

## HGGC, LLC

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Part 2A of Form ADV: Firm Brochure  
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This brochure provides information about the qualifications and business practices of HGGC, LLC. If you have any questions about the contents of this brochure, please contact us at (650) 321-4910. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about HGGC, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

HGGC, LLC's brochure was previously amended on May 26, 2023. This annual amendment updates the descriptions of the advisory business of HGGC, LLC and its affiliates, including but not limited to additional information regarding fees and expenses, and certain risks and potential conflicts of interest.

Item 3. Table of Contents

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#### Item 4. Advisory Business

For purposes of this brochure, the “Adviser” and “HGGC” mean HGGC, LLC, a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive advisory fees from the Funds (as defined below). Such affiliates may or may not be under common control with HGGC but possess a substantial identity of personnel and/or equity owners with HGGC. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds or may serve as general partners of the Funds. Such affiliates that are controlled by or under common control with the Adviser are subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This brochure describes the business practices of the Adviser and such affiliates, which operate as a single advisory business. References contained in this brochure to the strategy and operations of the Adviser should be read to include the activities of the Adviser and such affiliates that collectively engage in the investment process and ongoing management of the Funds and their portfolio companies.

The Adviser and/or its affiliates provide investment advisory services to investment vehicles (the “Main Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

Additionally, the Adviser and/or its affiliates expect to organize and serve as general partner (or in an analogous capacity) to certain other “feeder” vehicles (each such vehicle, a “Feeder Vehicle”) organized to invest exclusively in a Main Fund.

The Main Funds and the Feeder Vehicles are collectively referred to as the “Funds.”

The Funds make primarily long-term private equity and equity-related investments, as well as investments in debt instruments. In accordance with the Funds’ respective investment objectives, investments are generally made in middle market or growth equity companies, generally referred to herein as “portfolio companies.” The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating the terms of and making investments on behalf of the Funds, supervising and monitoring the performance of such investments and disposing of such investments. The Adviser generally serves as the investment adviser or general partner to the Funds in order to provide such services.

The Adviser provides investment advisory services to each Fund in accordance with separate investment advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”), offering documents, limited partnership agreement (or analogous organizational or governing document) (a “Partnership Agreement”), and as applicable and at the Adviser’s discretion, side letters with the Fund’s investors (such side letters, together with the Partnership Agreement (or analogous organizational or governing document), the “Governing Documents”) of such Fund. Such side letters generally have the effect of establishing rights under, or altering or supplementing a Fund’s Partnership Agreement, including by providing, among other things, different information rights, co-investment rights, liquidity or transfer rights and other economic rights that may be material.

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreement, Governing Documents and/or offering documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund.

HGGC is principally owned by Richard F. Lawson, Jr., and J. Steven Young through HGGC Holdings, LLC. HGGC is managed by a Board of Managers consisting of Mr. Lawson, Mr. Young, Neil H. White, David H.S. Chung, Steven A. Leistner, and William H. Conrad, Jr. In addition, investment funds managed by Blue Owl GPSC Advisors LLC, a relying adviser of Blue Owl GPSC Advisors LLC, (together, the “Blue Owl GPSC Advisors”) (each a subsidiary of Blue Owl Capital Inc.) hold an indirect passive minority interest in HGGC and the general partners of the Funds. The Blue Owl GPSC Advisors have no authority over the day-to-day operations or investment decisions of the Advisers or the Funds, although they do have certain customary minority protection consent rights. The Adviser has been in business since October 24, 2007. As of December 31, 2023, the Adviser manages a total of \$8,096,039,762.00 of client assets, all of which are managed on a discretionary basis.

## Item 5. Fees and Compensation

As compensation for investment advisory services rendered to the Main Funds, the Adviser or its affiliate receives from each such Fund an advisory fee or management fee (each, an “Advisory Fee”). Advisory Fees paid by a Main Fund are indirectly borne by investors in such Main Fund (such as Feeder Vehicles).

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Advisory Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (the “Stepdown Date”), Advisory Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate commitments. Further, after the Stepdown Date, Advisory Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s aggregate investments(s) in any portfolio company that have not been realized or completely written off with no ongoing monitoring by the relevant general partner (such as completely written off investments, “Impaired Value Investments”).

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

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

where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

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

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

In addition, the Adviser expects to perform management, consulting, advisory, transaction-related, financial advisory and other services ("Related Services") for, and receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. These fees may be substantial. Although these fees are in addition to the Advisory Fees, the Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of such fees. The amount and manner of such reduction is set forth in the Advisory Agreement and/or Governing Documents of the applicable Fund. Additionally, portfolio companies typically reimburse the Adviser for expenses (including without limitation travel expenses, which include expenses for private, chartered or first-class travel and, in certain circumstances, meals and entertainment) incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described above. The Adviser generally has discretion over whether to charge fees for Related Services and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. As a matter of practice, the Adviser is typically paid fees of the type referred to above from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Advisory Fee payable by any Fund(s) that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to the relevant allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) general partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Adviser, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management and/or others, which have the potential to be significant. Unless otherwise agreed with investors, fees for Related Services generally will be payable without further offset if Advisory Fees are reduced or eliminated, including during term extensions. Fees for Related Services will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of fees for Related Services paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent former

personnel of the Adviser becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former personnel will offset the Advisory Fee, whether or not such former employee has a remaining interest in the relevant Fund's general partner or affiliated entity. Conversely, in the event that the Adviser employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with the Adviser, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. Each of the foregoing conditions is expected to reduce the amount of Fees for Related Services otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Adviser over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Adviser to seek to increase such amounts. For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see "Conflicts of Interest" under Item 11 below.

The Adviser and/or its affiliates generally have discretion over whether to charge Related Services fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such fees or other compensation. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates on the other hand.

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

The precise amount of, and the manner and calculation of, the Advisory Fees for each Main Fund are established by the Adviser or its affiliate receiving the Advisory Fee, as modified by negotiations with investors in the applicable Main Fund and are set forth in such Main Fund's Advisory Agreement, Governing Documents and/or other documentation received by each investor prior to investment in such Main Fund. The Advisory Fees and other fees and distributions described above are generally subject to waiver or reduction by the Adviser (or such affiliate receiving the Advisory Fee) in its sole discretion, both voluntarily and on a negotiated basis with selected investors. Certain waived portions of the Advisory Fees are treated by the Governing Documents as a deemed capital contribution by the relevant general partner, which is effectively invested in the relevant Main Fund on such general partner's behalf and operates to reduce the amount of capital such general partner would otherwise be required to contribute to the Main Fund. Waived or reduced Advisory Fees are not subject to the Advisory Fee reductions, and the amount of such waived or reduced Advisory Fees has the potential to be significant. Unless otherwise agreed with investors, Advisory Fees generally will be payable during term extensions.

The fee structures described above may be modified over time. Fees often differ from one Main Fund to another, as well as among investors in the same Main Fund.

Advisory Fees billed to and received from the Main Funds are payable quarterly in advance and are deducted from the assets of the Funds.



Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid under such Advisory Agreement are generally returned to the applicable Funds on a prorated basis.

The Advisory Fees paid by a Main Fund generally will be reduced by the amount of fees (but not expenses) paid by such Main Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Main Fund to certain potential investors, as well as by fees incurred by the Adviser in connection with the organization of such Main Fund that exceed a limit specified in such Main Fund's Governing Documents. In addition, the Adviser or its affiliate receiving the Advisory Fee is permitted to waive or reduce all or a portion of the Advisory Fee paid by a Main Fund in full or partial satisfaction of any obligation of the Adviser and certain personnel of the Adviser to invest in and alongside such Main Fund.

