than the principal amount outstanding on the mortgage loan and the accrued but unpaid interest thereon.

If the properties securing commercial mortgage loans do not generate sufficient income to meet operating expenses, debt service, capital expenditure and tenant improvements, the obligors under the commercial mortgage loans may be unable to make payments of principal and interest in a timely fashion. Income from and values of commercial properties are also affected by such factors as the quality of the property manager, applicable laws, including tax laws, interest rate levels, the availability of financing for owners and tenants and the impact of and costs of compliance with environmental controls and regulations.

Risks associated with mezzanine loans. The Investment Vehicle may make or invest in mezzanine loans secured by ownership interests in entities owning commercial properties (“Mezzanine Loans”). Mezzanine Loans typically are subordinate to other debt obligations of the borrower, and therefore have more risk of loss than senior debt. Mezzanine Loans may include loans secured by one or more direct or indirect ownership interests in a company, Investment Vehicle or other entity owning, operating or controlling,

directly or through subsidiaries or affiliates one or more commercial properties. Although not secured by the underlying real estate, repayment of a Mezzanine Loan is dependent on the successful operation of the underlying commercial properties. It is expected that the commercial properties owned by such entities are or will be subject to existing mortgage loans and other indebtedness. As a result, the effective realization on the collateral securing a Mezzanine Loan in the event of default may be limited.

Mezzanine Loans may also involve certain additional considerations and risks. For example, the terms of Mezzanine Loans may restrict transfer of the interests securing such loans (including an involuntary transfer upon foreclosure) or may require the consent of the senior lender or other members or partners or equity holders in the related real estate company, or may otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a Mezzanine Loan or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

The Investment Vehicle may also invest in mezzanine debt interests in real estate companies and properties whose capital structures may have significant leverage ranking ahead of the investments. While the Adviser or its affiliates anticipates that the investments will usually benefit from the same or similar financial covenants and other covenants as those enjoyed by the leverage ranking ahead of the investments and will usually benefit from cross-default provisions, some or all of such terms may not apply to particular investments. The Adviser or its affiliates anticipates that the Investment Vehicle's usual security for its investments will be pledges of ownership interests, directly and/or indirectly, in a property-owning entity, and in many such cases the Investment Vehicle may not have a mortgage or other direct security interest in the underlying real estate assets. Moreover, it is likely that the Investment Vehicle will be restricted in the exercise of its rights in respect of certain of such investments by the terms of subordination agreements between the Investment Vehicle and the debt ranking ahead of the mezzanine capital. Accordingly, the Investment Vehicle may not be able to take the steps necessary to protect such investments in a timely manner or at all and there can be no assurance that the rate of return objectives of the Investment Vehicle or any particular investment will be achieved. To protect its original investments and to gain greater control over the underlying assets, the Investment Vehicle may need to elect to purchase interests of senior creditors or take equity interests in the underlying assets, which may require additional investment by the Investment Vehicle.

Certain legal aspects of mortgage loans; lender liability considerations. Certain investments may be subject to risks relating to the legal aspects of mortgage loans. Depending upon the applicable law governing mortgage loans (which laws may differ substantially), the Investment Vehicle may be adversely affected by the operation of law (including state law) with respect to its ability to foreclose on mortgage loans, the borrower's right of redemption, the enforceability of assignments of rents, due on sale and acceleration clauses in loan instruments, as well as other creditors' rights provided in such documents. In addition, the Investment Vehicle may be subject to liability as a lender with respect to its negotiation, administration, collection and/or foreclosure of mortgage loans. A borrower may claim that the Investment Vehicle interfered with the borrower's business, acted in bad faith in exercising its management rights or otherwise acted in a manner giving rise to a claim for lender liability or a similar claim (as further described below). As a lender, the Investment Vehicle may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest. In addition, bankruptcy laws may delay the ability of the Investment Vehicle to realize on collateral for loan positions held by it or may adversely affect the priority of such loans through doctrines such as equitable subordination or may result in a restructure of the debt through principles such as the "cramdown" provisions of the bankruptcy laws.

Investments in land/new development risk of fraud. The Investment Vehicle may acquire direct or indirect interests in undeveloped land or underdeveloped real property. Underdeveloped land and development and redevelopment properties do not initially generate operating revenue, while costs are incurred to develop or redevelop the properties, and may also generate certain expenses including property taxes and insurance. To the extent that the Investment Vehicle invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory approvals, the cost and timely completion of construction (including risks beyond the control of the Investment Vehicle, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on the Investment Vehicle and on the amount of funds available for distribution to the Clients. Properties under development or properties acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. In addition, market conditions may change during the course of development that make such development less attractive than at the time it was commenced.

In addition, investments in new development activities could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud, the Investment Vehicle may suffer a partial or total loss of capital invested. There can be no assurance that any such losses will be offset by gains (if any) realized on the Investment Vehicle's other investments.

Availability of insurance against certain catastrophic losses. With respect to assets acquired by the Investment Vehicle, liability, fire, flood, extended coverage and rental loss insurance with insured limits and policy specifications that the Adviser or its affiliates believe are customary for similar assets will be maintained. However, certain losses of a catastrophic nature, such as wars, earthquakes, terrorist attacks, or other similar events, may be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. Moreover, in the current environment, there is a risk that one or more of the Investment Vehicle's properties will be directly or indirectly affected by a major event (such as a terrorist attack) or other circumstance that could provoke immediate dramatic changes in general market psychology and could motivate widespread variation in the absolute and relative pricing of financial assets, real estate assets, and the availability of financing for such assets. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, the insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property. As a result, all investments might not be insured against terrorism. If a major uninsured loss occurs, the Investment Vehicle could lose both invested capital in and anticipated profits from the affected investments. Additionally, such an attack could have a variety of adverse consequences for the Investment Vehicle, including risks and costs related to the destruction of property, inability to use one or more properties for their intended uses for an extended period, decline in rents achievable or property value, and injury or loss of life, as well as litigation related thereto. So long as the Investment Vehicle's service providers have followed typical industry practices in protecting the Investment Vehicle's properties, recourse to them in the event of losses may be limited and such losses may be borne by the Investment Vehicle.

The Investment Vehicle will attempt to maintain insurance coverage against liability to third parties and property damage as is customary for similarly situated businesses. However, there can be no assurance that insurance will be available or sufficient to cover any such risks. Insurance against certain risks, such as earthquakes, floods, typhoons, hurricanes, pollution, terrorism, riots, civil commotion or acts of war, may be unavailable, available in amounts that are less than the full market value or replacement cost of Investments or underlying assets or subject to a large deductible. In addition, there can be no assurance the particular risks, which are currently insurable, will continue to be insurable on an economically feasible basis. Inflation, changes in building codes and ordinances, environmental considerations and other factors might make it infeasible to use insurance proceeds to replace a property if it is damaged or destroyed. Under such circumstances, the insurance proceeds received by the Investment Vehicle might not be adequate to restore its economic position with respect to the affected property. Because the Investment Vehicle is a pooled investment fund with a finite pool of capital commitments, all fund assets may be at risk in the event of an uninsured liability to third parties and, in certain cases, the Investment Vehicle may not be able to pay the insurance deductible associated with an insured liability.

Environmental liabilities. The Adviser and its affiliates take a proactive approach to identify and manage Sustainability Risks during the investment decision-making process. Nevertheless, the Investment Vehicle may be exposed to substantial risk of loss from environmental claims arising out of investments made with undisclosed or unknown environmental problems with inadequate reserves, as well as from health or occupational safety issues and concerns. Under applicable laws, ordinances and regulations, an owner of real property may be liable for the costs of removal or remediation of certain hazardous or toxic substances, including asbestos, on or in such property. Such laws often impose such liability without regard to whether the owner knew of, or was responsible for, the presence of such hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. The cost of any required remediation and the owner's liability therefore as to any property are generally not limited under such laws and could exceed the value of the property and/or the aggregate assets of the owner. The presence of such substances, or the failure to properly remediate contamination from such substances, may adversely affect the owner's ability to sell the real estate or to borrow funds using such property as collateral, which could have an adverse effect on the Investment Vehicle's return from such Investment. Environmental claims with respect to a specific Investment may exceed the value of such Investment, and, under certain circumstances, subject the other assets of the Investment Vehicle to such liabilities. Even in cases where the Investment Vehicle is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of the Investment Vehicle to achieve enforcement of such indemnities. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain federal, state and local laws, regulations and ordinances govern the removal, encapsulation or disturbance of asbestos-containing materials ("ACMs") when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for release of ACMs and may provide for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs.

The ongoing presence of environmental contamination, pollutants or other hazardous materials on a property (whether known at the time of acquisition or not) could also result in personal injury (and associated liability) to persons on the property and persons removing such materials, future or continuing property damage (which may adversely affect property value) or claims by third parties, including as a result of exposure to such materials through the spread of contaminants.

In addition, the Investment Vehicle's operating costs and performance may be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to investments of the Investment Vehicle, including additional compliance obligations arising from any change to such statutes, rules and regulations. Statutes, rules and regulations may also restrict development and use of property. Certain clean-up actions brought by country, state, provincial, and local agencies and private parties may also impose obligations in relation to investments and result in additional costs to the Investment Vehicle.

Construction risk. To the extent that the Investment Vehicle invests in projects that involve significant construction, such as greenfield development, there is a risk that such projects will not be completed within budget, within the agreed timeframe or to the agreed specification, which may result in significant delays, increased costs or delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet the higher interest and principal repayments arising from the additional debt requirement. In addition, there could be insufficient funds to complete construction, labor shortages or material shortages or delays that may adversely impact the cost and timing of construction, market or site deterioration after acquisition, governmental restrictions on the nature or size of a project. Delays in project completion may also affect the scheduled cash flow necessary to cover the debt service costs and operation and maintenance expenses. These risks may be mitigated by provisions in construction contracts for payment of liquidated damages by the construction contractors. However, the Investment Vehicle may not benefit from such provisions and may be exposed to any losses not covered by such provisions or to the financial failure of the contractors.

Any unanticipated delays or expenses could have an adverse effect on the operations and financial condition of the Investment Vehicle. Properties under construction or development, or properties acquired to be developed, generally generate no cash flow from the date of acquisition through the date of completion of construction or development and experience operating deficits for a period after the date of completion. The Investment Vehicle may commence construction, development, renovation or redevelopment activities prior to obtaining financing for such activities, and there is no guarantee that financing will be available on favorable terms, or at all. Once completed, such properties may perform below anticipated levels, producing cash flow below budgeted amounts. In addition, substantial renovations and developments, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention, which could divert management's time from the Investment Vehicle's day-to-day operations. The Investment Vehicle anticipates that future development and renovation activities may be financed through construction loans, in which case there is a risk that, upon completion of construction, permanent financing may not be available or may be available only on disadvantageous terms. Market conditions could change during the course of development that make such development less attractive than at the time it was commenced. Also, recently developed properties could take longer than expected to achieve stabilized operating levels, if at all. To the extent such facilities fail to reach stabilized operating levels or achieve stabilization later than expected, it could materially and adversely affect the Investment Vehicle's tenants'

abilities to make payments to the Investment Vehicle under their leases and thus adversely affect the Investment Vehicle's financial performance and operations.

Eminent domain, expropriation, resumption and other land acquisition risks. Local, regional or national governments may, in certain circumstances, seek to acquire certain assets of the Investment Vehicle through eminent domain, expropriation, resumption or other land acquisition proceedings. While the Investment Vehicle may seek to contest these proceedings which may be costly and may divert the attention of management from the operation of the Investment Vehicle, there can be no assurance that governmental entity will not succeed in acquiring assets of the Investment Vehicle. In such event, there is a risk that the Investment Vehicle will not receive adequate compensation for the assets acquired, or that the Investment Vehicle will not be able to recover all charges associated with divesting these assets.

Failure of a REIT subsidiary to qualify as a REIT. The Investment Vehicle may make investments through subsidiaries, including one or more REIT subsidiaries. The requirements for qualification as a REIT are extremely complex, and a REIT subsidiary's compliance with these requirements may depend upon factors outside the Investment Vehicle's control. Thus, there can be no assurance that any REIT subsidiary will in fact qualify for taxation as a REIT. Failure of a REIT subsidiary in any taxable year to qualify as a REIT will render the REIT subsidiary subject to tax on its taxable income at regular U.S. corporate income tax rates. Such failure would also prohibit the REIT subsidiary from deducting distributions paid to its shareholders and, subject to certain relief provisions, from re-electing to be treated as a REIT for the following four (4) taxable years. In seeking to comply with the requirements for taxation as a REIT and minimize any potential taxes payable by it, a REIT subsidiary may be required to limit or alter its activities, including by foregoing or delaying certain opportunities (including potential dispositions) that the Investment Vehicle might prefer absent the U.S. federal income tax rules applicable to REITs.

Risks upon disposition of investments. In connection with the disposition of investments, the Investment Vehicle may be required to make certain representations about the business, financial affairs and other aspects (such as environmental, asset, tax, insurance, and litigation) of the investment typical of those made in connection with the sale of any real property, including, in connection with a sale of REIT shares, representations regarding the status of such REIT as a REIT for U.S. federal income tax purposes. The Investment Vehicle may also be required to indemnify the purchasers of such investments or underwriters to the extent that any such representations are inaccurate with respect to certain potential liabilities. These arrangements may result in the occurrence of contingent liabilities for which the Adviser or its Affiliates may establish reserves or escrow accounts. In that regard, Clients may be required to return amounts distributed to them to fund obligations of the Investment Vehicle, including indemnity obligations, subject to certain limitations set forth in the Limited Investment Vehicle Agreement.

Risks related to maintaining occupancy levels in investments. The Investment Vehicle's ability to maintain or increase the occupancy levels of its investments or assets through the execution of leases with new tenants and the renewal of leases with existing tenants, as well as its ability to increase rents over the longer term, may be adversely affected by fluctuations in the market. In particular, tenants going into non-renewal of existing leases or early termination by significant existing tenants in the Investment Vehicle's multifamily portfolio would result in a significant decrease in the Investment Vehicle's net rental income. If the Investment Vehicle's net rental income declines, it would have less cash available to service and repay its indebtedness, and the value of its assets would decline further as well. In addition, significant expenditures associated with each asset, such as real estate taxes, new regulations, compliance works,

service charges and renovation and maintenance costs, are generally not reduced in proportion to any decline in rental revenue from that asset. If rental revenue from an asset declines while the related costs do not decline, the Investment Vehicle's income and cash receipts could be adversely affected. Any significant deterioration in economic conditions or conditions in the multifamily real estate market which contributes to a decline in rental revenues or further decline in market values of the Investment Vehicle's assets may materially adversely affect the business, results of operations and financial condition of the Investment Vehicle.

Capital improvements. The Investment Vehicle may acquire properties with the intent of investing additional capital to improve the property. These capital improvement programs may seek to improve apartment unit interiors, common areas, landscaping, recreational facilities and on-site infrastructure. These capital improvement programs may also entail untested approaches to increasing income and/or reducing operating expenses. The implementation of a capital improvement program is an important component affecting a property's ability to compete in the market, attract and retain residents, deliver incremental income growth that exceeds general rental market growth rates, or reduce operating expenses.

In executing a capital improvement program, the Investment Vehicle may choose designs, plans or products that fail to deliver the projected incremental rent increases or operating expense reduction. The Investment Vehicle may purchase products or equipment that are not appropriate for the relevant property and need to be immediately replaced, incurring additional labor and materials cost. Competing properties may benefit from greater capital investment or execute a capital improvement program more effectively. Increases in construction costs may also adversely affect the Investment Vehicle's ability to successfully implement a capital improvement program. In any of these cases, waste and/or the failure to achieve sufficient, or any, incremental income growth will negatively impact both the Investment Vehicle's return on the capital improvement program as well as net operating income. A poor return on capital expenditures or an adverse effect on net operating income will, in turn, negatively impact the value of any given property or portfolio of properties and adversely affect the performance of the Investment Vehicle.

In addition to capital improvement programs, the Investment Vehicle's properties may require ongoing capital expenditures to maintain the condition of the properties. Such expenditures may be significant and could adversely affect the performance of the Investment Vehicle.

Investments involving multiple properties. Investments involving multi-property acquisitions are often more complex and expensive than single-property acquisitions, and may place additional demands on the management company. Where multiple properties are acquired as a group, the Investment Vehicle may be required to purchase all properties as a package rather than declining the properties it does not want. If the Investment Vehicle is required to purchase one or more properties that it does not wish to acquire as part of a multi-property transaction, it may not be able to identify a buyer to acquire such properties and thus may be required to operate or attempt to dispose of those properties. The Investment Vehicle may also be required to accumulate a large amount of cash to fund such acquisitions. Because of the foregoing, acquiring multiple properties in a single transaction may reduce the overall yield on the Investment Vehicle's portfolio.

Possible inability to complete renovation on advantageous terms. The renovation of existing properties involves significant risks in addition to those involved in the ownership and operation of established properties, including the risks that financing may not be available on favorable terms for rejoint renovation

projects and that construction may not be completed on schedule or within budget, resulting in increased debt service expense and construction costs and delays in leasing such properties and generating cash flow. Substantial renovation activities are also subject to risks relating to the inability to obtain, or delays in obtaining, all necessary zoning, land use, building, occupancy and other required governmental permits and authorizations. Once completed, such renovated properties may perform below anticipated levels, producing cash flow below budgeted amounts. In addition, substantial renovations, regardless of whether or not they are ultimately successful, typically require a substantial portion of management's time and attention, which could divert management's time from the Investment Vehicle's day-to-day operations.