In addition to the Advisory Fees, the Funds will pay, or reimburse the general partners (or an affiliate thereof) for, all other fees, costs, expenses, liabilities and obligations relating to the Funds and / or their activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or a potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Funds' actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Funds, the Adviser, the general partners or any "affiliated partner" on behalf of the Funds (including any credit facility, letter of credit or similar credit support), including payment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depositary (including any depositary appointed pursuant to AIFMD and / or a Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act, as amended, or, in each case, pursuant to any law, rule or regulation that is related to the implementation thereof or that is of similar effect), trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Funds' third-party administrator(s) for accounting, capital call, distribution, investor reporting, anti-money laundering compliance, tax and other fund administrative services, and fees and expenses associated with tracking, performance and reporting software), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to the Capital Advisers, ORG (as defined below), consultants performing investment initiatives or providing services related to cybersecurity or environmental,

social and governance (“ESG”) investment considerations and policies, and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, other communications with Fund partners or any other administrative, compliance or regulatory filings or reports (including Form PF), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) any reporting, filing and other compliance (other than the initial registrations, filings, compliance and other offering obligations) contemplated by the AIFMD, or any other fees, costs and expenses relating to the AIFMD, including fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Funds or the limited partners; (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data; (xv) to the extent provided in the Partnership Agreement, or otherwise approved by the general partners in their sole discretion, activities or proceedings of the limited partner advisory boards (including any reasonable out-of-pocket costs and expenses incurred by representatives of the general partners, the advisory board members, permitted observers and other persons attending or otherwise participating in meetings of the advisory board); (xvi) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any Fund partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xviii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners; any other conference or meeting with any limited partner(s), in each case, to the extent incurred by the Funds, the general partners or any other affiliate of the general partners; (xix) except as otherwise determined by the general partners in their sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or their activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Funds, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Funds to the extent not paid by the investors investing in such entities; (xx) the termination, liquidation, winding up or dissolution of the Funds; (xxi) defaults by Fund partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Funds, the general partners and related entities and any alternative investment vehicle of the Funds, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law, regulation or policy related to the activities of the Funds (including any legal fees and expenses related thereto, any regulatory

expenses of the general partners or the Adviser incurred in connection with the operation of the Funds, any costs and expenses related to cybersecurity and any costs and expenses related to compliance with any ESG investor considerations and policies of the general partners or the Funds) and / or (B) any litigation or governmental inquiry, investigation or proceeding involving the Funds, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxiv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a limited partner; (xxv) any taxes, fees and other governmental charges levied against the Funds and all expenses incurred in connection with any tax audit, investigation settlement or review of the Funds; (xxvi) distributions to the fund partners and other expenses associated with the acquisition, holding and disposition of the Funds' investments, including extraordinary expenses; (xxvii) unreimbursed expenses and unpaid fees of the Capital Advisers or ORG, or any persons engaged by the Capital Advisers or ORG; (xxviii) compliance or regulatory matters related to the Funds, except as otherwise set forth in the Partnership Agreement; (xxix) any travel (including, where appropriate, the cost of chartering private aircraft or other private air travel (including from Adviser personnel or an affiliate of the general partners) at a cost not exceeding the cost of first class commercial airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities, and any expenses incurred in connection with attending industry conferences; (xxx) a Fund's allocable share of expenses and fees generated in the course of evaluating potential investments, including investments which are not consummated (such expenses and fees hereinafter referred to as "Broken Deal Expenses") (xxxi) any organizational expenses; (xxxii) any placement fees and any expenses paid to third parties in connection with the organization and funding of the Funds; and (xxxiii) other fees, costs, expenses, liabilities or obligations approved by the limited partner advisory boards. Except where the relevant Governing Documents or side letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among limited partners regardless of whether any individual limited partner negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. The Adviser reserves the right to agree with Operations Group members, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of

organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by a Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to HGGC and its personnel. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. This is not meant to be an exhaustive listing of all potential expenses a Fund may bear. Please refer to each Fund's Governing Documents for more details on expenses permitted to be borne by the Funds.

In certain circumstances, the relevant general partner is expected to permit certain investors to co-invest or invest in portfolio companies alongside one or more Funds, subject to the Adviser's related policies and practices and the Governing Documents and/or side letter(s). In some cases, a co-investment vehicle may be formed in connection with the consummation of a transaction, subject to the Adviser's related policies and the relevant Governing Documents. Accordingly, where a proposed transaction is not consummated, the full amount of any Broken Deal Expenses relating to any such proposed transaction will typically be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, and not by any prospective co-investors that were to have participated in such transaction. In some cases, the Fund may co-invest with third parties through a variety of structures, such as partnerships, joint ventures or other entities or arrangements. Typically, the Fund will bear such Broken Deal Expenses regardless of whether any co-investor(s) had yet been identified or confirmed, or whether any co-investment vehicle had yet been formed in connection with the relevant transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its pro rata share of such Broken Deal Expenses. Conversely, the Adviser and its affiliates generally do not permit prospective co-investors to benefit from break-up fees (if any), and the Fund would generally expect to receive the entirety of the fee (other than amounts allocable to other co-lead investors or other private funds managed by the Adviser or its affiliates), to the extent not applied to reimburse the Adviser or its affiliates, prospective co-investors or others for certain expenses incurred in connection with such transaction. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

The Adviser generally has the right to exempt certain investors in certain Funds from payment of all or a portion of Advisory Fees and/or carried interest. Any such exemption from fees and/or carried interest may be made by a direct exemption or by allowing such investors to invest through other vehicles which co-invest with a Fund. For example, in instances where Adviser personnel (or an affiliated entity thereof) invests in a Fund, such personnel (or such affiliated entity) generally will be exempt from payment of the Advisory Fee and/or carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, the Adviser permits investors, affiliated with the Adviser or otherwise (including "friends and family" of the Adviser and/or its personnel), to invest through the relevant general partner or other vehicles that do not bear Advisory Fees or carried interest. In general, the Advisory Fee offsets described herein apply only with respect to the capital commitments of fee-paying investors.

Additionally, please see Item 6 below regarding “Carried Interest” that the Funds are required to pay.

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

#### Capital Advisers and Operations Group

The Adviser engages and retains advisors, consultants and other similar professionals (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) (“Capital Advisers”) who are not employees of the Adviser and who receive compensation from the Funds and/or portfolio companies, or allocations with respect to, portfolio companies and/or other entities. Such Capital Advisers generally provide services to, or support the Adviser and its investment professionals in connection with, their activities on behalf of the Funds, their respective portfolio companies and / or their respective affiliates, which services may include (i) assistance in connection with the identification, acquisition (including platform acquisitions, as well as add-on acquisitions to existing portfolio companies), holding, improvement and disposition of portfolio companies, including performing due diligence reviews of prospective portfolio companies, (ii) assistance with operational due diligence and capital sourcing for prospective and consummated transactions, (iii) services with respect to post-closing operational initiatives for portfolio companies (including those related to manufacturing, sales, marketing, finance, tax, technology, information technology, financing (including debt and equity financing, whether in connection with acquisitions, dispositions, refinancings, recapitalizations and other similar transactions or otherwise), legal, real estate and facilities management, human resources and acquisition integration and rationalization), (iv) serving as a director or an executive or similar officer of a portfolio company or subsidiary thereof and (v) other operational services (collectively, “Operational Services”). Capital Advisers include a dedicated operational resources group, Operational Resource Group, LLC (“ORG”), and its members and personnel, as well as certain third-party advisors, consultants and other similar professionals who are independent contractors of ORG, HGGC, the Funds, any alternative investment vehicles, their respective portfolio companies and / or their respective affiliates. ORG is under common control with HGGC and employs personnel and/or engages consultants to provide services to the Funds and their portfolio companies. Operational Services are permitted to be performed by personnel of ORG, Capital Advisers or by certain other third-party operating professionals who are independent contractors of ORG, the Adviser, a Fund, a portfolio company or an affiliate of any of the foregoing. ORG, Capital Advisers and such other third-party operating professionals (whether or not employed or engaged by ORG) are hereinafter referred to collectively as the “Operations Group.”

The Funds, directly or through portfolio companies in which they invest, bear the cost of Operational Services provided by the Operations Group. Members of the Operations Group (including ORG) are expected to receive compensation from Fund portfolio companies or from a Fund (including through the reimbursement of fees or other compensation initially paid by the Adviser or applicable general partner, which may be borne by a Fund through a reduction in the

offset to the Advisory Fees for certain non-investment advisory fees received by the Adviser or its affiliates in connection with the Funds' investments and portfolio companies), which compensation is authorized to include equity, profits and similar interests in the underlying Fund portfolio companies as further described below. Such compensation will not offset or reduce the Advisory Fee and, thus, will not be covered by the Advisory Fee. See "Capital Advisers and Operations Group" in "Conflicts of Interest" under Item 11 below.

Certain members of the Operations Group participate in meetings of the Adviser's investment or other committees to, among other things, provide feedback and operational insight regarding a particular industry or prospective portfolio company and help ensure coordination between the Operations Group and the Adviser's investment team (the "Investment Team") in constructing an operating plan for a given portfolio company. The Adviser and/or the applicable general partners generally have discretion over whether to charge fees to or require other compensation from (or seek reimbursement from) a portfolio company in connection with services provided by the Operations Group and, if so, the fee rate or amount. The receipt by members of the Operations Group of such fees or other compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and the Adviser and/or its affiliates (including ORG), on the other hand. Please see "Conflicts of Interest" under Item 11 below. The Funds, through portfolio companies or directly, bear the cost, including compensation, of directors, executives or consultants to portfolio companies, including the Operations Group, which include current and former senior principals, personnel or owners of the Adviser, in connection with management or consulting services provided by such persons. Any such cost will generally not offset Advisory Fees paid to the Adviser. The determination of whether individuals are Operations Group members is expected to change and/or be revisited over time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that the Adviser otherwise would be required to bear.

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

A portion of the profits of each Main Fund is allocated to the capital account of its general partner, if any, as “carried interest” (the “Carried Interest”). Each general partner of a Fund is a related person of the Adviser.

In the future, the Adviser may agree to advise additional Funds that have different Carried Interest arrangements. The payment by some, but not all, Funds of Carried Interest or the payment of Carried Interest at varying rates create a potential incentive for the Adviser to disproportionately allocate time, services or functions to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate or allocate investment opportunities to such Funds. Generally, and except as otherwise set forth in the Governing Documents of the Funds, this conflict is mitigated by (i) certain limitations on the ability of the Adviser to establish new investment funds, (ii) contractual provisions requiring certain Funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements. Additionally, the Adviser periodically reviews the time and services being devoted to the Funds to ensure that the necessary resources are being allocated to each Fund. Please also see Item 12 below regarding trade aggregation, as well as Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Additionally, to the extent that Adviser personnel are assigned varying percentages of Carried Interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

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

The existence of performance-based compensation has the potential to create an incentive for the Adviser to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

## Item 7. Types of Clients

The Adviser currently provides investment advisory services to the Funds, and references throughout this brochure to “clients” and to the Adviser’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Investment advice is provided directly to the Funds (subject to the direction and control of the general partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” or “knowledgeable employees” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, sovereign wealth funds, family offices, corporations, limited partnerships and limited liability companies or other entities, employees of the Adviser (and their affiliated estate planning vehicles and members of their families) and Capital Advisers, Operations Group members or other service providers retained by the Adviser, or a Fund, as well as executives of portfolio companies.

The Funds typically include alternative investment vehicles established in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in the Funds. The general partner of each Fund has the right in its sole discretion to permit investments below the minimum amounts set forth in the offering documents of such Fund.



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

### Methods of Analysis and Investment Strategies

HGGC typically employs its “Advantaged Investing” approach, focusing on middle-market North American companies that it believes have a competitive position in market niches, to which HGGC aims to add value through its relationships and the Firm’s team members’ investing and operating experience in multiple industries.

HGGC’s investment strategy is primarily based on deal flow focusing on opportunities in core investing segments, deal execution capabilities, portfolio management and aligned incentives.

#### *Deal Flow Sourcing*

HGGC has institutionalized a multi-faceted deal sourcing strategy and focus, which it believes provides for a robust and diverse pipeline of transaction opportunities. Transactions are sourced primarily through (i) comprehensive evaluation and maintenance of intermediary relationships (the “Reverse-Sponsor-Coverage Model”), (ii) exclusive and complementary networks of HGGC Partners, other investment professionals and professional staff, (iii) in-depth, proactive industry analysis and (iv) successful precedent transactions yielding preferred-partner references.

#### *Reverse-Sponsor Coverage Model*

In order to institutionalize its approach to sourcing, HGGC established a business development function, which maintains relationships with investment banks, business brokers and other intermediaries and seeks a view into many sell-side processes that involve businesses that meet HGGC’s investment criteria. HGGC believes that this Reverse-Sponsor-Coverage Model gives HGGC a better understanding of the current state of the markets, including equity and credit, as well as an introduction to potential acquisition candidates that may become attractive, exclusive opportunities at a later time.

On occasion, when HGGC finds a compelling target in an auction process and believes it can uniquely contribute to the growth of the target’s business, HGGC may seek to acquire that target. In those circumstances, HGGC believes that due to its reputation in the market and the experience of its team, HGGC has been able to “bend” auctions, becoming the preferred-partner of the founder-owners, management teams and/or selling sponsors, thereby changing the dynamic from a traditional auction focused on the highest bidder to one more favorable to HGGC.

#### *HGGC Networks*

HGGC benefits from the extensive networks of its team members. The Firm’s Partners, other investment professionals and professional staff have a variety of complementary sourcing relationships, including with the Capital Advisers and the Operations Group members, which provide HGGC with interesting deal opportunities outside traditional auction processes.

#### *Industry Analysis*

The HGGC team is made up of individuals with multi-industry experience. Their aim is to capitalize on their extensive sector and market knowledge by focusing on companies with competitive positions in defensible market niches to which they believe they can add value through their relationships and experience. This focus has led HGGC to concentrate more heavily on certain sectors it believes to be particularly attractive and well suited to its Advantaged Investing strategy.

### *Deal Execution Capabilities*

Once an opportunity is identified, HGGC seeks to employ an intensive, analytical due diligence process focused on fundamental analysis to drive the investment decision, exit planning prior to transaction close and development of a detailed post-close action plan. HGGC is also focused on determining the appropriate capital structure for each investment, as well as potential synergistic acquisitions for certain investments.

### *Demonstrated Approach to Evaluating Transactions*

HGGC principally seeks to invest in North American middle-market companies that have leading competitive positions in defensible market niches to which it believes HGGC can add value through its relationships and experience. HGGC looks for companies that it can transform in a meaningful way and strives in its due diligence process to identify the ways in which a company will be different and more valuable when sold. Every platform transaction is evaluated relative to its defined investment thesis, and while all of the target attributes may not be met at closing, the deal teams remain focused on developing those critical company characteristics throughout the course of an investment. Primary investment criteria include the following:

- Scale: The ability to invest equity capital generally between \$50 and \$400 million in companies that typically have EBITDA at closing of up to \$100 million and beyond with co-invest support;
- Competitive Position: A strong competitive position where HGGC believes a company has the tools necessary to be successful (such as a relatively strong market presence, scalability and potential to transform the business to exit at a higher multiple);
- Risk/Return Profile: Targeting portfolio companies with the potential for appropriate base case multiples of money returned relative to risk potential; and
- Key Impact Drivers: Growth and/or cost drivers in businesses for which HGGC believes it can generate substantial value over time, often by collaborating with founder-owners, management teams and/or sponsors who desire to take their business global.

### *Exit Planning on Entrance*

HGGC typically focuses on exit planning as soon as it begins evaluating an investment opportunity, developing operational and strategic plans to drive value enhancements and optimize return outcomes before a transaction has closed. HGGC seeks to create such value enhancements

through a combination of multiple expansion and EBITDA growth while reducing net debt over the investment horizon. HGGC looks to create multiple exit avenues for each company and to identify a shared vision with founder-owners, management teams and/or selling sponsors as to what each company must achieve in order to position itself for a successful exit. HGGC believes that this collaboration not only serves to strengthen HGGC's preferred-partner relationships, but also establishes a specific and actionable framework for portfolio company value creation.

#### *Detailed Post-Close Action Plan*

The development of a detailed post-close action plan links directly with HGGC's sourcing strategy. Because HGGC seeks to develop preferred-partner relationships with founder-owners, management teams and/or sponsors, its deal team professionals are usually able to work closely with each target company's seller(s) on post-closing plans during the due diligence process. These action plans typically focus on addressing strengths, weaknesses and opportunities found during due diligence, with the goal of improving the company's strategic position, optimizing operations, strengthening management and capitalizing on industry trends. HGGC professionals seek to work together with each individual company's founder-owners, management teams and/or selling sponsors to develop and implement unique growth strategies best suited to the company. The strategies are generally built upon focused sales and marketing plans, operating objectives, organizational structure and strategic investments. HGGC also works collaboratively with each portfolio company so that capital spending programs can be prioritized to produce sustained growth.

#### *Synergistic Acquisitions*

Another key element of HGGC's strategy is to pursue synergistic acquisitions through existing investment platforms where appropriate. These acquisitions can improve product offerings, provide access to untapped customers and markets, drive cost savings and efficiencies, leverage management expertise, enhance strategic positioning and/or otherwise improve the performance and prospects for existing investment platforms. As appropriate, HGGC professionals work closely with the management teams and other equity holders in existing portfolio investments to identify, fund, execute and integrate acquisitions that HGGC deems to be accretive to the portfolio company. HGGC believes these "add-on" acquisitions have been and may continue to be a successful source of building value by way of reaching scale, fundamentally transforming business definitions or otherwise.

#### *Appropriate Capital Structure*

In connection with the development of each portfolio company's strategic plan, HGGC puts into place a carefully designed capital structure intended to permit the acquired business to execute a custom and appropriate business plan that allows for growth opportunities, as well as the ability to weather various business cycles.