Volatility of property income. The volatility of net operating income for a property also may be influenced by a number of factors, including, without limitation, the length of tenant leases; the creditworthiness of tenants; the level of tenant defaults; the ability to convert an unsuccessful property to an alternative use; new construction in the same market as the mortgaged property; rent control laws or other laws impacting operating costs; the number and diversity of tenants; the availability of trained labor necessary for tenant operations; the rate at which new rentals occur; the property's operating leverage (which is the percentage of total property expenses in relation to revenue); the ratio of fixed operating expenses to those that vary with revenues; and the level of capital expenditures required to maintain the property and to retain or replace tenants.

A decline in the real estate market or in the financial condition of a large number of tenants will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties.

Termination or expiration of leases. The Investment Vehicle's properties may be subject to existing leases with tenants occupying a substantial portion of the properties. There can be no assurance that the Investment Vehicle will be able to retain tenants in any of their respective properties upon the expiration of their leases. Upon the expiration or early termination of such leases, the availability of the large blocks of space they cover may have an adverse effect on the Investment Vehicle's ability to achieve the lease terms and rents it might otherwise be able to achieve if space were to turn over in smaller portions, spread out over a period of time. If the space is suited to the particular needs of a former tenant, then the Investment Vehicle may have difficulty finding a new tenant for the space or may need to redevelop such space.

Unable to lease properties. Any of the Investment Vehicle's properties could become partially or completely vacant in the future. If the Investment Vehicle is unable to re-lease these properties and generate sufficient cash flow to replace or exceed that amount lost due to the vacancy, the Investment Vehicle will be required to recognize a financial loss as to that property, which would reduce the Investment Vehicle's operating results and ability to make distributions.

Property taxes and risk of property reassessments. Real property owned by the Investment Vehicle or real property that secures (directly or indirectly) an investment of the Investment Vehicle will likely be subject to real property taxes and, in some instances, personal property taxes. Such real and personal property taxes may increase as property tax rates change and as the properties are assessed or reassessed by taxing authorities. An increase in property taxes on the Investment Vehicle's real property could adversely affect the Investment Vehicle's results from operations and could decrease the value of that real property. An increase in property taxes on real property that secures an investment of the Investment Vehicle could adversely affect the ability of the borrower to make payments to the Investment Vehicle, which in turn may also adversely affect the value of the relevant asset held by the Investment Vehicle. If real property taxes increase, the Investment Vehicle's expenses will increase. If the Investment Vehicle fails to pay any such

taxes, the applicable taxing authority may place a lien on the real property and the real property may be subject to a tax sale.

Permits, approvals and licenses. A permit, approval or license may be required to acquire certain investments and their direct or indirect holding companies, or registration may be required before an acquisition can be completed. Examples of permits, approvals and licenses necessary to make an investment include antitrust approvals, environmental licenses, licenses to operate a particular property type (such as senior housing facilities), foreign investment approvals (including CFIUS approvals) and registrations, and other similar matters. The Investment Vehicle may require some or all of these permits, approvals and licenses to acquire and/or operate an asset. Additionally, counterparties may require some or all of these permits, approvals and licenses in order to acquire assets from the Investment Vehicle. There can be no guarantee of when and if such a permit, approval or license will be obtained or if the registration will be effected, which may adversely affect the Investment Vehicle's ability to acquire and sell assets.

Real estate title. Disputes over ownership of land sometimes occur. In countries such as the U.S., title insurance is readily available to cover this risk, though typical exclusions from policies may render them ineffective in certain cases. In countries where title insurance is not readily available, or where the Investment Vehicle does not obtain it, the Investment Vehicle could rely on opinions of title from lawyers or other professionals, which may prove inaccurate. Furthermore, in some jurisdictions, certain social groups may have claims against property that otherwise appears to be properly entitled in the real estate registries, which may encumber title of property acquired by the Investment Vehicle. In other jurisdictions, the real estate registry commonly does not reflect the true holders of the real estate title, which complicates title research and may result in title problems. Finally, in some jurisdictions, a purchase of real property can be attacked as not meeting "true sale" requirements and recharacterized as secured financing in the event the seller becomes insolvent. If any of these events occurs in relation to any of the Investment Vehicle's properties, the Investment Vehicle could lose certain of its rights in relation thereto.

The Investment Vehicle may incur significant costs complying with other regulations. The operations of the Investment Vehicle and tenants in properties owned by the Investment Vehicle are subject to material federal, state and local laws, statutes, rules, and regulations, which could materially adversely affect the Investment Vehicle. Generally, real estate properties are subject to various laws, ordinances and regulations, including regulations relating to lien sale rights and procedures. In addition, property management activities are often subject to state real estate brokerage laws and regulations as determined by the particular real estate commission for each state. Changes in U.S. federal, state and local laws and regulations could negatively affect the ability of the tenants in properties owned by the Investment Vehicle to make lease payments to the Investment Vehicle and, therefore, cash available for distribution to the Clients.

Federal Reserve. The Federal Reserve, in addition to its normal role of determining interest rate policy, has played an active role in the residential mortgage market through its financing of residential mortgage securities through the discount window and the Term Securities Lending Facility, purchase of agency securities and debt, and interest rate policy. A move by the Federal Reserve to tighten monetary policy either through higher benchmark interest rates or through non-traditional measures such as winding down extraordinary liquidity measures, or ending agency security purchases, may have a negative effect on the performance of residential mortgage-backed assets.

Litigation at the property level. The acquisition, ownership and disposition of real properties carry certain specific litigation risks. Litigation may be commenced with respect to a property acquired by the Investment

Vehicle or its subsidiaries in relation to activities that took place prior to the Investment Vehicle's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or, alternatively, that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made, if such buyer is passed over in favor of another as part of the Investment Vehicle's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Investment Vehicle under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.

Compliance with the Americans with Disabilities Act and other changes in governmental rules and regulations. Under the Americans with Disabilities Act of 1990 (the "ADA"), all public properties are required to meet certain federal requirements or new rules and regulations related to access and use by disabled persons. In addition, changes in governmental rules and regulations or enforcement policies affecting the use or operation of the properties, including changes to building, fire and life-safety codes, may occur. Properties acquired by the Investment Vehicle may not be in compliance with the ADA or other governmental requirements. If a property is not in compliance with the ADA or other governmental requirements, then the Investment Vehicle may be required to make modifications to such property to bring it into compliance, or face the possibility of an imposition of fines or an award of damages to private litigants. In either case, the Investment Vehicle may suffer losses, which would reduce amounts available for distributions to the Investment Vehicle's Clients.

Risks associated with certain types of real estate. The Investment Vehicle expects to invest in various types of real estate assets, each of which is subject to the general risks associated with owning and operating real estate described herein. In addition, other factors that may adversely affect the value and successful operation of, and income generated from, these types of investments include: the physical attributes of a building used to generate income, such as its age, condition, design, appearance, access to transportation and construction quality; location of the property, for example, a change in neighborhoods over time or desirability of the area to the target tenant population; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; competition from other real estate investors, which may affect the number of similar properties available; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease property; presence or construction of competing properties; the quality of tenants and tenant mix, such as the tenant population being heavily dependent on specific industries or businesses or, particularly with respect to residential real estate properties, being predominantly students; adverse local, regional or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; and federal, state, and local regulations, which may affect the building owner's ability to increase rent to market rent for an equivalent property. Any of the foregoing could have a material adverse effect on the performance of an investment.

In addition, investments in these sectors may also be adversely affected by the following particular risks:

- Multifamily Residential Real Estate. Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. There may be provisions that limit the bases on which a landlord may terminate a tenancy

or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings. These ordinances may limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. Similarly, governmental assistance programs that provide rent subsidies to tenants pursuant to tenant voucher programs may influence tenant mobility and the amount of rent a tenant can pay.

- Commercial Properties. Commercial properties may be especially affected by: an economic decline in the business operated by the tenants; the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and patterns of telecommuting or sharing of office space, and employment growth (which creates demand for office space). The risks of such an adverse effect are increased if the property revenue is dependent on a single tenant or anchor tenant or if there is a significant concentration of tenants in a particular business or industry. With respect to office properties in particular, such properties generally require their owners to expend significant amounts for general capital improvements, tenant improvements and costs of re-letting space. In addition, office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus non-competitive, or may require substantial capital investment to upgrade facilities in order to be competitive.
- Retail Properties. In many cases, the tenants of retail properties may negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions may limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties may be anchored by department stores and other large nationally recognized tenants. The value of investments could be materially and adversely affected if these "anchor" tenants fail to comply with their contractual obligations or cease their operations. In particular, certain department stores and other national retailers have experienced, and may continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the Internet. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant may be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn may be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by such "anchor" tenants. Furthermore, an investment may be required to decline entering into a lease with a potential tenant if such lease would result in adverse consequences to a REIT directly or indirectly holding such Investment, including because of related-party rent issues arising from Partners Group or affiliate owning, in whole or in part, an equity interest in such potential tenant.
- Hospitality Properties. Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and

competition than other commercial properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of such hotel's revenues, may depend in large part on its having a liquor license. Liquor licenses may not be transferable (for example, in connection with a foreclosure). Moreover, the hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters and environmental disasters and pandemics can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which may disrupt the hospitality industry and reduce demand for traditional hotels.

- Industrial, Distribution or Logistics Properties. The Investment Vehicle may invest in industrial, distribution and/or logistics properties. Significant factors determining the value of logistics properties are: (i) the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); (ii) changes in proximity of supply sources; (iii) the quality of tenants; (iv) a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; and (v) the expenses of converting a previously adapted space to general use. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties and logistics properties, although logistics properties may more frequently be dependent on a single or a few tenants. If the property is a single tenant building, risks associated with that tenant's financial means and potential default will be more pronounced than in a multi-tenant building. Moreover, because of the unique construction requirements of many logistics properties, a particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses, and the Investment Vehicle's investments in such property may accordingly incur losses. In addition, properties used for many industrial purposes are more prone to environmental concerns than other property types. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in logistics properties that conduct industrial,

manufacturing and commercial activities will cause the Investment Vehicle to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect the Investment Vehicle's ability to sell or rent an industrial property.

- Land/New Development and Redevelopment Risks. The Investment Vehicle may invest in direct or indirect interests in undeveloped land or underdeveloped real property, including "broken" residential condominium projects, which may often be non-income producing. In addition, some assets acquired by the Investment Vehicle may require redevelopment in order to meet the Investment Vehicle's investment strategy. To the extent that the Investment Vehicle invests in such assets, it will be subject to the risks normally associated with such assets, as well as the risks related to development and redevelopment activities. These risks include: the availability and timely receipt of zoning, building, land use and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond the control of the Investment Vehicle, such as weather or labor conditions, insolvency of building contractors, the inability of contractors to perform their obligations or material shortages), defects in plans and specifications and the availability of both construction and permanent financing on favorable terms. These risks could result in additional time between the acquisition of an asset and the realization of the Investment Vehicle's investment objectives for such asset, substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development or redevelopment activities once undertaken, any of which could have an adverse effect on the Investment Vehicle. Properties under development or redevelopment, or properties acquired to be developed or redeveloped, may receive little or no cash flow while costs and expenses continue to be incurred from the date of acquisition through the date of completion of development or redevelopment and may experience operating deficits after the date of completion. Further, any delay in completing the development or redevelopment of an asset may result in increased interest and costs and the potential loss of previously identified purchasers or tenants. In addition, real estate market, economic and other conditions may change during the course of development or redevelopment, making such development or redevelopment less attractive than at the time it was commenced.

Identification of investment opportunities. The success of the Investment Vehicle depends on the availability and identification of suitable investment opportunities. The availability of investment opportunities will be subject to market conditions and other factors outside the control of the Adviser and/or its affiliates. The industries and sectors in which the Investment Vehicle invests are highly competitive. The Adviser and/or its affiliates compete for investments with other operating companies, financial institutions, and other institutional investors, as well as private equity, hedge, and other investment funds and asset managers, and this competition could adversely impact the availability of investments and terms upon which the Adviser or its affiliates effect transactions with respect to the purchase, sale and/or financing or refinancing of such investments. There can be no assurance that the Adviser or its affiliates will be able to identify and select sufficient attractive investment opportunities to meet the Investment Vehicle's investment objective(s). The activity of identifying, completing and realizing attractive real estate investments has from time to time been highly competitive, and involves a high degree of uncertainty. Actual or perceived trends in real estate markets do not guarantee, predict or forecast future events, which may differ significantly from those implied by such trends. The Investment Vehicle will be competing for investments with an ever-increasing number of other parties including well-capitalized real estate investors, many other real estate

investment vehicles, as well as individuals, financial institutions, specialty investors (such as mortgage banks, pension funds, sovereign wealth funds, real estate operating companies and real estate investment trusts ("REITs") and other institutional investors some of which may have greater resources, more experience and/or may be willing to accept more risk than the Investment Vehicle. Further, over the past several years, many real estate investment funds and publicly traded REITs have been formed and others have consolidated (resulting in larger funds and REITs). These and additional funds and REITs that may be formed in the future by other unrelated parties or upon further consolidation may have investment objectives similar to those of the Investment Vehicle. There can be no assurance that the Investment Vehicle will be able to locate, complete and exit investments which satisfy the Investment Vehicle's rate of return objective or realize their values or that it will be able to fully invest its available capital. Each Client will nevertheless be required to bear its proportionate share of fees and costs of the Investment Vehicle.

In addition, the Investment Vehicle's investment strategies in certain sectors may depend on its ability to enter into satisfactory relationships with joint venture or operating partners. There can be no assurance that any current relationships with any such partner or operator will continue (whether on currently applicable terms or otherwise) with respect to the Investment Vehicle or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to the Investment Vehicle.

The real estate industry generally and the success of the Investment Vehicle's investment activities in particular will both be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of the Investment Vehicle's investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances in respect of the markets in which the Investment Vehicle may invest. These factors may affect the liquidity of the Investment Vehicle's investments, which could impair the Investment Vehicle's profitability or result in losses. In addition, general fluctuations in the market prices of real estate and interest rates may affect the Investment Vehicle's investment opportunities and the value of the Investment Vehicle's investments. The Adviser's financial condition may be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the businesses and operations of the Adviser and its affiliates (including those of the Investment Vehicle). A recession, slowdown and/or a sustained downturn in the global economy or a weakening of credit markets will have a pronounced impact on the Investment Vehicle and could adversely affect the Investment Vehicle's profitability, impede the ability of the Investment Vehicle's portfolio entities to perform under or refinance their existing obligations, and impair the Investment Vehicle's ability to effectively deploy its capital or realize upon investments on favorable terms.

In addition to general economic conditions, the residential real estate markets in which the Investment Vehicle operates are also affected by a number of other factors which may significantly impact the value of residential real estate investments, including interest rates and credit spreads, levels of prevailing inflation, the availability of financing, the returns from alternative investments as compared to real estate and changes in planning, environmental, residential lease, and tax laws and practices. In particular, multifamily asset values are dependent on, among others, current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness, and investment yields (which are, in turn, a function of interest rates, the market appetite for asset investments in general and with reference to the specific asset in question) together with the nature, location and physical condition of the asset concerned. Rental

revenues and residential real estate values are also affected by factors specific to each local market in which the asset is located, including the supply of available space, demand for multifamily real estate and competition from other available space. Market conditions could decrease the demand for multifamily real estate and thereby increase vacant space and exert pressure on the Investment Vehicle to provide rental incentives to tenants resulting in a decrease in the rental income, rental growth and asset values of the Investment Vehicle's multifamily portfolio, which could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Financial market fluctuations. Fluctuations in the market prices of securities may affect the value of the investments and may increase the risks inherent in such investments. The ability of a particular issuer to refinance its debts and remain solvent may depend on the ability to sell new securities in the capital markets, to borrow from banks or otherwise access capital, which may be impracticable or impossible in certain market environments. Similarly, the Investment Vehicle's strategy may in some instances be based, in part, upon the premise that real estate businesses and assets will be available for purchase by the Investment Vehicle at prices it considers favorable. Further, the Investment Vehicle's strategy may rely, in part, upon the continuation of existing market conditions (including, for example, supply and demand characteristics) or, in some circumstances, upon more favorable market conditions existing prior to the termination of the term of the Investment Vehicle. No assurance can be given that real estate businesses and assets can be acquired or disposed of at favorable prices or that the market for such assets will remain stable or, as applicable, recover or improve, since this will depend upon events and factors outside the Investment Vehicle's control.

Reliance on third-party operators and Related OpCos. From time to time, the Investment Vehicle, its subsidiaries or its investments may contract with third-party property management or development firms and/or Related OpCos to manage, oversee, operate, improve and/or develop its properties. It is the responsibility of the Adviser or its affiliates to provide leadership and oversight to these property managers and developers. These businesses contribute both on-site staff and senior management in connection with the oversight and management of properties. Property managers conduct a variety of vital day-to-day responsibilities, including communicating with potential tenants, leasing and marketing, and developers will oversee the site plan and construction of a property. These property managers and developers also play an important role in controlling many expenses, such as payroll, maintenance, contract services, marketing, administrative costs and management fees. The property manager and/or developer is responsible for operating the property at the direction of the Adviser or its affiliates.

While the Adviser or its affiliates seek to hire the best management teams, provide leasing and marketing tools, guidance and benchmarks, and will endeavor to carefully monitor the property manager's performance and control of expenses, there can be no assurance that either the property manager or the Adviser will achieve desired rental rates, occupancy levels, budgeted income or expense goals. Poor performance by the property manager or the Adviser will negatively impact the value of any given property or portfolio of properties and adversely affect the performance of the Investment Vehicle. Further, the Adviser and its affiliates are incentivized to favor Related OpCos over third-party property managers and developers as it or its affiliates may earn a profit from its investments in such Related OpCos. If such Related OpCo does not perform in accordance with the Adviser's expectations, the investments serviced by such Related OpCo, and consequently your investment in the Investment Vehicle, may be adversely affected.