Depending on the needs of the individual portfolio company, HGGC may identify opportunities for co-investment by institutional investors and other persons (as discussed in Item 11 below) willing to invest both significant capital as well as other strategic benefits to the company. While

HGGC intends to take a control position in its portfolio companies, it also strives to treat its co-investors as partners.

## Portfolio Management

### *Identify and Support Management Needs*

HGGC intends to pursue investment opportunities with capable portfolio company management teams and augment such management teams as necessary. During the due diligence process, and on an ongoing basis after closing each transaction, HGGC professionals are involved in monitoring portfolio companies, supporting management and assessing the talent resources needed. HGGC believes it has broad resources to develop or supplement these management teams, as warranted. HGGC will work with portfolio company management to assist with the development of effective leaders and managers to strive towards optimal performance throughout the organization.

HGGC believes that one of the reasons it has been successful in executing such a high percentage of exclusive transactions is its cultural fit with the founder-owners, management teams and/or sponsors of the companies it acquires. HGGC approaches each opportunity with more than just a transaction orientation, an approach that HGGC believes is recognized and appreciated by the founder-owners, management teams and/or sponsors with whom it partners. In each case, HGGC must identify with the founder-owners, management teams and/or sponsors a shared vision for the company, its industry and management, and must demonstrate why HGGC is the right partner for that business.

### *Extensive Operational and Strategic Experience*

HGGC's investment professionals have diverse backgrounds including investment banking, management consulting, and finance and accounting and work actively with prior portfolio management teams seeking to improve profitability and enhance value. In addition, certain members of the team have public company experience as board members and/or senior officers. The HGGC team collaborates extensively with each portfolio company management team seeking to set the strategic direction and operational objectives for each business. HGGC receives periodic reports outlining each company's performance relative to its operational and strategic objectives. Performance is measured across a variety of core operating metrics and strategic initiatives specific to each portfolio company's business plan. These reports, as well as frequent interaction with the management team, allow HGGC to play an active supporting role in each portfolio company's efforts to maximize value creation.

### *Expansive Network of Experienced Managers*

HGGC's professional team members have been instrumental in completing numerous deals and have worked with a variety of managers. They have personal relationships with many successful managers who have demonstrated their ability to meet operational objectives. HGGC believes that these types of relationships are important for a private equity firm of its size and that the ability to recruit top managers to portfolio companies, as warranted, will lead to increased value creation.

### *Aligned Incentives*

HGGC seeks to align the incentives of all participants in its transactions in an effort to best position a portfolio company in the market. These participants include HGGC's leadership and personnel, who are investing a significant amount of capital in each of the transactions, members of the Operations Group and the portfolio company management teams, who typically will be compensated based on meeting performance objectives, as well as founder-owners and/or selling sponsors who may rollover meaningful amounts of their equity in the HGGC-acquired portfolio company.

### *Portfolio Management Equity Rollover and Performance-Based Incentive Plans*

HGGC believes that capable portfolio company management teams are an important element of the success of HGGC. In an effort to align these management teams with the Funds, HGGC seeks to have portfolio company managers that remain in leadership roles rollover a material portion of their equity in connection with the acquisition of the business by a Fund.

HGGC uses its extensive network to seek the best talent available as necessary to support its portfolio companies. Typically, portfolio company managers have compensation packages based on performance and have the ability to participate in the equity upside of their portfolio company.

### Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, as described more fully in the applicable Fund's offering documents, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

### Fund Borrowing; Leveraged Investments

The Funds are authorized to borrow funds, and to provide guarantees of the obligations of third parties (including portfolio companies and their subsidiaries), subject to certain limitations provided in the relevant Partnership Agreements. As security for such borrowing or guarantees, the Funds are permitted to grant liens on any of the Funds' assets to the lender or other counterparty, which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by a limited partner of a Fund to such assets in an insolvency event or proceeding. It is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. Additionally, the Funds are expected to borrow through a subscription-based credit facility (a "subscription line") in order to finance their operations, including the acquisition, financing or refinancing of the Funds' investments, as well as to consolidate or make less frequent capital calls to limited partners. In connection with a subscription line, each of the Funds and the general partners, as applicable, will have the right, at their option, to pledge all or a portion of uncalled

capital commitments, to deliver notices to limited partners demanding capital contributions and to enforce all remedies under the Partnership Agreement against defaulting limited partners and any account into which capital contributions are made. Accordingly, limited partners may be required to make capital contributions directly to a Fund's lenders instead of the Fund and may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.

Fund borrowings may be used for, among other purposes, the purchase of portfolio investments pending the receipt of anticipated funds from capital contributions or realizations. The Funds also reserve the right to incur debt to finance a portion of their investments in a given portfolio company to make use of leverage. A Fund may incur leverage on a joint and several basis with one or more other investment funds and entities managed by the general partner or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Additionally, the incurrence of leverage by a Fund or a flow-through entity owned by a Fund may cause tax-exempt limited partners to recognize unrelated business taxable income ("UBTI").

Although borrowings by the Funds may enhance overall returns, they may further diminish returns (or increase losses) to the extent returns during the borrowing are less than the Funds' interest costs and expenses relating to such borrowings or in the event of default, and such use of leverage may ultimately result in costs to the Funds that may not be covered by distributions made to the Funds or appreciation of their investments. Such expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line and other one-time and recurring fees and / or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility. Because a subscription line's interest rate is based in part on the creditworthiness of a Fund's limited partners and the terms of the Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the relevant Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not

accrue on outstanding borrowings, the relevant general partner has an incentive to cause the relevant Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a general partner to fund investments and pay fund expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the general partner called smaller amounts of capital incrementally over time as needed by the Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The general partners are authorized to use Fund-level borrowing to pay Advisory Fees and to reimburse the Adviser for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the general partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the

borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

In addition to utilizing fund borrowings to make use of leverage, the Funds also reserve the right to have a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. The use of leverage by a portfolio company imposes restrictive financial and operating covenants on such company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and / or finance future operations and capital needs. In addition, the leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Funds. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Funds will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

### Highly Competitive Market for Investments

The business of identifying, structuring and completing transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty. The Funds will be competing for investments with other private equity investment vehicles, as well as other



institutional investors and strategic acquirers. The size and number of private equity investment vehicles has grown dramatically in recent years, and it is likely that these trends will continue in the future. There can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve targeted rates of return or fully invest committed capital. However, the limited partners will be required to bear Advisory Fees through such Fund during the commitment period based on the entire amount of the limited partners' commitments to such Fund and other expenses as set forth in the Governing Documents. An investor in limited partner interests must rely upon the ability of the Adviser to identify, structure and implement investments consistent with a Fund's investment objectives and policies.

### Concentration of Investments

The Funds will participate in a limited number of investments and may seek to make several investments in one industry or one industry sector or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised by a Fund is less than the targeted amount, such Fund may invest in fewer portfolio companies and thus be less diversified. In circumstances where the Adviser intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing may not be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

### Financial Market Fluctuations

General fluctuations in the market prices of securities and economic conditions generally, particularly of the type experienced in the most recent financial crisis, may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the Funds' investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in the Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The capital markets have experienced volatility, and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by limited or costly credit markets or financial turmoil. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will remain liquid, and it may well experience future volatility. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy, and there can be no assurance that the Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so or without adversely affecting the portfolio

company's value. Renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high yield debt market or otherwise, which may become more volatile.

#### Uncertain Economic, Social and Political Environment

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

#### Public Health Emergencies

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

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

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

### Dynamic Investment Strategy

While a Fund generally intends to seek attractive returns primarily through making control-oriented equity investments in middle market businesses as described herein, a Fund is permitted to pursue additional investment strategies and may modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. A Fund is permitted to pursue investments outside of the industries and sectors in which the principals of the Adviser have previously made investments or have internal operational experience.

### Long-Term Nature of Portfolio Investments

It is anticipated there will be a significant period of time (several years) before a given Fund completes its investment program. Investments typically take from three to seven years or longer from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures may not provide liquidity for a Fund's investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of a Fund's investments will occur for a significant period of time after the first closing of the Fund.

### Illiquidity; Restricted Nature of Investment Positions

An investment in the Funds should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. Furthermore, the expenses of operating a Fund (including the Advisory Fee) may exceed its income, thereby requiring that the difference be paid from the Fund's capital, including unfunded commitments.

It is anticipated that all or a substantial portion of a Fund's investments will consist of securities that are subject to restrictions on sale by such Fund because they were acquired from the issuer in "private placement" transactions or because the Fund will be deemed to be an affiliate of the issuer. Generally, the Fund will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act, as amended, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Funds may be

deemed an “underwriter” or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under that Act.

In addition, practical limitations may inhibit a Fund’s ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and such Fund will own a relatively large percentage of the issuer’s equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of a Fund’s investments could prevent a successful sale thereof, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized.

As a result of illiquidity or for other reasons as set forth in the Governing Documents, certain investments (including restricted or otherwise illiquid securities) may be distributed in kind to the limited partners of a Fund, and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. Limited partners therefore must be prepared to bear the risks of owning such securities for an indefinite period of time. In addition, after a distribution of securities is made to the limited partners, many limited partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such limited partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of Carried Interest available to the relevant general partner with respect to such investment.

#### Early-Stage and Start-Up Investments

A Fund may make investments in start-up and 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 a Fund will be successful.

#### Growth-Equity Transactions

A Fund may make growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments generally 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.

#### Toehold Investments

A Fund may accumulate minority positions in the securities of potential portfolio companies, including public companies. While the Adviser may seek to achieve such accumulation through investments such as open market purchases, registered tender offers, negotiated transactions or private placements, a Fund may be unable to accumulate a sufficiently large position in a target company to execute its strategy. Moreover, such Fund may otherwise be unsuccessful in executing its strategy or may forego further implementation of its strategy. In addition, such Fund may dispose of its position in the target company at an inopportune time, and there can be no assurance that the price at which such Fund can sell such securities will not have declined since the time of acquisition. This may be exacerbated by the fact that (i) securities of the companies that such Fund may target may be thinly traded, (ii) such Fund's position may nevertheless have been substantial, (iii) speculation following such Fund's investment may increase the securities' price and (iv) such Fund's disposal may depress the market price for such securities, all of which will increase the risk of loss. Also, if a toehold investment is in publicly listed securities, certain filings may be required under the U.S. Securities Exchange Act of 1934, as amended, in respect of such toehold investment, including, without limitation, Form 3, Form 4, Form 13F, Form 13H, Schedule 13D filings and Schedule 13G filings. In addition, filings under the Hart-Scott Rodino Act may be required, as well as other filings with regulatory agencies, if the investment is in a company that is in a regulated industry. Certain of these regulatory filing obligations could delay, impede or prevent a Fund from executing its investment strategy, or require advance disclosure of such Fund's plans, proposals or intentions pertaining thereto, any of which could negatively impact such Fund's investments or investment opportunities.

#### Material Non-Public Information

As a result of the operations of the Adviser and its affiliates, the Adviser may come into possession of confidential or material, non-public information. Therefore, the Adviser and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or the Adviser's internal policies and practices. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

#### Sanctioned Investors

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

#### CFIUS and National Security Clearance Considerations

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

#### Need for Follow-On Investments

Following its initial investment in a given portfolio company, the Adviser is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may have a substantial negative impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), which may result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund’s ownership in a portfolio company if a third party or co-investor is permitted to invest.

#### Projections

Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company’s management, with adjustments to such projections made by the Adviser in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

#### Hedging Arrangements

The general partner is authorized (but not obligated to) endeavor to manage a Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund is permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over the counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks.

Certain hedging arrangements may create for a general partner of a Fund and/or one of its affiliates a registration or exemption obligation with the U.S. Commodity Futures Trading Commission or other regulator. Additionally, the tax rules applicable to hedging arrangements are complicated and could lead to incremental tax exposure even where an effective hedge is available.

#### Reliance on General Partners and the Adviser

Decisions with respect to the management of the Funds will be made by the general partners with the advice of the Adviser. The success of the Funds will depend on the ability of the general partners and the Adviser to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of investments at a profit. There can be no assurance that all of the professionals of the general partners and the Adviser will continue to be associated with the Funds throughout their terms. The loss of the services of one or more members of the professional staff of the Adviser or of the principals of the general partners could have an adverse impact on the Funds' ability to realize their investment objectives.

#### Other Activities of Principals of Adviser

The principals of the Adviser will devote such time as is necessary to conduct the affairs of the Funds in an appropriate manner. However, certain principals of the Adviser will be engaged in some activities unrelated to the Funds. In addition, the principals currently manage, and expect in the future to manage or provide services to, other investment funds and investment vehicles (including SPACs), besides a Fund, and the principals may need to devote substantial amounts of their time to the investment activities of such other funds, which pose potential conflicts of interest in the allocation of the time of the principals. The performance of the Funds could be adversely affected by the other commitments of the principals of the Adviser.

#### Contingent Liabilities on Disposition of Portfolio Investments

In connection with the disposition of an investment in a portfolio company, the Funds often are required to make representations about the business and financial affairs of such company and to

indemnify the purchasers of such investment if those representations are inaccurate. The Adviser intends to establish reserves as it deems appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the Funds, the limited partners of the Funds may be required to repay to the Funds or to pay to creditors of the Funds distributions previously received by them.

#### Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that the Funds will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by the Funds, contractual arrangements between the company and the Funds and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Funds. In addition, because of its equity ownership, representation on the board of directors and/or contractual rights, the Funds may often be thought to control, participate in the management of or influence the conduct of portfolio companies. This could expose the assets of the Funds to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

#### Special Risks Associated with Offshore Investments

The Funds may invest a portion of their capital commitments in portfolio companies that are headquartered and that have their principal operations outside the United States and Canada. These investments involve special risks not typically associated with investments in the securities of U.S. issuers, including (a) economic, legal and political factors, such as the risk of expropriation, restrictions on repatriation of profits and political and social instability, (b) differences between the United States and foreign securities markets, including the absence of uniform accounting, auditing and financial reporting standards in foreign markets and the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates, (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes and the possibility of double taxation of income earned overseas, (e) civil disturbances and (f) government instability.

#### Conflicting Interests of Limited Partners

The Funds are likely to have a diverse range of limited partners that have conflicting interests stemming from differences in investment preferences, tax status and regulatory status. The Adviser will attempt to consider the objectives of the Funds and each of their respective partners as a whole when making decisions with respect to the selection, structuring and sale of portfolio investments. However, it is inevitable that such decisions may be more beneficial for one limited partner than for another limited partner.

The Adviser may be presented with opportunities to seek financing and other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject the Adviser to conflicts of interest because, although the Adviser selects lending and other service



providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of a Fund, the Adviser may have an incentive to pursue financing and other opportunities with certain limited partners because of its financial or other business interest, including a limited partner's historical or potential future relationship with the Adviser and Fund investments made or to be made by a limited partner. There is a possibility that the Adviser, because of a belief that a limited partner will invest or continue to invest in one or more investment funds managed by the Adviser or any of its affiliates, or for other reasons, may favor the retention or continuation of lending or other services from such limited partner even if better rates and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular limited partner for lending or other services, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lower cost.

#### Failure to Achieve Investment Objectives

There can be no assurance that the Funds will be able to achieve their targeted returns or achieve their investment objectives. Any given investment made by the Funds may prove to be worthless. Investors in the Funds should be able to absorb a loss of some or all of the capital invested in the Funds.

#### Impact of Carried Interest Structure

The general partners, in respect of their Carried Interest, are entitled to a percentage of the net profits generated by the Funds but do not have to bear a percentage of the net losses suffered by the Funds. This feature may cause the general partners and the Adviser to make investments that have a greater risk/reward profile than would be the case in the absence of such a feature.

#### Valuation of Investments

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

## Cybersecurity Risk

Cybersecurity risks to which operating companies are subject continue to be prevalent. To the extent that a portfolio company, Fund, general partner, the Adviser or one or more of their respective service providers or members of the Operations Group is subject to a cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, the Adviser, general partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the Adviser's, the general partners', the Funds', portfolio companies' and/or service providers' or Operations Group members' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at the Adviser or one of its service providers holding its financial or investor data, the Adviser, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks.

## Privacy and Data Protection Law Compliance Risk

The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations ("Privacy Laws") in the United States, Europe and elsewhere could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, the Funds and/or their portfolio companies and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the Funds and/or their portfolio companies are likely to increase,

particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens and the potential for significant liability for regulated entities, which could include the Adviser, the Funds and/or their portfolio companies.

### Artificial Intelligence and Machine Learning Developments

Recent technological advances in artificial intelligence and machine learning technology (collectively, “Machine Learning Technology”), including OpenAI’s release of its ChatGPT application, pose risks to the Adviser, the Funds and the Funds’ portfolio companies. The Adviser expects to utilize Machine Learning Technology in connection with its business activities, including investment activities. HGGC personnel, senior executives and other associated persons of the Adviser or any affiliates of the Adviser could, unbeknownst to the Adviser, utilize Machine Learning Technology in contravention of any policies related to Machine Learning Technology. The Adviser, the Fund and the Fund’s portfolio companies could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to the Adviser, also use Machine Learning Technology in their business activities. The Adviser will not be in a position to control the use of Machine Learning Technology in third-party products or services, including those provided by the Adviser’s and its affiliates’ service providers.