Risks of Infrastructure Investments

The Investment Vehicle may make investments (either via a secondary investment, third-party co-investment or a primary investment) in infrastructure assets and other assets with similar characteristics. As such, the below risks specific to infrastructure investments may impact the Investment Vehicle and its financial returns.

Risks associated with investments in infrastructure. The Investment Vehicle's investments may consist of infrastructure investments and other investments with similar characteristics, including investments focused on sectors such as clean power, low carbon fuels, carbon management, water sustainability, circular economy, new mobility, social infrastructure, critical supply chain, data transmission and data storage and services. Such investments will be subject to the risks incidental to the ownership, construction and operation of infrastructure assets, including risks associated with the general economic climate, geographic or market concentration, the ability of the Adviser to manage the investment, technical problems, financial failures of operating or construction, sub- contractors, government regulations, and fluctuations in interest rates. Since investments in infrastructure and similar assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of an investment.

In addition, general economic conditions in relevant jurisdictions, as well as conditions of domestic and international financial markets, may adversely affect operations of the investment. In particular, because of the long lead-time between the inception of a project and its completion, a well-conceived project may, as a result of changes in investor sentiment, the financial markets, economic, regulatory or other conditions prior to its completion, become an economically unattractive investment. With respect to investments in the form of real property (if any), an Investment Vehicle will incur the burdens of ownership of real property, which include the paying of expenses and ad valorem and other real property taxes, maintaining such property and any improvements thereon, and ultimately disposing of such property.

Change of law and sovereign risk. The Investment Vehicle expects to operate in an environment with increasing regulatory scrutiny and heightened potential for material changes in laws and/or regulations, which could affect the Investment Vehicle and its investments. Any further legal, tax and/or regulatory changes during the term of the Investment Vehicle may adversely affect the Investment Vehicle. In addition to the risks regarding regulatory approvals, it should be noted that government counterparties may have the discretion to change or increase regulation of an investment's operations, or implement laws or regulations affecting the portfolio company's operations, separate from any contractual rights it may have. A portfolio company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company.

In addition, governments have considerable discretion in implementing regulations that could impact an investment's business, and because its business may provide basic, everyday services and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect an investment's business. There can be no assurance that the relevant governmental entities will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of the Investment Vehicle's investments. The

Investment Vehicle or an investment may be unable to effectively pursue legal remedies against governmental entities for a breach of contractual obligations or other violations of their legal rights.

Construction risk. There is a degree of risk associated with the construction of infrastructure assets, including the risk that a project will not be completed within budget, within the agreed timeframe and/or to the agreed specifications. A fund manager may seek to mitigate the exposure by transferring some or all of such risks from the relevant portfolio company to the relevant construction contractors under the terms of the construction contract, including a requirement for payment of liquidated damages by the construction contractor. However, should any of the above risks materialize in relation to any portfolio company, they could have a material adverse effect on the value of the relevant investment which could, in turn, have a corresponding effect on the Investment Vehicle's and the Adviser's financial position and/or its results.

Under certain circumstances, (for example, where a portfolio company itself causes the delay), the expected construction completion date may be extended under the contract, and the construction contractor will only be obliged to pay liquidated damages to the portfolio company for late completion if construction is not completed by that later date. Where a portfolio company, or a portfolio company and the construction contractor jointly, have contributed to a delay or a budget overrun, the liquidated damages provisions of the construction contract may not be enforceable.

A portfolio company may remain at risk if, following construction completion, as a result of site defects or contamination of the site that were not discovered or were caused by the construction contractor. There may be a limit to the liquidated damages available to the portfolio company from the construction contractor, particularly in the event of the construction contractor's financial failure. Consequently, the portfolio company may not be able to recoup all damages/losses incurred as a result of a time delay or budget overrun.

Subcontractors. Infrastructure investments may involve the subcontracting of design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects following the construction of the asset, subject to liability caps and statutory limitations. The contractual arrangements made by a portfolio company or a third-party management company may not be as effective in passing on risks to its subcontractors as intended and this may result in unexpected costs or a reduction in expected revenues for the portfolio company. Certain provisions in sub-contracts intended to pass risk could be ineffective. In addition to this financial liability, the construction subcontractors may also have an obligation to return to the site in order to carry out any remedial works required for a pre-agreed period. A portfolio company may not normally have recourse to any third party for any defects which arise after the expiry of limitation periods. If a subcontractor to a third-party management company fails to perform the services which it has agreed to provide, a portfolio company may fail to meet the service standards it has agreed with certain counterparties and there may be a reduction in the actual income received that was anticipated by the portfolio company and/or claims by the counterparties against the portfolio company for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any contractual liability caps. If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them, then, to the extent the liability cannot be set off, the portfolio company will not be compensated for any reductions in payments and/or claims made by counterparties which they may suffer as a result of the subcontractor's service failure. Ultimately such service failure could lead to termination of a project agreement.

In some instances, a single subcontractor may be responsible for providing services to various infrastructure investments. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the infrastructure investments. If there is a subcontractor service failure which is sufficiently serious to cause a portfolio company or third-party management company to terminate a subcontract, or an insolvency in respect of a subcontractor, or a counterparty requires a portfolio company to terminate a sub-contract in such event, there may be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. These may not be recoverable from the defaulting subcontractor.

Development risk. Successful development of new infrastructure projects, , and investment in infrastructure assets generally, entails a variety of risks (some of which may be unforeseeable at the time a project is commenced) and may require the involvement of a broad and diverse group of stakeholders who will either directly influence or potentially be capable of influencing the nature and outcome of the project. Such characteristics may include, without limitation, political or local opposition, governmental regulation or receipt of regulatory approvals or permits, site or land procurement, environment-related issues, labor disputes, economic and market conditions including economic growth, increasing fuel prices, government macroeconomic policies, toll, tariff and other fee rates, social stability, technical obsolescence, competition from untolled or other forms of transportation, acts of God, fire, flood, earthquakes and other natural disasters, changes in weather, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, changes in demand for products or services and other changes in the financial position or business strategy of customers, defective design, bankruptcy or financial difficulty of a major customer or supplier, unanticipated changes in the availability or price of inputs necessary for the operation of infrastructure assets, project feasibility assessment, less than optimal coordination with public utilities in the relocation of their facilities, counterparty non-performance, dealings with and reliance on third-party consultants and legal action from special interest groups. These risks could result in substantial unanticipated delays or expenses, any of which could have an adverse effect on the Investment Vehicle. When making an investment, value may be ascribed to potential development projects that do not achieve successful implementation, potentially resulting in lower than expected returns to a portfolio company. Investments under development or Investments acquired to be developed may receive little or no cash flow from the date of acquisition through the date of completion of development and may experience operating deficits after the date of completion. Market conditions and laws may change during the course of development that makes such development less attractive than at the time it was commenced.

Environmental risks. The operations of a portfolio company are subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants.

Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of hazardous materials. The presence of these hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person.

Any liability of a portfolio company resulting from non-compliance or other claims relating to environmental matters could have a material adverse effect on the value of such investment.

Asset maintenance costs risks. A portfolio company may be exposed to underlying lifecycle and asset maintenance costs associated with its investments. The cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation or penalties or regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies.

During the period of ownership, certain assets (such as turbines and machinery) may need to be replaced or undergo a major refurbishment. The timing of such replacements or refurbishments is forecast based upon expert advice. However, shorter-than-anticipated asset lifespans, or costs or inflation that are higher than were forecast, may result in lifecycle costs exceeding anticipated amounts. Any cost implication, not otherwise passed down to sub-contractors, will generally be borne by the infrastructure company.

Rate regulation. Infrastructure assets may be subject to rate regulation by government agencies because of their unique position as the sole or predominant provider of services that are essential to the community. As a result, portfolio companies might be subject to unfavorable price regulation by government agencies, which could adversely affect the overall profitability of any particular infrastructure project subject to such rate regulation. Portfolio companies may be subject to rate regulation that determines or limits the prices it may charge, particularly if the portfolio company is the sole or predominant service provider in its service area or provides services that are essential to the community. In addition, portfolio companies may be subject to unfavorable price determinations that may be final with no right of appeal or that, despite a right of appeal, could result in its profits being negatively affected or investments not meeting initial return expectations.

Unforeseen events risk. The use of the infrastructure assets may be interrupted or otherwise affected by a variety of events outside a portfolio company's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected toll roads, bridges, tunnels and other infrastructure assets in the past, and if the use of the infrastructure assets operated by investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such investments could be reduced and the costs of maintenance or restoration as well as the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of the toll roads, bridges, tunnels or other infrastructure assets, lost toll revenues or increased expenses resulting from such damage. In some cases, project agreements could be terminated if the events described above were so catastrophic that they could not be remedied within a reasonable period or at all.

Land title risk. Certain investments may require large areas of land to install and operate their equipment and associated infrastructure. The rights to use the necessary land may be obtained through freehold title,

easements, leases, and other rights of use. Different jurisdictions adopt different systems of land title, and in some jurisdictions it may not be possible to ascertain definitively who has the legal right to enter into land tenure arrangements with investments. In addition, the grantor's fee interests in the land which is the subject of such easements and leases are or may become subject to mortgages securing loans, other liens (such as tax liens), and other lease rights of third parties. As a result, an investment's rights under such leases or easements are or may be subject and subordinate to the rights of third parties. It is also possible that a default by the grantor under any mortgage could result in a foreclosure on the grantor's interest in the property and thereby terminate the investment's right to the leases and easements required to operate such Investment. Similarly, it is possible that a government authority, as the holder of a tax lien, could foreclose upon a parcel and take possession of the portion of the investment located on such parcel. The rights of a third party pursuant to a superior lease could also result in damage to or disturbance of the physical assets of an investment or require relocation of Investment assets. The locations of the portfolio companies may also be subject to government exercise of eminent domain power or similar events. The expiration of a landowner lease and the failure to obtain an extension will adversely affect the portfolio company on such property. If any investments were to suffer the loss of all or a portion of their underlying real estate interests or equipment as a result of a foreclosure by a mortgagee or other lienholder of a land parcel, or damage arising from the conduct of superior leaseholders, such investment's operations and revenues may be adversely affected.

Risks associated with Investments in social infrastructure. Investments in social infrastructure include (but are not limited to) investments in healthcare, childcare, education and public facilities and services. Such investments can be materially affected by national and international economic and political or policy changes, including, but not limited to, social, economic and political instability, economic uncertainty, limitations or suspensions of public funding and a disproportionate need for private capital investment. Such factors can lead to uncertainty about long-term funding needs, investment plans, project pipelines and viability.

A lack of comprehensive integration of social infrastructure investment and funding plans can also limit the number of investible projects and create demand-supply imbalances as well as competition for existing projects. These factors can give rise to high project valuations and acquisition prices which may not reflect the true value of the underlying infrastructure or project and lead, among other things, to overpayment by the Investment Vehicle. In some areas of social infrastructure, such as healthcare and education, skills gaps and a lack of trained professionals may affect long-term operational viability.

Investments in the transportation sector. The Investment Vehicle may make investments in infrastructure opportunities relating to the transportation sector, which may include investments relating to public or private transportation-related infrastructure investments. The Investment Vehicle's ability to make attractive transportation-related infrastructure investments may be subject to a variety of considerations, including general supply/demand trends, overall economic development and growth in the jurisdictions in which the Investment Vehicle may make investments, general market conditions, socioeconomic changes, and changes relating to governmental spending and related policies. Any adverse or unexpected changes in such conditions could adversely affect the Investment Vehicle's ability to consummate attractive transportation-related infrastructure investments and/or the performance of any Investments in the transportation sector.

Competing assets. Portfolio companies may face competition from other infrastructure assets in the vicinity of the assets they operate, the presence of which may depend in part on governmental plans and policies.

The construction of a new (or improved) competing infrastructure asset may compete with the portfolio company. If portfolio companies are unable to compete successfully with such alternatives, the Investment Vehicle's business, financial condition, and results of operations could be materially and adversely affected.

Sovereign risk and permits. The concessions of certain investments are granted by government bodies and are subject to special risks, including the risk that the relevant government bodies will exercise sovereign rights and take actions contrary to the rights of the portfolio company under the relevant concession agreement. There can be no assurance that the relevant government bodies will not legislate, impose regulations or change applicable laws or act contrary to the law in a way that would materially and adversely affect the business of an Investment Vehicle's investments. Government concessions or other agreements may also contain clauses more favorable to the government counterparty than would a typical commercial contract. For instance, a lease or concession may enable the government to terminate the lease or concession in certain circumstances without requiring it to pay adequate compensation.

An Investment Vehicle may invest in jurisdictions which require authorization for infrastructure projects. It may not be possible to construct and operate infrastructure projects without receiving the authorizations required by local legislation. A portfolio company will generally look to secure all necessary authorizations, but it can make no guarantee that it will successfully do so. In some jurisdictions, retroactive changes to legislation of this type may be enforced, diminishing the ability of a project to continue operating at projected capacity. Interruptions of, or changes to, projected operations may negatively affect the value of an investment and consequently the returns of an Investment Vehicle.

Competition risk. The Investment Vehicle may invest in investments that construct or maintain and operate infrastructure assets in a highly competitive environment. The Investment Vehicle will compete with other consortia and companies for infrastructure investments. These competitors, which include large construction and engineering groups and financial investors, may have significant financial resources and may be able to present bids with competitive terms. As a result of such competition, the Investment Vehicle may have difficulty in making certain infrastructure investments. Furthermore, the Investment Vehicle may incur costs in unsuccessful tenders which it is unable to recover. If the Investment Vehicle fails to make new investments or is unsuccessful in tenders, the Investment Vehicle's financial condition and results of operations could be materially and adversely affected.

Demand and usage risk. The revenue generated by infrastructure and infrastructure-related assets may be impacted by the demand of users or the number of users for the products or services provided by such assets (for example, traffic volume on a toll road). Any reduction in demand and/or the number of users may negatively impact the profitability of a portfolio company. Demand for infrastructure assets may be subject to seasonal variations leading to increased or reduced revenues and profitability at various times during the year, which could affect the short term returns to an Investment Vehicle.

Although the Adviser and its affiliates may target assets with low demand, usage and throughput risk, residual demand, usage and throughput risk can affect the performance of investments. To the extent that the assumptions regarding the demand, usage and throughput of assets prove incorrect, returns to the Investment Vehicle could be adversely affected.

Real estate infrastructure risks. Some of the Investment Vehicle's investments may be subject to the risks inherent in the ownership and operation of assets or business which derive a substantial amount of their value from real estate and real estate-related interests. These types of underlying interests are typically

illiquid. Deterioration of real estate fundamentals may negatively impact the performance of such investments. Such changes in fundamentals could involve fluctuations as a result of general and local economic conditions, overbuilding and increased competition, increases in property taxes and operating expenses, changes in environmental and zoning laws, casualty or condemnation losses, environmental liability, regulatory limitations on rents, changes in neighborhood values, changes in the appeal of properties to tenants, the availability of mortgage funds which may render the sale or refinancing of properties difficult or impracticable, natural disasters, increase in interest rates and other factors that are beyond the control of Adviser or its affiliates.

Additionally, the Adviser and its affiliates may acquire assets in jurisdictions where indigenous rights (e.g., with respect to tribes or other dispossessed people/ communities) to land exist. While the Adviser and its affiliates will generally conduct due diligence in such jurisdictions to determine the extent to which it may be affected by such rights, it may not be possible to mitigate against or remove a risk associated with indigenous claims. Additionally, any declaration of title in respect of government protected land on which infrastructure assets are located may negatively affect the operation of those businesses.

Purchases from distressed developers. A portion of the Investment Vehicle's investment strategy may include purchasing infrastructure and infrastructure-related assets from financially distressed developers. In such circumstances, the competition for such investment opportunities may be particularly acute to the extent such assets are provided for sale in connection with auction proceedings being conducted by a court in accordance with local bankruptcy proceedings. In such bankruptcy court-supervised auctions, the Investment Vehicle may incur significant expenses identifying, investigating and attempting to acquire potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, extended competitive bidding processes, legal expenses, and the fees of other third-party advisors. The inability to consummate any such transactions and the incurrence of broken deal expenses with any such transactions not consummated may adversely affect the Investment Vehicle's investment performance.

Digital infrastructure risks. The Investment Vehicle may invest in businesses that are dependent on the demand for mobile and internet infrastructure, including data centers, macro cell towers, fiber networks and small cell networks and may be adversely affected by a slowdown in such demand. For such mobile and internet infrastructure, demand may be impacted by various factors that are primarily outside the control of the Investment Vehicle. Additionally, new technologies, including improvements in the efficiency, architecture, and design of wireless or cloud networks may also reduce current and/or anticipated demand for such mobile and internet infrastructure. Finally, such businesses are dependent on the availability of electric energy and any disruptions in energy supply to such businesses may adversely affect their performance.

Termination of project agreements. Project agreements for infrastructure projects may be terminated in certain circumstances. The compensation to which portfolio companies will be entitled on termination will depend on the reason for termination and the terms of the respective agreement. In some cases (e.g. termination for force majeure) the compensation payable may only cover the senior debt in the relevant portfolio company and may not include sufficient amounts to repay the investment in the portfolio company. In other cases (e.g. termination for portfolio company default), the amount of compensation payable may cover neither the full amount of senior debt nor the nominal value of the investment in the portfolio company (or the amount paid in the market for that investment). Typically, senior lenders will have security over compensation proceeds. In other circumstances, such as default by the relevant client, the compensation would be expected to cover senior debt and the original return on the investment but not necessarily the

amounts paid for the acquisition of the investment by the Adviser. All of the foregoing scenarios may result in the loss of an Investment Vehicle's investment in the portfolio company.