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

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

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

#### Environmental, Social and Governance (“ESG”) Matters

The Adviser maintains a responsible investment policy (“ESG Policy”) and seeks to integrate certain ESG factors into its investment process in accordance with its ESG Policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. There is no guarantee that the Adviser will be able successfully to implement its ESG Policy while achieving its investment strategy. Applying ESG factors to investment decisions is subjective by nature, and the Adviser expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There are significant differences in interpretations of what ESG characteristics, and their materiality, mean by region, industry and topic, as well as the interpretations of their scope and materiality. There is no guarantee that the criteria utilized by the Adviser, or any judgment exercised by the Adviser, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. The Adviser’s ESG Policy and associated ESG practices are expected to evolve over time and to differ from others’ views. Although the Adviser views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, the Adviser cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues, and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment, the Adviser expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause the Adviser to incorrectly assess a company’s ESG practices and/or related risks and opportunities. The Adviser does not intend independently to verify all ESG information reported by investments or third parties.

Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on the Adviser’s view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policy and associated ESG practices, which carries risk that the Advisor may perform differently than those advisors that do not take ESG factors into account.

Additionally, ESG practices are evolving rapidly, and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. The Adviser’s adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment

has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. The Adviser and its ESG Policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and the Adviser cannot guarantee that its current approach including the ESG Policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. The Adviser cannot predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs or how these future requirements could affect a Fund or its investments. Compliance with new requirements is expected to lead to increased management burdens and costs.

#### The United Kingdom’s (the “UK”) Exit from the European Union (the “EU”)

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

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK government has stated its intention to recast onshore EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

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

### International Conflicts

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

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

### Absence of Regulatory Oversight

None of the Funds intends to register as an investment company under the Investment Company Act. Accordingly, investors will not benefit from the protections that would have been available to them if the Funds were registered under the Investment Company Act.

### Lack of Unilateral Control

Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

### Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes

There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes

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

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

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

### Inflation

High rates of inflation and rapid increases in the rate of inflation are expected to have a significant impact (often a negative or adverse impact) on financial markets and the broader economy. In an attempt to stabilize inflation, governments and central banks may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have corresponding impacts (often negative and unintended) on the level of economic activity and also potentially result in market or financial sector uncertainty. Certain countries, including the U.S., have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund's investments and aggregate returns. For example, if a company were unable to increase its revenue while business expenses were increasing, the company's profitability would likely suffer. Likewise, to the extent a company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the company could increase revenue by less than its expenses increase. Conversely, as

inflation declines, a company may see its competitors' costs stabilize sooner or more rapidly than its own.

Moreover, as inflation increases, the real value of the interests in the Funds and distributions therefrom can decline. If a Fund is unable to increase the revenue and profits of its investments at times of higher inflation, it may be unable to pay out higher distributions to the limited partners to compensate for the decrease in value of the money, thereby affecting the return of limited partners. A Fund could also be adversely affected if the market value of its investments declines during times of higher inflation as compared to periods with lower inflation.

#### Financial Institution Risk; Distress Events

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

Any Distress Event has a potentially adverse effect on the ability of the Adviser to manage the Funds and their investments, and on the ability of the Adviser, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include the following: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant general partner believes reflect the fair value of such investments; and/or the inability of the Adviser or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Adviser will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable



than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that the Adviser will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

#### U.S. Taxation of Carried Interest

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

#### Changes to Benchmark Rates

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate (SOFR) or other rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: (i) increase volatility or illiquidity in markets; (ii) cause delays in or reductions to financing options for the Funds and their portfolio companies; (iii) increase the

cost of borrowing; (iv) reduce the value of certain instruments or the effectiveness of certain hedges; (v) cause uncertainty under applicable legal documentation; (vi) or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

#### Secondaries and other General Partner-Led Transactions

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

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of the Adviser or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Adviser or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant general partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Adviser, the relevant general partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent the Adviser requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by the Adviser in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant general partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to

make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances the Adviser reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant Fund advisory board prior to the closing of the transaction, there can be no assurance that the Adviser will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of a Fund or any individual limited partner or group of limited partners. However, the Adviser reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Adviser is permitted to seek the consent of the relevant Fund advisory board(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

#### Social Media and Publicity Risk

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

Item 9.     Disciplinary Information

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

## Item 10. Other Financial Industry Activities and Affiliations

### Related General Partners

The Adviser is affiliated with other investment advisers subject to the Advisers Act pursuant to the Adviser's registration in accordance with SEC guidance. These advisers are Huntsman Gay Capital Partners Fund GP, L.P., Huntsman Gay Capital Partners Fund GP, Ltd., HG Private Investors GP, Ltd., HGGC Fund II GP, L.P., HGGC Fund II GP, Ltd., HGGC Fund III GP, L.P., HGGC Fund III GP, Ltd., HGGC Fund IV GP, L.P. HGGC Fund IV GP, Ltd and Krystal Investment Partners I GP, LLC. These affiliated investment advisers operate as a single advisory business together with the Adviser and serve as general partners of the Funds and share a substantial identity of common owners, officers, partners, consultants or persons occupying similar positions. For a description of material conflicts of interest created by the relationship among the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

### Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its members, officers and personnel, as well as certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. In addition, the Code of Ethics requires Adviser Personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer (the “CCO”) as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: Kurt A. Krieger, Chief Legal Officer, HGGC, LLC, 1950 University Avenue, Suite 350, Palo Alto, CA 94303.

### Participation or Interest in Client Transactions

Certain personnel of the Adviser invest in and alongside the Funds, either through the Funds’ general partners, through co-investment vehicles (as described below), as direct investors in the Funds or otherwise. A Fund or its general partner, as applicable, generally is permitted to reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons in accordance with the Governing Documents of such Fund. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

Due in part to the fact that potential investors in a Fund (including purchasers of a limited partner’s interests in a secondary transaction) or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

### Conflicts of Interest

The material conflicts of interest encountered by the Adviser and the general partners with respect to the Funds and limited partners include those discussed below, although the discussion below

does not necessarily describe all such conflicts. Other conflicts are disclosed in the Governing Documents, the offering documents and throughout this brochure, and the brochure should be read in its entirety for other conflicts.

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds and providing transaction-related, investment advisory, management and other services to funds, SPACs and operating companies. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Document, although the Funds and their respective investments will place varying levels of demand on the Adviser over time. In the ordinary course of conducting its activities, the interests of a Fund have the potential to conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well a description of how the Adviser addresses such conflicts of interest, can be found below.

As permitted by the relevant Governing Document, the Adviser expects to provide (or agree to provide) co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Capital Advisers, members of the Operations Group, the Adviser's personnel, "friends of the firm" and/or certain other persons associated with the Adviser and/or its affiliates (e.g., a vehicle formed by the Adviser's principals to co-invest alongside a particular Fund's transactions). Co-investment vehicles generally are contractually required, as a condition of investment, to purchase and sell each investment opportunity at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. However, for strategic and other reasons, a co-investment vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in the Adviser's sole discretion, the Adviser is authorized to charge interest on the purchase to the co-investor or co-invest vehicle and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund. Such co-investment vehicles generally do not pay Advisory Fees or Carried Interest.

### *Resolution of Conflicts*

As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds. In resolving conflicts, the Adviser is permitted to consider various factors, including the interests of the applicable Funds 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 may mitigate, but will not eliminate, conflicts of interest:

- A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered solely from the viewpoint of such Fund based on its Governing Documents;
- Many important conflicts of interest will generally be resolved by procedures, restrictions or other provisions contained in the relevant offering and/or Governing Documents for the Funds;
- Generally, each Main Fund has established an advisory board, consisting of representatives of investors not affiliated with the Adviser. The advisory boards 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 attempts to resolve such conflicts of interest in light of its obligations to its Funds and the obligations owed by the Adviser's advisory affiliates to Funds managed by them, in a manner it believes to be fair and equitable to the Funds under the circumstances over time;
- Where the Adviser deems appropriate, unaffiliated third parties can be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness or "arms-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Adviser; and
- Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

*Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities*

In connection with its investment activities, the Adviser encounters situations in which it must determine how to allocate investment opportunities among various clients and other persons, including, but not limited to, the following:

- The Funds;
- Any co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s);
- Fund investors and/or third parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Fund investors and/or third parties acting as "co-sponsors" with the Adviser with respect to a particular transaction.



The Adviser has adopted written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith.