Bypass risk. Bypass risk arises where a change could occur in the way an infrastructure service or product is delivered, rendering it less attractive and allowing a competitor or user of such service or product to bypass it. If the investments are subject to bypass, they may lose revenues and cash flows may be adversely impacted. Further, if a change were to occur that made any infrastructure assets obsolete, such infrastructure assets would be likely to have very few, if any, alternative revenue generating uses.

Strategic assets risk. Investments in public infrastructure may be in assets that constitute significant strategic value to public and/or governmental bodies. The very nature of these assets could generate additional risks not common in other industry sectors. Given the national or regional profile and/or their irreplaceable nature, such strategic assets may constitute a higher risk target for terrorist acts or political actions. Given the essential nature of the services provided by public infrastructure assets, there is also a higher probability that the services provided by such assets will be in constant demand. Should an owner of such assets fail to make such services available, users of such services may incur significant damage and may, due to the characteristics of the strategic assets, be unable to replace the supply or mitigate any such damage, thereby heightening any potential loss from third party claims against a portfolio company for such failures.

Political and societal challenges. Infrastructure assets, businesses and projects often involve a significant impact on local communities and the surrounding environment. It is not uncommon for large-scale infrastructure projects to be particularly susceptible to political and societal challenges, which may, in turn, affect a project's ability to receive, renew or maintain required permits or approvals and may result in increased compliance costs, the need for additional capital expenditures or a suspension of project operations. For example, proposals to site a particular infrastructure project, such as a bridge, airport or energy plant, or engage in activities relating to a project, such as drilling activities in a particular location, may be challenged by a number of parties, including non-governmental organizations and special interest groups based on alleged security concerns, disturbances to natural habitats for wildlife and adverse aesthetic impacts. Concerns can also arise regarding some of the techniques used in the extraction of natural resources relating to an infrastructure project, which may require governmental permits or approvals and which have recently been the subject of heightened environmental concerns and public opposition in some jurisdictions. Popular opposition can produce political pressure to cancel, suspend, limit or impose additional restrictions on operations. Such restriction or disruption may negatively impact the operation of portfolio companies and/or increase their capital expenditure. This may negatively impact returns of an Investment Vehicle.

Regulatory risks. Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to matters affecting the ownership, use and operation of infrastructure assets. The adoption, interpretation, amendment and enforcement of such regulations could have the effect of increasing the expenses, and lowering the income or rate of return, as well as adversely affecting the value, of any of the Investment Vehicle's investments. Governments have considerable discretion in implementing regulations that could impact infrastructure assets, and because infrastructure businesses provide, in many cases, basic, everyday services, and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect the investments.

Many of the Investments may be subject to varying degrees of statutory and regulatory requirements, including those imposed by zoning, environmental, safety, labor and other regulatory or political authorities.

Such Investments may require numerous regulatory approvals, licenses and permits to commence and continue their operations. Failure to obtain or a delay in obtaining relevant permits or approvals could hinder construction or operation and could result in fines or additional costs for the project entity or the Investment Vehicle, loss of the Investment Vehicle's rights to operate the affected business, or both, which in each case could have a material adverse effect on the Investments. Where the Investment Vehicle's ability to operate a business is subject to a concession or lease from the government, the concession or lease may restrict the Investment Vehicle's ability to operate the business in a way that maximizes cash flows and profitability. The impact on the Investment Vehicle of these requirements may be complicated by the fact that the Investment Vehicle intends to operate across multiple jurisdictions.

Federal Power Act; State regulations. Electricity generation and related infrastructure investments may be subject to extensive non-U.S. and U.S. federal, state and local energy laws and regulations in the United States and other jurisdictions where portfolio companies are located, including, without limitation, in the United States, the Federal Power Act ("FPA"), the Energy Policy Act of 2005, the Public Utility Holding Company Act of 2005 ("PUHCA"), and the Public Utility Regulatory Policies Act. Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Under the FPA, the Federal Energy Regulatory Commission ("FERC") regulates wholesale sales of electricity and the transmission of electricity in interstate commerce by "public utilities" as defined under the FPA and places constraints on the conduct of their business, including, among other things, rate and corporate regulation including ownership and disposition of jurisdictional assets. The FPA prohibits "public utilities" (entities that own or operate facilities subject to FERC jurisdiction) from selling, leasing, or otherwise disposing of jurisdictional facilities, or merging or consolidating jurisdictional facilities; from buying or acquiring securities of other jurisdictional public utilities; and from purchasing, leasing or otherwise acquiring an existing generation facility, without first obtaining FERC approval. Rates, charges and other terms for transmission services and for wholesale sales of electricity by public utilities are subject to FERC's regulation. Upon an appropriate showing, FERC will authorize an entity to engage in wholesale sales of electricity at negotiated prices based on market conditions rather than at cost-based rates pre-approved by FERC. If certain conditions are not met, FERC also has the authority to revoke or revise this market-based rate authority and require sales to be made based on cost of service rates. FERC is also responsible for licensing and overseeing the operation of private, municipal and state-owned hydroelectric projects. The Investment Vehicle's portfolio companies that own such electric facilities may be deemed to be "public utilities" under federal law and subject to regulation by FERC except to the extent exempted by statute or by FERC. Companies that have authorization from FERC to sell at "market-based" rates are referred to herein as being unregulated; however, FERC continues to have jurisdiction over those companies and retains the authority to remove the authorization to sell at market-based rates and otherwise impose significant regulatory obligations.

FERC also has authority, under PUHCA, to access of the books and records of holding companies of electric utility companies (companies that own or operate facilities used for the generation, transmission, or distribution of electric energy for sale) and gas utility companies (companies that own or operate facilities used for the distribution at retail of natural or manufactured gas for heat, light, or power), unless a holding company is exempted or has obtained a waiver from FERC. The FPA prohibits holding companies from purchasing, acquiring, or taking securities, or merging or consolidating with, a transmitting utility, and electric utility company or a jurisdictional holding company without first obtaining FERC approval.

State public utility commissions in U.S. states (“PUCs”) have historically had broad authority to regulate both the rates charged by, and the financial activities of, electric utilities that sell electricity at retail (i.e., the sale of power to end-users) and other public utilities that provide utility service to the public such as water utilities and telecommunication service providers, and a number of other matters relating to electric and other public utilities.

On the state level, PUCs have plenary jurisdiction over public utilities in their respective states, including responsibility for approving rates and other terms and conditions under which “public utilities” as defined by state law sell retail electric power to consumers. In addition, most state laws require approval from the state commission before a public utility operating in the state may divest or transfer assets, including electric generation, transmission and distribution facilities. Most state laws also give the PUCs authority to regulate the financial activities of electric utilities selling electricity to consumers in their states. Except in limited circumstances under federal law, states retain jurisdiction over the siting of transmission assets and have full authority to approve siting of generation assets. Moreover, in some states regulators have control of the determination as to whether a “need” exists for the construction of generation or transmission assets. States may also assert jurisdiction over the location and construction of electric generating facilities and other public utility facilities, and in certain situations, over the issuance of securities and the sale or other transfer of assets by these facilities.

Natural Gas Act & Interstate Commerce Act; State regulations. Oil and natural gas transportation and related infrastructure investments may be subject to extensive non-U.S. and U.S. federal, state and local energy laws and regulations in the United States and other jurisdictions where portfolio companies are located, including, without limitation, in the United States, the Natural Gas Act (“NGA”), the Natural Gas Policy Act of 1978, the Outer Continental Shelf Lands Act, and the Interstate Commerce Act (“ICA”). Changes in applicable energy laws or regulations, or in the interpretations or administration of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines.

Under the NGA, FERC regulates the construction of interstate transportation and storage facilities by interstate natural gas pipelines. It regulates the rates, terms and conditions of the transportation of natural gas in interstate commerce, but not the gas commodity, including the production, gathering or wholesale sale of natural gas. FERC’s regulations for interstate natural gas transmission in some circumstances also may affect the intrastate transportation of natural gas. Although natural gas prices are currently unregulated, Congress historically has been active in the area of natural gas legislation. There is no way to predict whether new legislation to regulate natural gas might be proposed, what proposals, if any, might actually be enacted by Congress or the various state legislatures, and what effect, if any, the proposals might have on the Investment Vehicle’s investments.

Under the ICA, FERC regulates the interstate transportation and storage of oil, condensate, and natural gas liquids and the terms and conditions of service. FERC-jurisdictional interstate pipelines are required to have a tariff on file with FERC, and changes to the tariff must be accepted by FERC to become effective. There are currently no federal price controls on oil production, and sales of oil, condensate and natural gas liquids by a portfolio company. However, there can be no assurance that Congress will not enact controls at any time.

States do not currently regulate wellhead prices or engage in other similar direct economic regulation, but there can be no assurance that they will not do so in the future. The effect of these regulations may be to limit the amounts of natural gas that may be produced from wells that generate payments to us, and to limit the number of wells or locations that can be drilled. States regulate the retail sale of natural gas to customers located in their states, including establishing rates for gas distribution and the methods by which gas distribution companies recover the cost of gas purchased on behalf of customers. Most states require regulatory approval for financing, stock sales, asset transfers or acquisitions involving natural gas distribution companies operating in their states. Similar regulation may also apply in other non-U.S. jurisdictions where Investments are made.

Expected return assumptions. An Investment Vehicle may invest in assets based on certain assumptions about the return and risk profiles associated with the investment. The actual risk and return of investments may differ from those assumed by the Adviser and adversely affect the performance of the Investment Vehicle. An infrastructure asset may not perform in accordance with expectations. The anticipated cost of improvements required to bring an acquired asset up to market established standards may exceed budgeted amounts. Infrastructure projects rely on large and detailed financial models that produce estimates or projections of investment cash flows. There is a risk that errors made in the assumptions or methodology used in a financial model may not equate to actual outcomes. In such circumstances, the returns generated by the Investment may be less than expected and there can be no assurance that the actual Investment cash flows will achieve the stated targeted return.

Documentation risks. Infrastructure investments are usually governed by a complex series of legal documents and contracts. As a result, the risk of a dispute over the interpretation and enforceability of legal documents or contracts may be higher than for other equity investments. In addition, a portfolio company may be subject to claims by third parties (either public or private), including environmental claims, legal action arising out of acquisitions or dispositions, workers' compensation claims and third-party losses related to disruption of the provision of infrastructure services by an infrastructure provider. Further, it is not uncommon for infrastructure assets to be exposed to legal action from special interest groups seeking to impede particular infrastructure projects to which they are opposed. If any of an Investment Vehicle's investments become involved in material or protracted litigation, the litigation expenses and the liability threatened or imposed could have a material adverse effect on the Investment Vehicle.

Certain restrictions on ownership. Many jurisdictions restrict foreign investment in infrastructure assets. For example, in certain countries, infrastructure investments are predominantly made through certain approved and designated entities, which significantly limits investment opportunities. Similarly, current U.S. laws give the President of the United States authority to block acquisitions by foreign persons of U.S. entities if that acquisition threatens to impair national security. Such restrictions could limit a portfolio company's ability to invest in some entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. These regulations may result in (i) new or extended governmental reviews (including the investment's effect on applicable national and/or economic security) and/or governmental or regulatory approvals; (ii) new or extended notification periods prior to consummation of an investment; and (iii) additional restrictions and prohibitions on the ownership, management and operation of infrastructure assets or companies by foreign persons. As a result, the Adviser may incur significant delays and costs or be altogether prohibited from making a particular investment, all of which could adversely affect a portfolio company's ability to meet its investment objectives. In addition, such restrictions may prevent syndication or sale of infrastructure assets to buyers. Further, political attention surrounding any potential transaction could increase governmental scrutiny. New

laws in one country could encourage other countries to impose reciprocal regulations on foreign investment in certain assets in the name of national security, which could have a corresponding effect of limiting the Adviser's ability to make investments in such countries.

Technical risks. Investments may be subject to operating and technical risks, including risk of mechanical breakdown, failure to perform according to design specifications, labor and other work interruptions, and other unanticipated events that adversely affect operations. While a portfolio company will seek to properly insure its investments, there can be no assurance that any or all such risk can be mitigated, or that relevant counterparties, if present, will perform their obligations. An operating failure may lead to loss of a license, concession or contract on which an investment may depend, and may cause reputational harm to the investment and/or a portfolio company.

The long-term profitability of an infrastructure project, once constructed, is partly dependent upon efficient operation and maintenance of the assets. Inefficient operations and maintenance and, in certain infrastructure sectors, latent defects in acquired infrastructure assets may adversely affect the financial returns of a portfolio company.

Failure of physical infrastructure. The Investment Vehicle may invest in businesses that depend on providing customers with highly reliable services. Any failure of the physical infrastructure or offerings of Investments of the Investment Vehicle may lead to significant costs and disruptions that could reduce the revenue of customers for such Investments and harm the business reputation and financial results of these customers, which may impact the returns on such investments. Investment's assets are expected to be subject to failure from numerous factors including: human error, equipment failure, physical, electronic and cyber security breaches, fire, earthquake, hurricane, flood, tornado and other natural disasters, extreme temperatures, water damage, fiber cuts, power loss, terrorist acts, sabotage and vandalism and failure of business partners who provide network connectivity.

Problems at one or more infrastructure assets, whether or not within the Adviser's control, could result in service interruptions or significant equipment damage. Furthermore, investments of Investment Vehicles are likely to be dependent upon internet service providers, telecommunications carriers and other website operators, some of which have experienced significant system failures and electrical outages in the past.

If, for any reason, these providers fail to provide the required services, the investment's business, financial condition and results of operations could be materially and adversely impacted.

Labor relations. Certain investment entities may have unionized work forces or employees who are covered by a collective bargaining agreement, which could subject any such investment entity's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, an investment entity's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any investment entity's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of an investment entity's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such problems additionally may adversely affect an Investment Vehicle's ability to implement its investment objectives.

When services are transferred from the public to private sector there is the potential for labor action at the time of transfer and possible ongoing labor disputes. The transfer of services from the public to the private sector may require that existing negotiated labor agreements be observed. However, even where such

agreements are adhered to, it is always possible that labor action may arise as a result of perceived changes in the relationship between the existing workforce and private ownership. Many infrastructure assets employ a unionized labor force. Risks associated with employment of personnel, including unionized labor, include labor strikes, reputational damage, labor disputes, work stoppages and other unanticipated events which may adversely affect operations.

Health and safety. Health and safety is a key risk area in the operation and maintenance of many infrastructure assets. Costs associated with the failure to protect the health and safety of workers in, and users of, infrastructure assets could adversely impact a portfolio company.

Risks of Investing in Secondary Investments

Expenditure of additional costs and resources. The costs and resources required to investigate the commercial, tax and legal issues relating to secondary investments may be greater than those relating to primary investments.

General risks of secondary investments. The overall performance of the Adviser's secondary investments will depend in large part on the acquisition price paid, which may be negotiated based on incomplete or imperfect information. Certain secondary investments may be purchased as a portfolio, and in such cases the Adviser may not be able to carve out from such purchases those investments that the Adviser or its affiliates considers (for commercial, tax, legal or other reasons) less attractive. Where the Adviser or its affiliates acquires a secondary investment, the Adviser or affiliates will generally not have the ability to modify or amend such investment's constituent documents (e.g., limited partnership agreements) or otherwise negotiate the economic terms of the interests being acquired. In addition, the costs and resources required to investigate the commercial, tax and legal issues relating to secondary investments may be greater than those relating to primary investments. In addition, the Adviser may have the opportunity to participate in "stapled secondaries" (e.g., a secondary market purchase of an existing limited partner interest and corresponding commitment to a new fund in formation sponsored by the same investment manager). In certain instances, the purchase of the interest in the new fund may be less attractive than the secondary market purchase of an existing limited partner interest. In such cases, it may not be possible for the Investment Vehicle to exclude from such purchases those investments which the Adviser considers (for commercial, tax, legal or other reasons) less attractive.

Market Conditions for Secondaries. The supply and, consequently, the pricing of secondary investments is dependent on a number of factors that may be adversely impacted by general conditions in the global financial markets, including the rate at which such portfolio funds are able to deploy capital, the performance and value of investments held by portfolio funds and the ability for such portfolio funds to realize, recapitalize and/or refinance their own investments in order to return capital to their investors. Higher valuations and increased liquidity and return of capital in the private credit investment market may result in fewer attractive investment opportunities being available for the Investment Vehicle. Further, over the past several years, an ever-increasing number of secondaries investment funds and other capital pools targeted at the secondaries sector have been formed (and many such existing funds have grown substantially in size), and additional capital will likely be directed at this sector in the future. Other investment funds and other institutions currently in existence or organized in the future may have greater access to secondary investment opportunities and greater ability to complete investments than the Investment Vehicle, or may

have different return criteria than the Investment Vehicle, any of which would afford them a competitive advantage.

Illiquidity of secondaries investments. There is not an established market for secondary investments and although there has been an increasing volume of sales of secondary investments, no liquid market is expected to develop. The Investment Vehicle generally expects to be prohibited by contract or legal or regulatory reasons from selling or transferring Investment interests without applicable consents. No assurance can be given that, if the Investment Vehicle were determined to dispose of all or part of a particular Investment, it could dispose of such Investment at a prevailing market price, and there is a risk that disposition of such Investment may require a lengthy time period. These risks can be further increased by changes in the financial condition or business prospects of the investments, changes in national or international economic conditions, and changes in laws, regulations, fiscal policies or political conditions of countries in which Investments are located or in which they conduct their business.

Contingent liabilities associated with secondary transactions. Where the Investment Vehicle acquires a secondary investment, the Investment Vehicle may acquire the contingent liabilities associated with such interest. More specifically, where the seller has received distributions from the relevant secondary investment and, subsequently, that portfolio fund recalls any portion of such distributions, the Investment Vehicle (as the purchaser of the interest to which such distributions are attributable) may be obligated to pay an amount equivalent to such distributions to such secondary investment. While the Investment Vehicle may be able, in turn, to make a claim against the seller of the interest for any monies so paid to the secondary investment, there can be no assurance that the Investment Vehicle would have such right or prevail in any such claim.

Limited selectivity of investments. The Investment Vehicle may purchase certain secondary investments as a group.. Certain of the investments in the group may be less attractive than others, and certain of the investments or the sponsors of such portfolio funds may be more familiar to the Investment Vehicle than others, or may be more experienced or highly regarded than others. In such cases, it may not be possible for the Investment Vehicle to carve out from such purchases those investments which the Adviser considers (for commercial, tax, legal or other reasons) less attractive. In addition, it may be more difficult for the Adviser to successfully value and close on investments being sold on a pooled basis. In the instances where a portfolio of interests includes investment funds managed or advised by the Adviser or its affiliates and/or investment funds where Partners Group vehicles hold interests, the Investment Vehicle will work with the sellers to exclude such funds from the target portfolio. If the transaction is offered on "all-or-nothing" basis and the sellers do not agree to exclude such funds from the target portfolio, the Investment Vehicle may not be able to acquire the entire portfolio and participate in the transaction, which may negatively affect the Investment Vehicle by limiting investment opportunities available to it.

Valuation of secondary investments based on available information. When the Investment Vehicle acquires Investments on a secondary market, the Investment Vehicle will rely on values of such investments that are reported by the investments to the Investment Vehicle's predecessor-in-interest (e.g., sellers). The Investment Vehicle will have no means of independently verifying valuations of such Investments and may not be able to obtain representation and warranties from sellers in respect of the accuracy of such reported values, and even if the Investment Vehicle obtains such representation and warranties, the extent of recourse to sellers for breach of such representation and warranties may be limited by the terms of the purchase and sale agreement entered into by the Investment Vehicle and sellers. As a result, material misrepresentation or omission of the financial information of the Investments may negatively affect the

Investment Vehicle and the Clients. Further, there can be no assurance that investments will ultimately be realized for amounts equal to, or greater than, these valuations, or that the past performance information based on such valuations will accurately reflect the realization value of such investments. The actual realized returns generated by unrealized investments will depend on, among other factors, success of the advisers of the investments in achieving their investment objectives; solvency of the borrowers of the underlying loans in which portfolio funds invest; future operating results; the value of the assets and market conditions at the time of disposition; any related transaction costs and the timing and manner of sale. Valuations are subject to determinations, judgments and opinions, and other third parties or limited partners may disagree with such valuations.

Reliance on portfolio fund and portfolio company management. Although the Adviser will monitor the performance of each portfolio fund, unless otherwise provided in the transactional documents in connection with the Adviser's investment, the management of such portfolio fund will be responsible for operating it on a day-to-day basis and will generally have sole discretion in structuring, negotiating and purchasing, financing, monitoring and eventually divesting investments made by such portfolio fund. In this respect, the Investment Vehicle will rely on the expertise and skill of the managers of the portfolio fund and will generally have no ability to participate in the management and control of those funds.

Multiple layers of fees. The Investment Vehicle bears its direct expenses and management costs, as well as its pro rata share of the expenses and management costs incurred by the portfolio funds in which it invests. It is expected that the portfolio funds will charge management fees and incentive fees or carried interest to their investors, a portion of which will be paid, indirectly, by the Investment Vehicle. Such fees and expenses are expected to materially reduce the actual returns to Clients and will result in greater expense than if Clients were to invest directly in those portfolio funds in their portfolios. Fees and expenses of the Investment Vehicle and the portfolio funds in which the Investment Vehicle invests will generally be paid regardless of whether the Investment Vehicle or the portfolio funds produce positive investment returns.

Risks relating to secondary investments involving syndicates. The Investment Vehicle may acquire secondary investments as a member of a purchasing syndicate, in which case the Investment Vehicle may be exposed to additional risks including (among other things): (i) counterparty risk, (ii) reputation risk, (iii) breach of confidentiality by a syndicate member and (iv) execution risk.

Enhanced scrutiny and potential regulation of the secondaries investments. The secondaries market, and general partner-led transactions in particular, has witnessed increased attention from regulators and investor trade groups. In September 2018, the SEC announced the settlement of an enforcement action brought against a registered investment adviser and one of its founders for failing to disclose material information to limited partners in connection with a general partner-led secondaries transaction. In addition, in April 2019, the Institutional Limited Partners Association, a trade association whose members include institutional limited partners investing in private funds, released a series of recommendations and considerations for market participants to take into account in connection with general partner-led secondary fund restructuring transactions, including with respect to transaction terms and structures, investor engagement and transparency, use of third-party advisors, conflicts of interest and expense allocation. Increased scrutiny of the secondaries market generally, and general partner-led transactions in particular, could have an adverse impact on the Investment Vehicle, the investments and the Adviser by, for example, limiting the availability of investment opportunities for the Investment Vehicle if market participants are

dissuaded from engaging in private credit fund restructuring transactions and/or other transactions described herein, if such enhanced scrutiny results in less favorable pricing or terms, delays in transaction closing and/or litigation, expenses and/or other liabilities.

The increased political and regulatory scrutiny of the private funds industry has been particularly acute following the global financial crisis. For example, other jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is therefore a material risk that regulatory agencies in the U.S., Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private funds industry, or other changes that could adversely affect investment firms and the private funds they sponsor, including the Investment Vehicle.

There can be no assurance that any of the foregoing will not have an adverse impact on the Adviser or otherwise impede the Investment Vehicle's ability to effectively achieve its investment objectives.

Conflicts of Interest Risks

Potential conflicts of interest. Affiliates of the Adviser engage in financial advisory activities that are independent from, and may from time to time conflict with, those of the Adviser or its investments. In the future, there may arise instances where the interests of such affiliates conflict with the interests of the Adviser or its investments.

Related OpCo fees for services. The Adviser and its affiliates make investments in certain Related OpCos. One or more Related OpCos may be retained and remunerated by the Adviser, its affiliates or its investments in connection with services provided by such Related OpCo to the Investment Vehicle or its investments of the type typically provided by third parties (including, without limitation, acquisition, asset management, leasing, development management, development oversight and similar services); provided that the terms of any such contract or transaction are fair and reasonable to the Investment Vehicle and meet at least one of the following criteria: (i) the terms are negotiated at an arm's length basis prior to the conflict of interest arising -i.e. prior to Partners Group's investment into the operating business; (ii) the terms are negotiated by independent (unconflicted) parties- i.e. for minority-owned investments in Related OpCos, Partners Group's board members are recused from involvement, or for majority-owned investments in Related OpCos, the business is operationally independent with information barriers in place; (iii) the terms are equivalent to the terms offered by the applicable Related OpCo to other clients unaffiliated with Partners Group, assuming the services provided are substantially the same; or (iv) the fees are at or below the rates reasonably available from unaffiliated third-party service providers. Any fees paid to a Related OpCo in connection with such services, and any proceeds earned by the Adviser and its affiliates in connection with its investment in a Related OpCo, shall not be rebated against any management fee paid by the Investment Vehicle. The fees paid by the Investment Vehicle or its subsidiaries or investments to a Related OpCo shall be disclosed to the advisory board (or equivalent) at least on an annual basis.

Competition. Affiliates of the Adviser may invest in, advise, sponsor and/or act as investment manager to investment vehicles and other persons or entities (including prospective investors in the Investment Vehicle) which may have structures, investment objectives and/or policies that are similar to (or different than) those

of the Adviser; which may compete with the Adviser for investment opportunities; and which may co-invest with the Adviser in certain transactions. In addition, affiliates of the Adviser and their respective clients may themselves invest in securities that would be appropriate for the Adviser's investments and may compete with the Adviser's investments for investment opportunities. In engaging in such transactions, such affiliates of the Adviser will consider their interests and the interests of their respective clients and will not, and is not obligated to, take into consideration the interests of the Investment Vehicle or its investments.

Co-investments alongside other Partners Group Vehicles. The Investment Vehicle's investment strategy focuses primarily on making investments alongside certain other Partners Group vehicles, and any allocations of investment opportunities to the Investment Vehicle (i) shall be secondary in priority to any Partners Group Priority Programs, (ii) are made at the sole discretion of the Adviser in accordance with the Allocation Directive, and (iii) may result in the investments being made on different terms, at different times and/or in different securities or in different layers of a company's capital structure. In addition to the other conflicts discussed herein, conflicts of interest are likely to arise from such co-investments regarding certain decisions relating to the applicable investment, including with respect to the timing of disposition of such investment or strategic objectives. Any Partners Group vehicle that the Investment Vehicle invests alongside with may, from time to time, have economic, tax, regulatory, contractual, strategic or other business goals or interests that are inconsistent or conflicting with those of the Investment Vehicle, and in such cases the Adviser and its affiliates may be presented with conflicts of interest where certain actions that take into consideration the interests of such other Partners Group vehicle may not be in the best interests of the Investment Vehicle. It is generally expected that the Adviser and its affiliates will make decisions (including, without limitation, disposition decisions) taking into account the best interests, investment strategies and objectives of such other Partners Group vehicle and without giving any separate consideration to the interests of the Investment Vehicle, provided that except with respect to Partners Group Priority Programs (which will be allocated investment opportunities on a pro rata basis), such conflicts of interest will be elevated in circumstances where such other Partners Group Vehicle pays higher fees to (or is viewed as more strategically important by) the Adviser or its affiliates.

In order to minimize such conflicts, the Investment Vehicle may avoid making certain investments or taking certain actions that would potentially give rise to conflicts of interest, which could have the effect of further limiting the Investment Vehicle's investment opportunities, the Investment Vehicle's ability to exercise certain rights with respect to its investment or in respect of disposition of investments. Alternatively, the Adviser may resolve the conflict by adopting a particular strategy, which could result in a different investment outcome than might arise if it had resolved such conflict differently, or otherwise adversely impact the Investment Vehicle and its performance. Except as may be otherwise expressly provided in the Investment Vehicle's agreement, all conflicts of interest will be resolved by the Adviser in its sole discretion and there can be no assurance any such conflict will be resolved in favor of the Investment Vehicle.

Preferential fee terms are offered to personnel. Personnel of the Adviser, its affiliates and their respective children, spouses and/or spousal equivalents, as well as certain consultants and advisors of the Adviser and its affiliates, who invest directly or indirectly in the Investment Vehicle or a parallel vehicle may pay reduced or no management fees, incentive allocation, organizational charges, administrative fees, dissolution fees, carried interest or other performance-based fees or allocations. Such preferential terms with respect to fees and expenses may also be offered to personnel of portfolio companies (and their respective children, spouses and/or spousal equivalents, consultants and advisors) in which the Investment Vehicle and/or other Partners Group vehicles have invested or intend to invest.

Transactions with Affiliates. The Investment Vehicle, access vehicles and its investments may enter into contracts and transactions with the Adviser or its affiliates or any Related OpCos, provided that the terms of any such contract or transaction are fair and reasonable to the Investment Vehicle and, except as provided below, (a) in the Adviser's reasonable belief, are not materially less favorable to the Investment Vehicle than could be obtained in arm's-length negotiations with unrelated third parties, or (b) approved by the advisory board. In particular, the Investment Vehicle may (i) borrow funds from the Adviser or any of its affiliates for Investment Vehicle purposes (including, but not limited to, for the purpose of paying the management fee and organizational expenses) at interest rates reasonably determined by the Adviser or its Affiliates to be at arm's length, and (ii) retain one or more Related OpCos to perform acquisition, asset management, leasing, development management, development oversight and similar services, provided such terms are fully disclosed at the next advisory board, as applicable, meeting. Although the Adviser may reasonably believe that the terms of such borrowings or other contracts and transactions with the Adviser or its affiliates will be conducted on terms that are not materially less favorable to the Investment Vehicle than could be obtained in arm's-length negotiations with unrelated third parties, there can be no guarantee that the resulting terms of any contract or transaction with the Adviser or its affiliates will in fact reflect such arm's-length terms since such transactions will not have the benefit of arm's-length negotiations of the type normally conducted between unrelated parties.

The Investment Vehicle may also enter into certain other contracts and transactions with the Adviser, Partners Group vehicles or their respective affiliates as set forth in the Investment Vehicle's offering documents, including, *inter alia*, in connection with Re-underwriting Transactions, permitted syndications, warehoused investments and BSL transactions.

Investing in affiliated parties. The Adviser may invest in entities that are affiliates of or are managed by the Adviser, including in respect of which it or its affiliates may receive investment management, advisory or other fees, in addition to those payable to the Adviser, which provides a benefit to the Adviser and its affiliates.

Re-Underwriting. The Adviser and its affiliates provide investment management services to a range of Clients as described in this brochure. Clients may participate in transactions with Partners Group Priority Programs and Co-Investors in which the Adviser or Investment Vehicles may not have an interest (such other clients, funds and accounts are collectively referred to as "Other Clients"). The Adviser and its Clients may participate in transactions that involve one or more investments that, based on selection criteria such as industry dynamics, a long-term business plan, value creation potential and/or maturity estimates, is expected to be suited for longer-term holding periods and as a result requires new underwriting (in each case determined in the sole discretion of the Adviser and/or any of its affiliates), with the partial or complete acquisition or sale of such investments by one or more Clients to one or more Other Clients on both sides of the transaction (collectively, a "Re-underwriting Transaction"). In such transactions, the Adviser and its affiliates will prioritize extending Clients or Other Clients existing exposure to the relevant investment, assuming the Adviser and its affiliates have determined it is in the best interests of such investors to do so and that investment vehicles directly or indirectly controlled by the Adviser and/or its affiliates possess significant governance rights in the relevant underlying asset before and after the Re-underwriting Transaction, before allocating to new clients or adding to such existing exposure(s). Conflicts may arise in determining the amount of an investment and/or divestment, if any, to be allocated among Clients or Other Clients in a Re-underwriting Transaction and the respective terms thereof, and there can be no assurance that any portion of such investment/divestment opportunity will be allocated to any particular Client.

The Adviser and its affiliates will only involve a Client in a Re-underwriting Transaction where it aligns with that Client's best interests and as contemplated by the Allocation Directive. When determining a Client's best interests within the context of a Re-underwriting Transaction, the Adviser and its affiliates will consider the totality of circumstances of the transaction, including, but not limited to, a Client's investment objectives and time horizon, offered terms from third-party purchasers/sellers of the investment, and any other transaction specific factors (e.g., tax and legal considerations and the participation of Other Clients) that influence the possible outcomes of the transaction vis-a-vis a Client. There can be no assurance that the return to a Client on a particular investment that is subject to a Re-underwriting Transaction will be equivalent to or better than the returns obtained by Other Clients participating in the transaction or holding such investment. Furthermore, a conflict may arise in such Re-underwriting Transactions because Other Clients may be acting on the other side of a Client and the Adviser and its affiliates may control the investment prior to and after the Re-underwriting Transaction. The Adviser and its affiliates have established rule-based procedures designed to ensure all involved Clients' interests are fairly and equitably addressed through their participation in a given Re-underwriting Transaction. For example, the Adviser and its affiliates will for each Re-underwriting Transaction ensure arm's length pricing in accordance with the requirements of the applicable regulations. Clients should note that there can be no assurance that the resolution of any conflict will result in circumstances that favor a Client and each underlying investor in such Client acknowledges and agrees that in some instances, a decision by the Adviser and its affiliates to take a particular action could have the effect of benefiting Other Clients (and may have the effect of benefiting the Adviser and its affiliates) more than or to the detriment of Clients.

Broadly Syndicated Loans. Subject to the Client's investment objective and strategy, guidelines and restrictions, the Adviser may invest in broadly syndicated loans ("BSLs"). Where permitted and in accordance with applicable law, the Adviser from time to time may cause the Investment Vehicle to engage in BSL cross trades with one or more Other Clients, provided that the Adviser and its affiliates have determined it is beneficial to the Investment Vehicle and such Other Clients. Neither the Adviser nor any of its affiliates will receive any commission or any other similar fees in connection with such cross trades. BSL cross trades and any related allocations are subject to the prevailing rules-based procedures addressing potential conflicts of interest as determined by the Adviser or its affiliates

Revolver credit facilities. The Investment Vehicle may from time to time utilize revolver credit facilities for the financing of senior debt investments where the use of such borrowing is permitted. This may be a dedicated revolver facility for the Investment Vehicle (dependent on the Investment Vehicle's individual requirements) or may be a shared revolver facility utilized by the Investment Vehicle and multiple Partners Group Priority Programs. Where a dedicated facility is in place, the Investment Vehicle generally covers the cost of the facility in addition to an ongoing fee to the provider of the facility. To the extent there are fees and expenses associated with share revolver facilities, those fees and expenses for the shared revolver facilities will be applied pro rata across the Investment Vehicle and the Partners Group Priority Programs utilizing the vehicle in addition to an ongoing fee for each of the Investment Vehicle and the relevant Partners Group Priority Programs to the facility provider.

Permitted Syndications. The Investment Vehicle may sell or purchase an investment either to or from a Partners Group vehicle that at the time of such sale or purchase is not more than 25% owned by the Adviser or one of its affiliates (other than transfers of investments to an alternative vehicle or parallel vehicle) or to third parties, in each case provided that any such sale or purchase is made (i) at a price equal to the price paid by the original purchaser (including capitalized expenses) plus an amount of interest as reasonably determined by the Adviser or its affiliates to be at arm's length, (ii) on the same terms (to the extent

applicable) as the original purchaser and (iii) in accordance with such other terms as set forth in the offering documents/agreements. There is no guarantee, however, that, when purchasing an investment with the intent to sell such Investment to other Partners Group vehicles, the Investment Vehicle will be able to sell the relevant portion of such investment to such other Partners Group vehicle or third party. In the event the Investment Vehicle is unable to sell such portion of an investment, the Investment Vehicle will have an investment allocation to such investment that is greater than it otherwise would have had the syndication occurred. In addition, the Investment Vehicle may bear certain expenses related to any syndication vehicles.