The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Certain Investment Allocation Requirements are set forth in the Funds’ Governing Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds will participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s offering memoranda and Governing Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors would restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to, the following:

- **Obligation to Offer:** The Adviser typically is required to offer an investment opportunity to one or more Funds. This obligation to offer investment opportunities is generally set forth in a Fund’s offering documents and/or Governing Documents;
- **Related Investments:** The Adviser is permitted to offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds; and
- **Legal and Regulatory Exclusions:** The Adviser is permitted to determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory or contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that will participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser considers some or all of a wide range of factors, which include, but are not necessarily limited to, the following:

- Each Fund’s investment objectives and investment focus;
- Transaction sourcing;
- Each Fund’s liquidity and reserves;
- Each Fund’s diversification;

- Lender covenants and other limitations;
- Amount of capital available for investment by each Fund, as well as each Fund's projected future capacity for investment;
- Stage of development of the prospective portfolio company or other investment;
- Composition of each Fund's portfolio;
- The suitability as a follow-on investment for a current portfolio company of a Fund;
- The availability of other suitable investments for each Fund;
- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by, or conditions set forth in, the applicable offering and Governing Documents of each Fund.

The Adviser will seek to make all allocations of investment opportunities among the Funds in a fair and equitable manner. Further, the Adviser will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

Subject to any Investment Allocation Requirements, in general, (i) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of the Adviser or its related persons or other participants in the applicable transactions, such as co-sponsors, (ii) co-investment opportunities may, and typically will, be offered to some and not other investors in the Funds, in the sole discretion of the Adviser or its related persons and (iii) certain persons other than investors in the Funds (e.g., third parties including Capital Advisers and Operations Group members) are expected to be offered co-investment opportunities, in the sole discretion of the Adviser or its related persons.

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated to certain participants in the applicable deal, such as existing owners, co-sponsors, Capital Advisers, Operations Group members, consultants and other advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors), and any such excess may, and typically will, be offered to one or more co-investors, pursuant to the procedures included in such Funds' Governing Documents and as set forth in the following paragraphs.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the Funds and other potential co-investors, the Adviser is permitted to consider some or all of a wide range of factors, including, but not limited to, the following:

- The Adviser's evaluation of the size (including Fund commitment size) and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case;
- Any confidentiality concerns the Adviser may have that arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- The Adviser's perception of its past experiences and relationships with the potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen

and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds; and

- Whether the Adviser believes, in its sole discretion, that the candidate co-investor or co-investing entity offers special expertise, geographic location, market or industry ties that may enhance the success of the investment.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by the Adviser or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. The Adviser at its discretion is permitted to grant investors with the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Additionally, the Adviser expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services, these persons have the potential to have information advantages relative to other investors or co-investors and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to the Adviser or any Fund to provide services that will be the most beneficial to any limited partner. Co-investment opportunities typically will be offered to some and not to other investors within a given Fund, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Advisory Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the Advisory Fee offset provisions of a Fund’s Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the general partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the general partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected

to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of the Adviser make capital investments in or alongside certain Funds, the Adviser is subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Fund investors and third parties, and in the manner discussed above likely will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to other such persons. While the Adviser will determine how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, as applicable, did not exist.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Governing Documents, the Adviser is permitted to consider the factors listed above in exercising such discretion. Subject to any restrictions in the Governing Documents of the applicable Fund, the Adviser or its related persons may be asked to identify a limited number of Fund investors or third parties to potentially acquire the interest being transferred.

#### *Allocation of Expenses*

The appropriate allocation between Funds, Fund investors and third parties of expenses and fees generated in the course of evaluating and making investments (including investments that are not consummated), such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates using their reasonable judgment, consistent with the Governing Documents of the Funds and factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. In certain circumstances one Fund (the "Payor Fund") is expected to pay an expense common to multiple funds (the "Allocated Funds") (e.g., legal expenses for a transaction in which all such Allocated Funds participate, or other fees or expenses in connection with services, the benefit of which are received by such Allocated Funds over time). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. While the Adviser believes it is highly unlikely, it is possible that one of the Allocated Funds could default on its obligation to reimburse the Payor Fund. In certain circumstances, the Adviser is expected to advance amounts related to the foregoing and receive reimbursements from the Allocated Funds to which such expenses relate.

In exercising its discretion to allocate investment opportunities and fees and expenses, the Adviser is faced with a variety of potential conflicts of interest. For example, in allocating an investment

opportunity among Funds and other investment vehicles with differing fee, expense and compensation structures, the Adviser has a potential incentive to allocate investment opportunities to the Funds and other investment vehicles from which the Adviser or its related persons derive, directly or indirectly, a higher fee, compensation or other benefit.

In addition, principal executive officers and other personnel of the Adviser invest indirectly in and are permitted to invest directly in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund. The existence of these varying circumstances present potential conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

The Adviser will allocate fees and expenses incurred in connection with the offering and management of a Fund between the Adviser and the Fund in accordance with the Fund's Governing Documents or to the extent not addressed in such Governing Documents in its sole discretion, in each case using reasonable judgment, considering such factors as they deem relevant.

The Adviser will allocate fees and expenses related to investment opportunities to be borne by the Funds in accordance with the Fund's Governing Documents or to the extent not addressed in such Governing Documents, in a manner it determines to be fair and equitable in its sole discretion, in each case using reasonable judgment, considering such factors as they deem relevant. In making such allocations, the Adviser will adhere to the following principles:

- The Adviser will determine expected allocations of an investment opportunity and will track and allocate fees and expenses associated with each investment opportunity (by use of deal codes or other appropriate methods);
- The Adviser will allocate expenses across Funds based on each Fund's pro rata expected participation in an investment opportunity, subject to any applicable Fund restrictions;
- The relevant investment teams will approve expenses that are allocated to the Funds;
- The Adviser will review the expected allocations as information regarding expected participation in the investment opportunity changes; and
- Once the participating Fund(s) have been identified and a final allocation has been determined, the Adviser amends all previously recorded expenses and fees to reflect the Funds' actual participation in an investment opportunity.

To the extent any other investment vehicles, including co-investment vehicles, participate in consummated transactions, the Adviser will allocate fees and expenses among the applicable Fund(s) and such other investment vehicles using the process described above. With respect to unconsummated transactions, the Adviser will determine to allocate expenses in a manner it deems appropriate, which historically has included determinations to allocate expenses solely to some investment vehicles and not others, or to allocate among investment vehicles under consideration for the unconsummated transaction in non pro rata percentages.

The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion (e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense or whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size). The Funds and other investment vehicles have different expense terms, which are expected to result in the Funds and certain investment vehicles bearing different levels of expenses with respect to the same investment.

### *Conflicts Related to Purchases and Sales*

Potential conflicts arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of investments. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy and the terms of any work-out or restructuring has the potential to raise conflicts of interest, particularly in Funds that have invested in different securities within the same portfolio company. Certain clients of the Adviser are permitted to invest in bank debt and securities of companies in which other clients hold securities, including equity securities. In the event that such investments are made by a Fund, the interests of such Fund may be in conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. The involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. Because of the different legal rights associated with debt and equity of the same portfolio company, the Adviser expects to face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). In addition, a conflict would generally arise in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. Investments by more than one client of the Adviser in a portfolio company also have the potential to raise the risk of using assets of a client of the Adviser to support positions taken by other clients of the Adviser. Where multiple clients invest in the same company at different times, the first client to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later clients; similarly, to the extent a transaction does not proceed, the first client to invest typically will bear the full amount of Broken Deal Expenses

relating to the transaction, regardless of whether other clients could or would have invested in the company in potential future transactions.

Personnel and related persons of the Adviser have made and expect to make capital investments in or alongside certain Funds and therefore are subject to additional potentially conflicting interests in connection with these investments. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. The Adviser and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. Given the nature of the relevant conflicts, there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

A Fund may invest in opportunities that other Funds have declined, and likewise, a Fund may decline to invest in opportunities in which other Funds have invested.

The Adviser is authorized, in its discretion, to enter into transactions with investors in one or more Funds to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser is permitted to consider some or all of the factors listed above under “Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities.” The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, it will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the organizational documents of the applicable Fund(s).