General Partner Affiliate pre-financing and bridging. The Investment Vehicle, its subsidiaries or investments may borrow funds from the Adviser or one or more of its affiliates on arm's-length terms and conditions in order to consummate the purchase of one or more investments prior to the initial closing or following the initial closing, to bridge cash needs of the Investment Vehicle or as otherwise determined in the Adviser's or its affiliates' discretion. Any such borrowing(s) will be conducted on terms that the Adviser or its affiliates reasonably believes to be no less favorable to the Investment Vehicle than could be obtained on an arm's-length basis with unrelated third parties, and at an interest rate equal to a base rate plus a spread the Adviser or its affiliates reasonably believes to be market standard for similarly tenored borrowings. To the extent such borrowings are made, the material terms of such borrowings will be disclosed at the next advisory board meeting, as applicable. It is expected that a portion of the contributions or other third-party financing received by the Investment Vehicle following the initial closing will be used to repay some or all of any outstanding borrowing costs.

Partners Group Revolver Pooling, LLC. Certain Partners Group vehicles have capitalized (and other Partners Group vehicles may, in the future, capitalize) the Revolver Pooling Entity through their concurrent commitment of equity and debt financing to the Revolver Pooling Entity in the form of capital commitments and "Delayed Draw Notes" (as defined herein), each as further explained below. In addition, the Revolver Pooling Entity has a swingline credit line from Partners Group Finance CHF IC Limited (the "Swingline Lender") that it can use in certain circumstances for short-term financing to finance third-party borrower draws on underlying revolver loans held by the Revolver Pooling Entity in the event that the Revolver Pooling Entity has insufficient drawn funds available to fund the third party draw (any loans under the swingline credit line, "Swingline Loans"). The Delayed Draw Notes and Swingline Loans are governed by a loan agreement, dated as of January 7, 2022 (the "Loan Agreement" (as amended from time to time)), among the Revolver Pooling Entity, the Swingline Lender, Partners Group US Management III LLC (the "Agent"), and The Bank of New York Mellon Trust Company, National Association, or another collateral agent and collateral custodian as may be selected by the Agent or its Affiliates from time to time in its or their sole discretion (the "Collateral Custodian").

The Partners Group vehicles investing in senior credit facilities are the members of the Revolver Pooling Entity pursuant to its limited liability company agreement. Any Partners Group vehicle that contributes to the Revolver Pooling Entity, including each of the Revolver Pooling Entity's existing members, has made a capital commitment to the Revolver Pooling Entity that can be drawn as needed on three (3) Business Days' prior notice. Partners Group vehicles can become members of the Revolver Pooling Entity pursuant to a subscription agreement.

When new Partners Group vehicles are allocated to U.S. senior debt investments that will be providing funding to senior credit facilities, their investment will be made at a net asset value price per unit in the

Revolver Pooling Entity calculated by the Collateral Custodian. To the extent necessary, each Partners Group Vehicle's capital accounts and capital commitments to the Revolver Pooling Entity may be "rebalanced" on an annual basis or more frequently in the Adviser's or its Affiliates' sole discretion so that the overall allocation of capital accounts and capital commitments reflects each Partners Group vehicle's percentage allocation of the U.S. direct senior debt investments made directly by the Revolver Pooling Entity. The Revolver Pooling Entity is managed by a non-member designated manager, Partners Group US Management III LLC.

Pursuant to the Loan Agreement, the Revolver Pooling Entity has issued delayed draw notes to each participating Partners Group vehicle ("Delayed Draw Notes"). The Revolver Pooling Entity can draw on the Delayed Draw Notes with three (3) Business Days' prior notice to participating Partners Group vehicles. Outstanding loans made under the Delayed Draw Notes bear interest at the short-term applicable federal rate as published by the IRS. Generally, outstanding loans under the Delayed Draw Notes must be repaid in full on the facility termination date (the "Facility Termination Date," which is January 7, 2024, subject to an optional one-year extension with approval of the Agent or alternatively the parties may mutually agree to a longer extension). Partners Group vehicles that acquire membership interests in the Revolver Pooling Entity will also acquire Delayed Draw Notes pursuant to a subscription agreement in an amount such that their pro rata share of Delayed Draw Notes is commensurate with their membership interest in the Revolver Pooling Entity.

Under the Loan Agreement, the Swingline Lender is committed to make Swingline Loans to the Revolver Pooling Entity. The purpose of the Swingline Loans is to provide short-term financing to enable the Revolver Pooling Entity to quickly fund draws on the underlying variable revolver funding assets that it holds in the event that insufficient capital is held at the Revolver Pooling Entity to meet immediate draw requests from third-party borrowers. For the foregoing reason, the Revolver Pooling Entity can draw Swingline Loans with same Business Day notice to the Swingline Lender. The Swingline Lender received an upfront fee of USD 43,429 at the closing of the Loan Agreement. The Swingline Lender has reserved the full, undrawn commitment of the borrowers on its balance sheet and, therefore is entitled to an annual commitment fee of 0.25% of annualized undrawn commitments and it receives interest currently at SOFR plus, generally, up to 2.5% (following the occurrence of an event of default as defined in the Loan Agreement), such interest rates subject to adjustments from time to time based on market changes, on outstanding Swingline Loans. The Swingline Lender is providing financing to the Partners Group vehicles because the Adviser or its affiliate believes in good faith that it is unable to obtain a similar financing arrangement from one or more third-party financing sources at this time on terms as favorable as those provided by the Swingline Lender. The Adviser and its affiliates will continue to seek third-party financing opportunities going forward to replace the Swingline Lender and intends to benchmark, no less frequently than annually, the Swingline Lender's terms compared to one or more third-party lenders to assess whether more favorable financing may be available.

Outstanding Swingline Loans must be repaid on each distribution date (which is the last business day of March, June, September and December) to the extent there are funds available thereof, or on the Facility Termination Date.

Holding and disposal of investments. Investments owned by the Adviser may also be allocated by Partners Group to Other Clients and such investments would therefore be owned by Other Clients. Such Other Clients may have different investment objectives and strategies which will include the expected time frame

for the ownership, holding and eventual disposal of such investments. It is likely that the Adviser and/or its affiliates may decide to dispose some of the investments owned by the Adviser and Other Clients at the same time and on the same terms and conditions; however, in certain circumstances (for example, but not limited to, the potential listing of an investment on a stock market) it is possible that the Adviser may seek to dispose of an investment at a different time (either earlier or later) than Other Clients. In addition, investors may receive different consideration (for instance, some investors may receive cash whereas other investors may be provided the opportunity to receive distributions in-kind) which may impact the realized return ultimately received by each Client or Other Client. These differences in timing can be detrimental to the Adviser or its Clients or Other Clients. To the extent such a decision gives rise to a material conflict of interest, the Adviser would refer such matter to the respective board including matters for which consent under the Advisers Act may be necessary. In certain circumstances the Adviser may however determine that such a situation may not necessarily give rise to a conflict of interest in view of the different investment strategies of the Adviser and Other Clients.

Additional services. The Adviser or its affiliates (including Related OpCos, where applicable) may provide services to an investment, or access vehicle, for separate compensation (including, where applicable, with respect to access vehicles, compensation resulting in Downstream Internal Service Costs); such compensation may be retained by the Adviser or its affiliates and not used as a rebate against the management fee. For example, Related OpCo Fees shall not be used as a rebate against the management fee. A conflict will arise if a Partners Group representative is involved in, responsible for, or influences the appointment of a Partners Group affiliate, and the fees for such services are retained by the Adviser or its affiliates and not credited or used as a rebate for the benefit of the Adviser and the limited partners.

The Adviser or its affiliates may also provide services to the Investment Vehicle for separate compensation that may be indirectly paid for by the Investment Vehicle as an expense. For example, such services may include (i) financing costs associated with the consummation of investments or (ii) financing costs associated with the payment of expenses stemming from the assessment and monitoring of investments (whether or not consummated) or temporary investments. A conflict may arise in such circumstances where an affiliate of the Adviser may set the costs of its services to the Investment Vehicle (for example, by setting the interest rate charged for the financing services described above). Partners Group has established conflict resolution processes to ensure such costs, where feasible, are negotiated at arm's length, and are therefore at or below market standard.

Warehoused investments. The Adviser and its related persons may, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to eligible Clients in connection with certain "warehousing" transactions, provided that the sale is consistent with the Adviser's fiduciary obligations to such Client. Such transactions will be fully disclosed in writing, and the written consent of the Investment Vehicle (which, in certain circumstances, may be provided by an advisory board (or an equivalent board or committee of investors in a Client), as applicable, will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act and all other applicable state and federal securities laws.

Conflicts relating to Adviser. The Investment Vehicle from time to time invests in securities of companies in which Partners Group personnel and other related persons of the Adviser and its affiliates have previously invested for their own accounts. Furthermore, Partners Group personnel and other related persons of the Adviser and its affiliates from time to time invest for their own accounts in securities of companies in which the Investment Vehicle has previously invested. While the significant interests of Partners Group personnel

generally align the interest of such persons with the Investment Vehicle, such persons may have differing interests from the Investment Vehicle with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of the Investment Vehicle participating in a transaction would be equal to and not less than an Other Client participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

In addition, Partners Group personnel may also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Investment Vehicle and/or which may invest in similar industries and sectors as the Investment Vehicle (including investments for purposes of sourcing future investment opportunities). Such Partners Group personnel have a conflict of interest with respect to their personal investment holdings. There may be situations in which such investment vehicles invest in the same portfolio companies as the Investment Vehicle, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, the Investment Vehicle. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Investment Vehicle. In the event Partners Group personnel make an investment with the intent to source future investments for the Investment Vehicle, there is a greater likelihood that the Investment Vehicle will make investments in the same portfolio companies in which Partners Group personnel hold an interest as described above. Such personnel may be incentivized to cause the Investment Vehicle to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to Partners Group's Personal Account Dealing Directive (and Adviser's Code of Ethics), and Clients of the Investment Vehicle will not benefit from any such investments.

Partners Group personnel have family members that are actively involved in industries and sectors in which the Investment Vehicle invests or has business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Investment Vehicle or other counterparties of the Investment Vehicles and the portfolio companies. Moreover, in certain instances, the Investment Vehicle or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by service providers owned by such family members may or may not be at the same rate charged by other third-party service providers and the Adviser is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees). In most such circumstances, the Investment Vehicle's organizational documents will not preclude the Investment Vehicle from undertaking any of these investment activities or transactions.

Proprietary (seed) investments. The Adviser or its affiliates may use their balance sheets (the "Balance Sheet") as a significant source of capital to further grow and expand their business, increase their participation in existing businesses and seek to improve the liquidity profile of certain Clients. The Balance Sheet includes general partner interests in, and limited partner interests in, certain Investment Vehicles, and co-investments in certain portfolio companies of Investment Vehicles. The Balance Sheet may hold

other assets used in the development of the Adviser's business, including seed capital for the purpose of developing, evaluating and testing potential investment strategies or products ("Seed Investments"). This increases the likelihood that the Adviser or one of its affiliates will be invested in the same investment as those held by Clients in the future.

Seeding of new products. The Adviser may at times allocate their balance sheet to build an investment portfolio for new products (including Partners Group vehicles) in order to establish a track record before bringing such products (including Partners Group vehicles) to market. This creates a conflict of interest in that the Adviser and its affiliates will, until outside investors purchase interests in such products, allocate investments to its Clients, including the Investment Vehicle, as well as these new products (including Partners Group vehicles) that initially only have balance sheet invested. To mitigate this conflict the Adviser and its affiliates treat such new products (including Partners Group vehicles) in the same manner as any other advisory client (i.e. as a Partners Group Priority Program), subject to the same investment allocation process, where all clients of the Adviser and its affiliates receive equitable consideration for investment opportunities that fall within their respective investment objectives as further set out in the Adviser's allocation policy.

Investment opportunities. There can be no assurance that an investment opportunity which falls within the investment objective and strategy of the Investment Vehicle will be appropriate for the Investment Vehicle or will be referred to the Investment Vehicle and investments allocated to another client may prove in hindsight to be more suitable for another Client. In particular, Partners Group Priority Programs will have allocation priority over Co-Investors for investment opportunities suitable for such Partners Group Priority Programs and such Co-Investors. The absence of any investment allocation priority of a Co-Investor is expected to result in fewer or potentially no investment opportunities for the Co-Investor compared to certain Partners Group Priority Programs, which may substantially and adversely affect the performance of the Co-Investor and its investments.

In accordance with the Allocation Directive, Co-Investors will solely be presented with investment opportunities where (i) the available transaction size exceeds the demand of Partners Group Priority Programs or (ii) the diversification limitation in the governing agreement(s) applicable to Partners Group Priority Programs is met, or there are no remaining capital commitments of such Partners Group Priority Programs, and in each such case a Co-Investor may be allocated the portion of such opportunity that would otherwise have been allocable to such Partners Group Priority Programs. However, there can be no assurance that any portion of any such investment opportunity will be allocated to a Co-Investor, including with respect to Re-underwriting Transactions. Furthermore, the Adviser shall be permitted to allocate investment opportunities of a Co-Investor (in whole or part) to other Clients that co-invest with (concurrently or after) the Co-Investor, including to employees of the Adviser and/or its affiliates.

Decisions as to the allocation of investment opportunities among Partners Group Priority Programs and Co-investors present numerous conflicts of interest, which may not be resolved in a manner favorable to a Client's interests. For example, the Adviser may be incentivized to allocate investment opportunities to allocate expenses away from, and resolve conflict in favor of, a Partners Group Priority Program and/or other Co-investor that has better performance or that pays higher fees to the Adviser, or that is viewed to be more strategically important.

Each of the foregoing conflicts of interest will be resolved by the Adviser in its sole discretion in accordance with the Allocation Directive. Except as expressly set forth in a Client's investment management agreement,

governing documents and/or offering memorandum or prospectus, none of the Adviser nor any of its affiliates shall be obligated to refer any such actual or potential conflict of interest matters to the Client or to an advisory board (or an equivalent board or committee of investors in a Client).

Resolution of conflicts. In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the Investment Vehicle with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) The Adviser will consider the appropriateness of an investment from the viewpoint of the Investment Vehicle;
- (2) If the Investment Vehicle has an advisory board, consisting of representatives of the Clients not affiliated with the Adviser, the advisory board will meet as required to consult with the Adviser as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith discretion;
- (3) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price; and
- (4) The Adviser or its affiliates has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest.

While the Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that the Adviser will identify or resolve all conflicts in a manner that is favorable to the Investment Vehicle and the Clients may not be entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise, except as expressly set forth in the Investment Vehicle's offering documents/agreements.

Secondary sales. To the extent the Adviser has discretion over a secondary transfer pursuant to the Investment Vehicle's organizational documents, or is asked to identify potential purchasers in a secondary transfer of interests in the Investment Vehicle, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, if applicable, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to the Investment Vehicle and/or the Adviser's and the expected amount of negotiations required in connection with a potential purchaser's investment;

- Whether the potential purchaser would subject the Adviser, the Investment Vehicle and/or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment in Other Clients (including any commitment to a future Partners Group Priority Program);
- Requirements in the Investment Vehicle's organizational documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Management of the Investment Vehicle. The Adviser and its affiliates manage a number of Partners Group vehicles that have investment objectives similar to each other. The Adviser expects that it, its affiliates, or their personnel will in the future establish one or more additional Partners Group vehicles with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the Investment Vehicle. The Adviser or its affiliates may give advice or take actions with respect to the investments of one or more Partners Group vehicles that may not be given or taken with respect to Other Clients with similar investment programs, objectives or strategies. As a result, Partners Group vehicles with similar strategies will not hold the same securities or achieve the same performance. In addition, the Investment Vehicle generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as an Other Client. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Partners Group personnel responsible for managing the Investment Vehicle will have responsibilities with respect to Other Clients managed by the Adviser, or its affiliates, including Partners Group vehicles raised in the future or to proprietary investments made by Other Clients of the type made by the Investment Vehicle. Conflicts of interest arise in allocating time, services or functions of these Partners Group personnel. Partners Group personnel have an incentive to allocate more time, services or functions to Other Clients from which such personnel derive a higher economic benefit and/or better-performing Partners Group vehicles.

The Adviser may consider, and reject, an investment opportunity on behalf of the Investment Vehicle, and the Adviser or an affiliate of the Adviser may subsequently determine to have an Other Client or a client of an affiliate of the Adviser make an investment in the same company. A conflict of interest arises because one Partners Group vehicle will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the Investment Vehicle considering the investment. In such circumstances, the benefitting Partners Group vehicle or Partners Group vehicles will not be required to reimburse the Investment Vehicle for expenses incurred in connection with researching such potential investment.

In addition, the Adviser receives and generates various kinds of investment data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, sustainability and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Partners Group vehicle's investment (or prospective investment). As a result, the Adviser is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of

investments and otherwise develop investment strategies or identify specific investment or business opportunities. The Adviser also intends to utilize such data for purposes of identifying new investment opportunities for Partners Group vehicles. Information from an investment owned by the Investment Vehicle may enable the Adviser to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Adviser and other Partners Group vehicles that do not own an interest in such investment, without compensation or benefit to such Partners Group vehicle or its portfolio companies. Further, data is expected to be aggregated across the Partners Group vehicles and their respective investments and, in connection therewith, the Adviser is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. The Adviser may also share data from an investment of one Partners Group vehicle with a portfolio entity of an Other Client, which may increase a competitive disadvantage for, and indirectly harm, such investment. Investments may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Partners Group vehicles). The Adviser may in the future in certain instances use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain Other Clients without compensating or otherwise benefitting the Investment Vehicle or Other Clients from which such information was obtained. In addition, the Adviser may have an incentive to pursue Investments based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Adviser is generally free to use data and information from a Partners Group vehicle's activities in its sole discretion for the benefit of the Adviser and Other Clients. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by the Partners Group personnel will not reduce the applicable management fees or otherwise be shared with investors. The Adviser may in the future utilize such information to benefit the Adviser, its affiliates and/or certain Partners Group vehicles.

Positions with portfolio companies. Partners Group personnel serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Partners Group personnel's fiduciary duties as a director conflicts with those of the Investment Vehicle, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of the Investment Vehicle to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Investment Vehicle. Furthermore, Partners Group personnel serving as a director to a portfolio company owes a fiduciary duty to the portfolio company on the one hand, and the Investment Vehicle (as modified by a limited partnership agreement) on the other hand, and such Partners Group personnel may be in a position where they must make a decision that is either not in the best interest of the Investment Vehicle, or is not in the best interest of the portfolio company. Partners Group personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by the Investment Vehicle investing in the portfolio company. In addition, to the extent any such Partners Group personnel serves as a director on the board of more than one portfolio company, such Partners Group personnel's fiduciary duties between the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject the Adviser, its affiliates and/or the Investment Vehicle 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.

From time to time, Partners Group personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which the Investment Vehicle has fully exited its ownership interest and/or following the termination of such person's employment with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee will not reduce the management fees or otherwise be shared with the Clients.

In addition, the Adviser may continue to receive other fees from a portfolio company after the Investment Vehicle has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited Investment does not reduce the management fees and is not otherwise shared with the Investment Vehicle or Clients.

Certain personnel of Partners Group have in the past or may from time to time in the future also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies may pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse the Adviser or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Adviser may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Adviser or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the management fees paid or carried interest distributed by the Investment Vehicle to the Adviser will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by the Adviser and reimbursed by a portfolio company) will not reduce the applicable management fees otherwise payable to the Adviser or any carried interest otherwise payable to the Adviser or its affiliates. All or a portion of any such compensation and incentives will be borne by the Investment Vehicle, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an operations support provider, an employee of the Adviser, a former employee of the Adviser or a seconded employee may not be clear. In such cases, the Adviser will make a determination in good faith based on an evaluation of the facts and circumstances.

Business with and among portfolio companies, limited partners and prospective investors. Given the collaborative nature of the Adviser's business and the portfolio companies in which the Investment Vehicle has invested, there are often situations where the Adviser, its related personnel or its affiliates are in the position of recommending the services of a portfolio company to other portfolio companies of the Investment Vehicle or clients managed by the Adviser's affiliates or situations where the Adviser, its related personnel or its affiliates are in the position of recommending their services to portfolio companies of the Investment Vehicle, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, and/or a portfolio company. The Adviser will generally have a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Investment Vehicle, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Investment Vehicle. The benefits received by a portfolio company providing a service may be greater than those received by the Investment Vehicle and its portfolio companies receiving the service.

Portfolio companies controlled by the Investment Vehicle have in the past, and may, from time to time in the future provide services to the Adviser, certain limited partners (or Clients) or prospective investors. This creates a conflict of interest, as the Adviser has an incentive to cause the portfolio company to favor itself, or those limited partners or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Investment Vehicle. Additionally, the portfolio company could recommend to its clients or customers that they invest in the Investment Vehicle or another Partners Group vehicle.

Current and former officers and executives of portfolio companies may also invest in the Investment Vehicle. While the Adviser believes this aligns portfolio company management teams with the best interests of the Adviser, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor.

In certain instances, a portfolio company may compete with, be a customer of, or be a service provider to, another portfolio company. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or the Investment Vehicle and is not obligated to, and need not, take into consideration the interests of other portfolio companies. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by the Investment Vehicle. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of, another portfolio company or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company; withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price; increase its own prices, purchase assets from, or sell assets to, another portfolio company; commence litigation against another portfolio company; or prevent one portfolio company from commencing litigation against another portfolio company.

In addition, certain portfolio companies controlled by the Investment Vehicle may, from time to time in the future, engage in activities that could adversely affect an Other Client and/or any of its portfolio companies, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of the Investment Vehicle and/or a portfolio company being used to satisfy the obligations or liabilities of an Other Client or its portfolio company.

The Investment Vehicle's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of Other Clients managed by the Adviser or the Adviser's affiliates that, although the Adviser determines to be consistent with the requirements of the Investment Vehicle's organizational documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to affiliates of the Adviser that will not reduce the management fees or otherwise be shared with Clients. For example, the Adviser has in the past and may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to scale), benefits management,

data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio due to increased access to quality products and services at beneficial pricing, and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of the Investment Vehicle and its portfolio companies.

The Adviser and its affiliates have in the past and may, from time to time, hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target, or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest, and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

Procurement Platform. Partners Group and its affiliates offer certain portfolio companies the opportunity to enter into agreements regarding group procurement and/or vendor discounts. In certain cases, Partners Group and its affiliates may realize better pricing, terms or discounts as a result of the participation of portfolio companies. Under these arrangements, one particular portfolio company might benefit to a greater degree than the other participants in the arrangements, and the Partners Group fund(s) and/or client(s) that own an interest in such portfolio company will receive a greater relative benefit from the arrangement than other Partners Group vehicles that do not own an interest in such portfolio company. Moreover, the Adviser, its principals, members, directors, officers, employees or any of their respective affiliates may own interests in certain procurement vendors and there can be no assurances that such interests will not influence their conduct and decisions in selecting procurement vendors.

Costs associated with insourcing and outsourcing certain services with respect to the Investment Vehicle, access vehicles and investments. Services required by the Investment Vehicle (including some services historically provided by the Adviser or its affiliates to the Investment Vehicle), access vehicles and/or investments may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser or its affiliates. In particular, the Adviser may, in each case subject to applicable law, outsource services to its affiliates or insource certain services that, in each case, could otherwise be performed by third parties. This can create a conflict of interest because the Adviser and its affiliates have an incentive to outsource such services at the expense of the Investment Vehicle to, among other things, leverage the use of Partners Group personnel. Such services may include, without limitation, deal sourcing, investment-level or holding company-level management (including the provision of directors or advisory board personnel) and servicing, information technology, licensed software, depository, accounting, reporting, data processing, legal, tax, administrative, compliance, client relations, custodial, marketing and marketing-reviews, valuation, human resources, client services, corporate secretarial and tax support, market research and other similar services. Outsourcing may not occur universally for all Partners Group vehicles, and, accordingly, certain costs may be incurred by the Investment Vehicle for a third-party service provider that are not incurred for comparable services by Other Clients. The decision by the Adviser to initially perform

a service for the Investment Vehicle in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, and the Adviser has no obligation to inform such Partners Group Vehicles or investors of such a change. Such services may also supplement or be performed alongside services performed by the Adviser. Insourcing or outsourcing may give rise to conflicts of interest, in particular where the services are outsourced to affiliated service providers, when such services could potentially be provided by other third-party service providers on terms more commercially advantageous to the Investment Vehicle. Engaging affiliated service providers in such circumstances may increase the costs of the services, adversely affect the performance of the services and/or the administration of the Investment Vehicle.

The Adviser and/or its affiliates engage certain service providers to provide services to the Adviser, the Investment Vehicle and/or the portfolio companies, including services during the due diligence and acquisition process. The engagement of any such service provider may be concurrent with a Client's admission to the Investment Vehicle, or during the term of such Client's investment in the Investment Vehicle. This creates a conflict of interest, as the Adviser may give such Client preferred economics or other terms with respect to its investment in the Investment Vehicle, enhanced information or enhanced information rights that it would not otherwise offer to such investor. In addition, the Adviser will have a conflict of interest in recommending the retention or continuation of a service provider to the Investment Vehicle or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in the Investment Vehicle or will provide the Adviser information about markets and industries in which the Adviser operates, or will provide other services that are beneficial to the Adviser. The Adviser generally has an incentive to recommend the products or services of certain Clients or prospective investors in the Investment Vehicle to the Investment Vehicle or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Investment Vehicle or the portfolio companies.

The Adviser may, in its discretion, contract directly with, or recommend to the Investment Vehicle or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with, a related person of the Adviser or an affiliate (including but not limited to a portfolio company of the Investment Vehicle). When making such a recommendation, the Adviser, because of its financial or other business interest, has an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Additionally, former Adviser employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to the Adviser, the Investment Vehicle and/or portfolio companies. While employed by the Adviser, the cost of the compensation, benefits and attributable overhead provided to these individuals are paid by the Adviser unless the Investment Vehicle's organizational documents permit certain allocations of internal expenses to the Investment Vehicle. If a former Adviser employee becomes an employee or consultant of a third party that also provides services to the Investment Vehicle, such former Adviser employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Adviser employee working on the Investment Vehicle will be borne entirely by the Investment Vehicle and no such amounts will reduce any management fees paid by the Investment Vehicle on the basis that such person used to be a former Adviser employee.

Additionally, Partners Group personnel, and/or their family members or relatives may have ownership, employment, or other economic or other interests in certain service providers. These relationships can influence the Adviser in determining whether to select or recommend such service provider to perform services for the Investment Vehicle or a portfolio company. Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the Investment Vehicle), there is a possibility that the Adviser, because of financial interest, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain other service providers to the Adviser, the Investment Vehicle and/or the portfolio companies, or Affiliates of such service providers, may also provide goods or services to or have business, personal, financial or other relationships with the Adviser, its affiliates, or their respective portfolio companies. Such service providers (or their employees) may also source investment opportunities, be co-investors or commercial counterparties or entities in which the Adviser and/or the Investment Vehicle has an investment, and payments by the Investment Vehicle and/or such portfolio companies may indirectly benefit the Adviser and/or the Investment Vehicle.

The Adviser, Partners Group personnel, the Investment Vehicle and the portfolio companies will, from time to time, engage common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, Partners Group personnel, the Investment Vehicle, and/or the portfolio companies. As a result, the Adviser or Partners Group personnel may receive a more favorable rate on services provided to it by such a common service provider than the rates payable by the Investment Vehicle and/or the portfolio company, or may receive a discount on services even though the Investment Vehicle and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser and Partners Group personnel, on the one hand, and the Investment Vehicle and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it, or Partners Group personnel, receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Investment Vehicle and/or the portfolio companies. Neither the Investment Vehicle nor the Clients will receive the benefit of any such favorable rate or discount provided to the Adviser, Partners Group personnel or its affiliates, and the management fees paid by the Investment Vehicle will not be reduced in connection with such favorable rate or discount.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Investment Vehicle and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Investment Vehicle and/or its portfolio companies.

The Adviser or its affiliates engage certain service providers (including law firms) on behalf of the Investment Vehicle and personnel of such service provider have in the past and may in the future be seconded to the Adviser or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Adviser is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide, under certain circumstances, services in respect of multiple matters, including in respect of matters related to the Adviser, its affiliates and/or portfolio

companies and in any such circumstance, the benefits or costs of any such personnel may be allocated on a pro rata basis, or any other methodology that, in the Adviser's sole discretion, would be fair and reasonable under the circumstances, to the Investment Vehicle in the Adviser's sole discretion, taking into consideration the usage of such personnel. The management fees will not be rebated or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Adviser or its affiliates have an incentive to select one service provider over another on the basis that the Adviser or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Adviser or its affiliates.

The Adviser and the Investment Vehicle will generally engage common legal counsel and other service providers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Investment Vehicle may be Clients and may also represent one or more portfolio companies or Clients. In the event of a significant dispute or divergence of interest between the Investment Vehicle, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances, separate representation may be required.

Fee and expense arrangements- Private Funds and Separate Accounts. The Adviser reserves the right to waive, defer payment of, rebate, amend or otherwise provide for an alternative means of calculation of, or reduce, any fee, cost or expense charged by the Investment Vehicle in respect of a limited partner or otherwise. Such arrangements may relate to factors such as, inter alia, (i) a Client's subscription to the Investment Vehicle at an early date; (ii) the time and size of a Client's commitment; (iii) a Client's overall commitments or prior or expected future commitment(s) to a vehicle that is managed, advised and/or otherwise serviced by the Adviser or one of its affiliates or (iv) other reasons determined in the Adviser's sole discretion. Different fee and expense arrangements may also apply to Partners Group clients participating alongside the Investment Vehicle in investment opportunities. A rules-based approach is applied by Partners Group in apportioning costs between clients participating in the same investment opportunity; however, not all Partners Group clients may bear expenses associated with a given investment. Similarly, while equalization rebate and transaction income are rebated against the management fee in connection with investments made by the Investment Vehicle, different arrangements may exist for other investors participating alongside the Investment Vehicle in investment opportunities. For example, Co-investors may not receive the benefit of having equalization rebate and/or transaction income rebate against the fees which may be payable to Partners Group, resulting in Partners Group retaining the portion of equalization rebate and/or transaction income attributable to those co-investors. In addition, those co-investors may charge separate fees to investments, similar to transaction income or equalization rebate, that the Adviser does not consider when rebating transaction income and/or equalization rebate against management fees as the Adviser and its affiliates are not party to such fee arrangements. Further, Partners Group clients (including the Investment Vehicle) may incur expenses for credit facilities even where such facilities are not drawn upon, such expenses being allocated to those clients that may potentially benefit from the use of such credit facility.

Reduced rates for employees. Partners Group offers reduced fee rates to employees who wish to invest in an Investment Vehicle alongside Clients. Partners Group does not offer employee-only investment vehicles, but employees may establish separate accounts advised by the Adviser or its affiliates. Additionally, Partners Group employees may receive discounts from portfolio companies of the Investment Vehicle when such discounts are approved by Partners Group.

Investments by employees. Subject to Partners Group's policies and procedures and only where permissible by applicable law, certain specified senior employees or partners of Partners Group and their respective family members are permitted to invest alongside the Investment Vehicle in one or more Investment Vehicle investments outside of an initial investment to the Investment Vehicle through separate accounts advised by the Adviser or its affiliates (where such senior employees or partners of Partners Group and their respective family members may pay reduced or no management fees, carried interest or other performance-based fees or allocations), subject to certain parameters outlined in the policies and procedures governing the scope of such Investments, including that any relevant employees that are also members of an investment committee are not involved, directly or indirectly, in allocation decisions with respect to transactions in which they or their client mandate may invest or their associated exits.

Expense allocation and co-investors. Expenses incurred with respect to consummated investments are generally allocated among the investors participating in such investments. With respect to each investment in which any co-investor co-invests with one or more Investment Vehicle, investment expenses or indemnification obligations related to such investments are generally borne by such Investment Vehicles and such co-investor(s) in proportion to the capital committed by each to such investment.

Broken deal expenses are generally allocated entirely to funds or separate accounts discretionarily managed by Partners Group that would be allocated the relevant potential, but ultimately unconsummated, investment and not to any co-investor allocated to such proposed investment. As such, a Client may be required to bear its proportionate share of investment-related expenses, including broken deal expenses, related to unconsummated co-investment opportunities, as well as the organizational expenses of a related co-investment vehicle. Partners Group Priority Programs typically have priority allocation rights to investments whilst co-investors generally have no such rights but typically participate to enable a transaction considered beneficial for the discretionarily managed Investment Vehicles participating therein as such Investment Vehicle's collective appetite alone is typically insufficient to consummate such transactions. Accordingly, amongst such discretionarily managed Investment Vehicles, each shall bear the entire amount of broken deal expenses incurred, in proportion to the capital they would have committed to the contemplated unconsummated investment, save for certain initial stage broken deal expenses which may be allocated to Investment Vehicles (and not to co-investors) based on such Investment Vehicle's investment objectives rather than a planned allocation to an investment.

Notwithstanding the above, Partners Group may enter into separate arrangements with clients and co-investors in connection with the payment of investment-related expenses (including broken deal expenses); such arrangements shall not disadvantage any discretionarily managed Investment Vehicle.

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser, an Investment Vehicle (including Partners Group Priority Programs or Co-investors) and/or a third party (each, an "Allocable Party") and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party, or fees, costs and expenses may be allocated among multiple Allocable Parties. The Adviser allocates fees, costs and expenses in accordance with the Investment Vehicle's organizational documents. To the extent not addressed in the organizational documents of the Investment Vehicle, the Adviser will make allocation

determinations among Allocable Parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of the Investment Vehicle, pro rata allocation based on the respective Investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by the Adviser in its sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to an Investment Vehicle for a particular service may not reflect the relative benefit derived by such Investment Vehicle from that service in any particular instance and the Investment Vehicle will bear more or less of a particular expense based on the methodology used.

There may be occasions when one Allocable Party (the “Payor Allocable Party”) pays an expense common to multiple Allocable Parties (the “Allocated Parties”) (e.g., legal expenses for a transaction in which multiple Partners Group Vehicles and/or Co-investors participate). On such occasions, each Allocated Party will reimburse the Payor Allocable Party for its share of such expense, which may be without interest, promptly after the payment is made by the Payor Allocable Party. In addition, there may be occasions where the Investment Vehicle procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to, or warehousing an investment on behalf of, another Allocable Party. Subject to the organizational documents, the borrowing Investment Vehicle will bear some or, in certain instances, the entire cost of interest from the borrowing, even though a portion of or, in certain instances, the entire investment may be made by other Allocable Parties. Furthermore, while highly unlikely, it is possible that one of the Allocated Parties could default on its obligation to reimburse the Payor Allocated Party.

Advisory Board The Investment Vehicle may establish an advisory board, consisting of representatives of Clients and/or limited partners of parallel vehicles. A conflict of interest may exist when some, but not all Clients are permitted to designate a member to the advisory board because those designating Clients will, for instance, have greater information rights. The advisory board may also have the ability to approve conflicts of interests with respect to the Adviser and its affiliates and the Investment Vehicle, which could be disadvantageous to the Clients, including those Clients who do not designate a member to the advisory board. Representatives of the advisory board may have various business and other relationships with the Adviser, its affiliates and Partners Group personnel. Representatives of the advisory board that are limited partners in a parallel vehicle may have conflicting interests from the Investment Vehicle based on any such parallel vehicle's own commercial, legal, tax or regulatory requirements that differ from the Investment Vehicle's or any such representatives' own interests based on their domicile, investor type or otherwise that may differ from representatives from the Investment Vehicle appointed to the advisory board. These relationships may influence the decisions made by such members of the advisory board.

In addition, members of the Investment Vehicle's advisory board may also be a member of an Other Client's advisory board. In such instances, a conflict of interest exists because the Other Client on which such overlapping advisory board members may have conflicting interests and such advisory board members may be asked to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote.

In the event that a matter arises that the Adviser reasonably considers to constitutes a material conflict of interest between the Investment Vehicle and the Adviser or its affiliates, and such matter is not otherwise

addressed in a limited partnership agreement, the Adviser shall refer the matter to the advisory board, as applicable for resolution, including matters for which consent under the Advisers Act may be necessary or required by law. The advisory board on its own motion shall also have the right to review any perceived conflicts of interest between the Adviser or any of its affiliates and the Investment Vehicle. The Adviser or its affiliate may act as it deems necessary or appropriate to ameliorate the conflict. Upon referring the matter to the advisory board, the Adviser or its affiliate will be absolved of any responsibility for the conflict to the fullest extent permitted by the applicable law

Incentive allocation. The existence of the Adviser's incentive allocation on behalf of the Adviser or its affiliates may create an incentive for more speculative investments to be made by the Adviser on behalf of the Investment Vehicle than it would otherwise make in the absence of such performance-based arrangements. In addition Section 1061 of the Code could encourage the Adviser or its affiliates to cause the Investment Vehicle (or any entity for which it invests) to hold investments for longer than it otherwise would. Specifically, to the extent income allocated in respect of any incentive allocations includes realized gains, those gains generally may be eligible for long-term capital gains treatment by the Adviser or its affiliates (and subject to tax at a lower rate) only to the extent that the Investment Vehicle or its affiliates (and subject to tax at a lower rate) only to the extent that the Investment Vehicle (or any entity through which it invests) held the relevant assets for more than three years.

Diverse interests. The Investment Vehicle, parallel vehicles, feeder vehicles and/or investment entities ("Partners Group Entities"), and their respective investors, may have conflicting investment, tax and other interests with respect to the investments made by the Investment Vehicle. Conflicts of interest may arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, which may be more beneficial for one or more of the other Partners Group Entities and their investors, on the one hand, than the Adviser and its investors, on the other hand. For instance, the manner in which a particular investment is structured may produce tax results that are favorable to one or more of the other Partners Group Entities, but not to the Investment Vehicle (or vice versa). In addition, the Investment Vehicle may face certain tax risks based on positions taken by the Adviser or the other Partners Group Entities, including as a withholding agent.

It is expected that each Partners Group Entity will generally invest on a substantially pro-rata basis in each investment that meets its investment objective and criteria in proportion to its respective commitments. It is possible that, as a result of portfolio allocations and objectives, investment capacity, legal, tax, regulatory or other relevant considerations, the Partners Group Entities will not invest on a proportionate basis. Additionally, the structure and/or legal form of investments made by one Partners Group Entity may differ from the structure and/or legal form utilized by the Investment Vehicle and/or any other Partners Group Entity. As a result of these differences, the returns to the investors in the Investment Vehicle may differ from the returns to investors in any other Partners Group Entity.

Similarly, when the Adviser and/or its affiliates determine an investment would benefit from additional capital, e.g. to consummate a merger or acquisition or to fund other liquidity needs, each Partners Group Entity with existing exposure to the relevant investment will generally contribute the required capital on a substantially pro-rata basis. However, due to portfolio restrictions, investment capacity, legal, tax, regulatory or other relevant considerations of the Adviser and/or its affiliates, such Partners Group Entities may not invest on a pro-rata basis or certain Partners Group Entities and/or the Investment Vehicle may not add any capital. This can result in the dilution of the Investment Vehicle's net interest in the relevant investment, or alternatively could have the effect of increasing the Investment Vehicle's net interest in the relevant

Other potential conflicts. The Adviser may cause the Investment Vehicle to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure the Investment Vehicle, the Adviser and/or Partners Group personnel and their respective agents, representatives, members of the advisory board and other indemnified parties against liability in connection with the activities of the Investment Vehicle. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser or its affiliates that cover the Investment Vehicle and/or the Adviser (including Partners Group personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties). The Adviser or its affiliates will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among the Investment Vehicle, and/or the Adviser, on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in the Investment Vehicle bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Adviser and Partners Group personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Investment Vehicle, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as fund expenses may result in “miles” or “points” or credit in loyalty/status programs to the Adviser and/or Partners Group personnel, and such benefits, rewards and/or amounts (whether or not de minimis or difficult to value) will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Investment Vehicles, Clients, Partners Group vehicles and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the rebate arrangements described above or otherwise shared with the Investment Vehicle, Clients and/or the portfolio companies. In addition, airline travel incurred as a fund expense for Partners Group personnel travelling for appropriate Investment Vehicle-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Investment-related matter) may benefit such Partners Group personnel to the extent the trip also serves a personal purpose. None of the Adviser, its affiliates or their principals, members, directors, officer or employees is obligated to resolve any conflicts in favor of the Investment Vehicle. The foregoing lists of conflicts does not purport to be a complete enumeration or explanation of the conflicts involved with an investment in the Investment Vehicle. For more detailed information regarding any of the Investment Vehicles sponsored by the Adviser or its affiliates, please contact Partners Group (USA) Inc. at (212) 908-2600 to request a copy of the relevant Investment Vehicle’s confidential private placement memorandum.

Item 9 – Disciplinary Information

SEC-registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to an investor’s evaluation of an investment adviser or the integrity of the adviser’s management team. Neither the Adviser nor any of its executive officers, members of the Adviser Investment Committee or other “management persons” as defined in Form ADV, have been subject to legal or disciplinary events related to this item or are otherwise required to disclose any event required by this item.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser outsources investment analysis, valuation support, finance, accounting and certain investment administrative services to Partners Group AG, an affiliate of the Adviser with the right to further outsource to other affiliates. Partners Group AG is an exempt reporting adviser with the SEC. The Adviser, and/or its principal executive officers, senior management and employees are also engaged in providing services to Partners Group AG and other affiliates of the Adviser. These activities include serving on investment committees, providing research or opinions to affiliates of the Adviser and structuring and/or marketing various private funds or other investment products offered by the Adviser's affiliates. Such investment products may at times be offered to the Adviser's Clients. The Adviser's employees or those of its affiliates may invest alongside Clients in such investment products. Certain employees of the Adviser are registered as representatives of a broker-dealer that is not affiliated with the Adviser.

Within the guidance set forth under applicable law, the relevant no-action letter(s) and related SEC staff guidance, registered investment advisers are permitted to access the services of unregistered affiliates under prescribed conditions ("participating affiliates"). Partners Group AG and Partners Group (Guernsey) Limited are participating affiliates of the Adviser. The prescribed conditions include, but are not limited to, the participating affiliate providing the SEC access to trading and other records, observing specific recordkeeping rules, submitting to jurisdiction of US courts and cooperating with the SEC as it relates to accounts advised by the Adviser where the participating affiliates provide advisory services to the Adviser pursuant to the relevant memorandum of understanding between the Adviser and the participating affiliates.

The Adviser serves as administrator for certain Clients as well as clients of its affiliates. The Adviser may outsource operational aspects of its responsibilities as an administrator to both affiliates as well as third parties. In instances where the Adviser outsources administrative responsibilities, the Adviser and its affiliates monitor such outsourced operations to ensure all applicable laws and regulations are being adhered to by the relevant parties.

As stated in Item 8, Partners Group's portfolio management team allocates prospective investments among Partners Group clients, including those of the Adviser. This creates an inherent conflict of interest among Partners Group clients that the Adviser along with its affiliates mitigate through procedures designed to ensure that all Partners Group clients are treated fairly with respect to allocation of investment opportunities.

The Adviser is also affiliated with another registered investment adviser, Partners Group US Management CLO LLC, a Delaware limited liability company founded in 2017 that provides discretionary investment advisory services as collateral manager to debt vehicles known as collateralized loan obligations.

Item 11 – Code of Ethics

In an effort to avoid conflicts of interest and protect its Clients from improper behavior, the Adviser has adopted a Code of Ethics (the "Code") designed to address and prevent potential conflicts of interest as required under Rule 204A-1 under the Advisers Act. The Adviser's Code governs the actions of its employees and seeks to promote an ethical and compliance-oriented environment. The Code is provided to all of the Adviser's supervised persons (which includes all of the Adviser's employees as well as certain employees of affiliates) upon hire and annually thereafter, with a requirement that each supervised person acknowledge their receipt and compliance to its provisions in writing.

The Code includes, but is not limited to, high standards of business conduct, compliance with federal securities laws, reporting of political contributions, restrictions on the acceptance of significant gifts, pre-clearance of certain personal securities transactions, and reporting of personal investments and outside business activities. The Code is designed to ensure that the personal securities transactions, activities and interests of supervised persons of the Adviser will not materially interfere with both making and implementing investment decisions in the best interest of the Adviser's Clients. Trading by access persons (which also includes all employees of the Adviser) is monitored by the Adviser's Chief Compliance Officer, or designee, to reasonably detect and prevent conflicts of interest between the Adviser and its Clients. Furthermore, all access persons are prohibited from trading in public equity or debt securities, and related derivative products, in which products managed by Partners Group are directly invested unless specifically reviewed and approved by the Adviser. Supervised persons who violate the Code or the Adviser's compliance manual are subject to disciplinary action including, but not limited to, written warnings, fines and termination of employment.

The Adviser may at times transact in securities on behalf of its Clients at or about the same time an affiliate of the Adviser transacts in the same security for a client of the relevant affiliate. Such joint transactions create a potential conflict of interest in that the Adviser's affiliate's clients may have investment objectives or may implement investment strategies similar to those of the Adviser's Clients. The Adviser and its affiliates address such conflicts through the independent investment committee/management team processes described in Item 8 above through which the Adviser ensures that the Adviser's Clients are treated fairly and equitably by both the Adviser and its affiliates conducting such securities transactions.

Additionally, as described in further detail in Item 5, the Adviser may at times allocate firm capital to build an investment portfolio for new products in order to establish a track record before bringing such products to market. This creates a conflict of interest in that the Adviser will, until outside investors purchase interests in such products, allocate investments to its Clients as well as these products that initially only have firm capital invested. To mitigate this conflict the Adviser treats such new products in the same manner as any other Private Fund client, subject to the same investment allocation process described above on Item 8 where all Clients of the Adviser receive equitable consideration for investment opportunities that fall within their respective investment objectives.

Further, the Adviser and its affiliates are subject to a firm-wide Conflicts of Interest Directive, which describes the firm-wide approach to identifying, managing, and resolving conflicts of interest both generally and in specific circumstances. This Conflicts of Interest Directive also establishes Partners Group's Conflict Resolution Board which serves as an independent decision-making body should conflicts among Partners Group's affiliates, including the Adviser, require an independent body to resolve the conflict or to further escalate it with the advisory boards or similar bodies of the respective Investment Vehicles.

The Code is available to Clients and prospective Clients upon written request by contacting the Adviser.

Item 12 – Brokerage Practices

Section 28(e) of the Securities Exchange Act of 1934, as amended, provides a safe harbor that permits investment advisers, when selecting brokers to execute transactions for Client accounts, to take into account certain research products and services provided to such adviser by brokers. The Adviser does not currently engage in soft dollar arrangements.

As stated in Item 5, the investments made by the Adviser on behalf of its Clients are generally in private securities, rather than publicly-traded securities, with the exception of currency hedging options and contracts and the liquidity portfolios of the DC Product and Registered Investment Companies. Partners Group collectively manages trade execution for such investments and Broadly Syndicated Loans, determining how best to execute relevant trading activities authorized and directed by the Adviser Liquid Investment Committee and/or the Adviser BSL Management Team. Further, Partners Group may aggregate trades for the Adviser's Clients along with those of Partners Group clients such that more favorable trade prices can be realized for all clients. All such pricing benefits are allocated among Partners Group clients, including those of the Adviser, on a pro-rata basis.

Partners Group also selects the broker(s) to be used for such transactions subject to Partners Group's best execution standards designed to obtain the best possible result for clients. As Partners Group is involved in a variety of different investment activities, the concept of "best execution" has a varied application depending on the type of investment being made. In terms of its operations, Partners Group primarily distinguishes between private and public markets; Partners Group has implemented policies designed to ensure best execution for investments in each of these categories, as applicable.

With respect to public market transactions, Partners Group will seek best execution by selecting a broker considering not only the cost of transactions conducted with such broker but whether the broker can provide the overall best qualitative execution, taking into consideration numerous factors, including, but not limited to market impact, execution speed, certainty and size of the order, responsiveness and overall level of customer service, and the broker's ability to settle trades in a timely manner.

Partners Group prohibits employee compensation or bonus payments being directly related to the number of transactions placed through specific brokers.

Item 13 – Review of Accounts

Client accounts are monitored regularly on various levels; the frequency of each review varies based on the nature of the Client account and on the review being performed. For example, investment limits and restrictions are generally monitored via an internal control system on an ongoing basis and in connection with each new investment, and investment performance is generally monitored monthly or quarterly. Various professionals of the Adviser and its affiliates participate in such reviews, from financial analysts to senior management. Additionally, the Adviser's Investment Committee and BSL Management Team review the overall investment objectives, current, and planned portfolios of each relevant Client on a quarterly basis. The Adviser Liquid Investment Committee reviews these factors for the Adviser's Clients that invest in publicly traded securities on a weekly basis.

Clients will receive annual audited financial statements and quarterly investor reports. The Adviser also publishes a monthly update and account statement for investors in the Registered Investment Companies. Additional information regarding the Registered Investment Companies is also available to the public in the annual and semi-annual reports filed with the SEC.

Item 14 – Client Referrals and Other Compensation

The Adviser and its affiliates do not compensate other persons for client referrals. However, the Adviser may compensate other persons for distribution and/or servicing activities with respect to the Registered Investment Companies or certain Private Funds. The existence of such compensation arrangements is fully disclosed to all investors in the respective offering documents.

Item 15 – Custody

The Adviser or one of its affiliates may generally act as a general partner for certain of its Clients, and as such, the Adviser may be deemed to have custody of its Client's assets. In such instances, the Adviser will comply with provisions of Rule 206(4)-2 of the Advisers Act and will either (i) provide Clients, or cause the Client's custodian to provide, account statements on a quarterly basis or (ii) such Clients will receive from the Adviser or its designee annual audited financial statements audited by the Investment Vehicle's auditor. The Adviser urges Clients to carefully review such statements, if applicable, and compare such official custodial records with any statements or reports the Adviser may provide a Client. The Adviser's statements may vary from official custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities or investments. Clients with questions relating to any statements or reports are encouraged to contact the Adviser.

Item 16 – Investment Discretion

The Adviser usually receives discretionary authority from a Client at the outset of an advisory relationship to select the securities to be bought and sold, and the amount to buy or sell. In all cases, such discretion will be exercised in a manner consistent with (i) the stated investment objectives for the particular Client as expressed in the Client's agreement with the Adviser, and (ii) applicable law. Where practical, the Adviser's Clients can provide the Adviser with a power of attorney in order to execute investment related documents on their behalf.

Item 17 – Voting Client Securities

Partners Group has retained Glass, Lewis & Co., as the firm's proxy voting agent. Absent special Client circumstances, Client policies or instructions, Glass, Lewis & Co. will vote on Partners Group's behalf in accordance with the firm's corporate governance principles and in furtherance of maximizing shareholder value. These principles are not intended to provide strict guidelines, but rather how Partners Group typically approaches core aspects of corporate governance in its investments.

Additionally, with respect to the wide variety of social and corporate responsibility issues that may be presented, Partners Group's general policy is to take a position that supports policies that are designed to protect and promote the economic value of the issuer. Where proxy votes cannot be exercised, Partners Group will apply such principles to the extent applicable.

Conflicts

Where a conflict of interest is identified in relation to a proxy vote, the relevant investment committee will refer the matter to Partners Group's Conflict Resolution Board. When resolving conflicts of interest, the

Conflict Resolution Board will make its decision, on a case-by-case determination, taking all available facts and its obligations from a regulatory perspective into consideration.

Investors may obtain a copy of the Adviser's proxy voting policies and procedures and obtain information regarding how any proxies were voted upon written request.

Item 18 – Financial Information

A balance sheet is not required to be provided as the Adviser (i) does not require the payment of management fees or other compensation six months or more in advance; (ii) does not have a financial condition that is likely to impair the Adviser's ability to meet contractual commitments to its Clients; or (iii) has not been subject to any bankruptcy proceedings during the past ten years.

Item 19 – Requirements for State-Registered Advisers

The Adviser is not registering, nor is currently registered, as an investment adviser with any state securities authorities.