#### *Cross-Transactions*

The Adviser reserves the right to cause a Fund to enter into transactions (or “cross-transactions”) whereby a Fund (i) purchases securities from, or sells securities to, other Funds managed by the Adviser or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. In some cases, a portfolio company of one Fund will potentially be merged with or into a portfolio company owned by another Fund. In some cases, a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raises potential conflicts of interest, including where (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; and/or (ii) the transaction allows the Adviser or its affiliates to realize carried interest and/or receive future Advisory Fees and/or other compensation with respect to such investments. These conflicts are heightened to the extent the



relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of the Adviser, the Adviser reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker (paid for by the relevant Fund(s)) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of the Adviser) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory board) to such transactions. The Adviser is also authorized to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions, and therefore determine not to obtain any consent or fairness opinion (except where required by applicable law). Further, Funds nearing the end of their term are expected to sell their interest in commonly held investments to other Funds with more time remaining in their term, which gives rise to the conflicts of interest discussed herein. Conflicts of interest are also heightened in the foregoing transactions to the extent the partners of the relevant general partner are assigned varying percentages of carried interest from funds in the same investment, or if economic terms, performance or the potential for carried interest vary between Funds, particularly when such transactions would cause a portion of such carried interest to become realized. Whether or not consent or an opinion is obtained, or a third-party invests, the Adviser intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, such cross-fund transactions are expected to arise in the context of automatic or other re-balancing of an investment among parallel Funds pursuant to the relevant Governing Documents, and in such circumstances the Adviser generally will not seek a fairness opinion, and the Adviser generally will not seek advisory board consent given that such transactions typically happen close in time to the initial Fund's investment and/or are authorized pursuant to the relevant Governing Documents of each Fund.

### *Principal Transactions*

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a Fund (what is commonly referred to as a "principal transaction"), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction. In connection with the Adviser's management of the Funds, the Adviser and its affiliates are permitted to pursue principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received. In addition, the Governing Documents or offering documents of the Funds generally contain additional restrictions on the ability of the Funds or the Adviser to engage in principal transactions.

### *Management of the Funds*

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser reserves the right in the future to establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “Allocation of Investment Opportunities Among Clients and Allocation of Co-Investment Opportunities” above. In addition, it is expected that personnel of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including Funds that are raised in the future. Potential conflicts of interest arise in allocating time, services or functions of these officers and personnel.

The Adviser’s principals currently manage, and expect in the future to manage, several other investments similar to those in which any particular Fund will be investing and expect to direct certain relevant investment opportunities to those investments. The Adviser’s principals and investment staff will continue to manage and monitor such investments until their realization. Such other investments have the potential to compete with companies acquired by any particular Fund.

The Funds reserve the right to enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds generally will be held responsible for the defaulted amount. The Funds will only enter into such joint and several borrowing arrangements when the Adviser determines it is in the best interests of the Funds. If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable general partner may enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering or seeking to reinforce these agreements, the Adviser expects to be subject to conflicts of interest, for example, between a Fund with a reimbursement obligation and a Fund seeking reimbursement.

### *Follow-on Investments*

Investments to finance follow-on acquisitions present potential conflicts of interest, including determination of the equity component and other terms of the new financing, as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund is permitted to participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Potential conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

### *Conflicts Relating to the General Partners and the Adviser*

The Adviser generally is authorized to, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person

to provide such services, the Adviser likely will have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost. The Governing Documents of the Funds generally contain limitations on the ability of the Adviser or the general partner of the Funds to engage related persons in such transactions.

The Adviser generally exercises its discretion to recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund and/or ORG), (ii) an entity with which the Adviser or its affiliates or current or former personnel has a relationship or from which the Adviser or its personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, the Adviser may be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related businesses, subject to any restrictions in the Governing Documents of such Fund. This subjects the Adviser to conflicts of interest because, although the Adviser selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, the Adviser has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that the Adviser, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or the Adviser), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not the Adviser has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser and members, officers, principals and personnel of the Adviser reserve the right to buy or sell securities or other instruments that the Adviser has recommended to Funds. In addition, officers, principals and personnel reserve the right to buy securities in transactions deemed unsuitable by a Fund but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Such transactions are subject to the policies and procedures set forth in the Adviser's Code of Ethics and restrictions set forth in the Governing Documents. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Officers, principals, personnel and related persons of the Adviser have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore are expected to have additional conflicting interests with respect to these investments. In addition, HGGC personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements and to pay or receive compensation relating to the foregoing, none of which will offset or otherwise reduce Advisory Fees. To the extent an investment opportunity is received that is unsuitable for a Fund, in HGGC's sole discretion, HGGC and its

personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, HGGC personnel are also permitted to serve on boards or act in other roles unaffiliated with HGGC, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Furthermore, except to the extent prohibited by the Governing Documents, HGGC and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs, the investment or business strategy of which does not directly overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto, which in certain cases has the potential to be greater than the carried interest and Advisory Fee earned from a Fund, creating potential conflicts of interest including with respect to the amount of time, resources and investment opportunities provided to the Funds. Subject to any limitations imposed by the Governing Documents and anti-"assignment" provisions of the Advisers Act, HGGC and its personnel have, and are also permitted in the future to offer, restructure and monetize interests in HGGC.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements.

In connection with its services to the Funds and their investments, HGGC, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of HGGC's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, HGGC and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "HGGC Information"). In many cases, HGGC Information will include tools, procedures and resources developed by HGGC to organize or systematize HGGC Information for ongoing or future use. Although HGGC expects its Funds and their portfolio companies generally to benefit from HGGC's possession of HGGC Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by HGGC and its personnel) and not by the Fund or portfolio company from which HGGC Information was originally received or derived. HGGC Information will be the sole intellectual property of HGGC and solely for the use of HGGC. HGGC reserves the right to use, share, license, sell or monetize HGGC Information, without offsetting or otherwise reducing Advisory Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not *de minimis* or difficult to value) generally will

inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset or reduce Advisory Fees.

### *Fee Structure*

Because there is a fixed investment period after which capital from investors in the Funds may only be drawn down in limited circumstances, and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure may create an incentive to deploy capital when the Adviser or its affiliate receiving the Advisory Fees may not otherwise have done so.

Additionally, as discussed above in Item 6, the general partners of the Main Funds are entitled to Carried Interest under the terms of the Partnership Agreements of such Main Funds. Such general partners are affiliates of the Adviser. The existence of the general partners' Carried Interest creates an incentive for the general partners to cause such Main Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

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

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

The Adviser's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant general partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant general partner's determination that an investment is an Impaired Value Investment, and

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

### *Related Services*

As described in Item 5 above, the Adviser and its affiliates expect to perform Related Services for, and will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to any Advisory Fees or Carried Interest paid by the Funds to the Adviser or its affiliates. Consistent with the Funds' Governing Documents, the Adviser incurs expenses, and a portfolio company typically reimburses the Adviser for expenses (including without limitation travel expenses, which include expenses for chartered or first-class travel and, in certain cases, meals and entertainment), incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing arrangements described below. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by personnel of the Adviser. This creates a conflict of interest between the Adviser and the Funds and their investors because the amounts of these fees and reimbursements over time are expected to be substantial, and the Funds and their investors generally do not have an interest in these fees and reimbursements. The Adviser determines the amount of these fees for Related Services and reimbursements in its own discretion, subject to agreements with sellers, buyers, management teams, the board of directors of or lenders to portfolio companies and/or third-party co-investors in its transactions, and the amount of such fees and reimbursements may not (except in connection with the reductions described below) be disclosed to investors in the Funds. In many cases, fees for Related Services are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. The Adviser will in some circumstances reduce the amount of Advisory Fees paid by the applicable Fund in connection with the receipt of the applicable Fund's share of such fees. The amount and nature of this reduction varies from Fund to Fund and is set forth in the Advisory Agreement and/or Governing Documents of the applicable Fund. Entities other than Funds that participate in investments alongside the Funds (such as entities through which the Adviser and certain personnel of the Adviser invest alongside the Funds) may have a right to share in such fees, and Advisory Fees will generally not be reduced in connection with the receipt of such entities' share of such fees.

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

#### *Diverse Investor Base with Conflicting Interests*

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities and institutions from jurisdictions outside of the United States. Such investors may have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the timing of the disposition of investments. As a consequence, potential conflicts of interest arise in connection with decisions made by the Adviser, including with respect to the nature or structuring of investments, that may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

#### *Capital Advisers and Operations Group*

The Adviser has established a network of relationships with individuals referred to as Capital Advisers intended to augment the number of potential investments considered by the Funds. This program aims to extend the personal networks of the principals of the Adviser to include the personal networks of the Capital Advisers and thereby opportunistically identify additional acquisition targets (including platform acquisitions, as well as add-on acquisitions to existing portfolio companies). Capital Advisers generally earn compensation from the Funds and/or portfolio companies for services provided to such entities, including finder's fees in connection with an investment made by such Fund or Fund portfolio company. In addition to cash fees, compensation structures are expected to include securities of a portfolio company and/or a share of proceeds upon sale of a portfolio company. Additionally, portfolio companies provide opportunities for Capital Advisers to invest in such portfolio company and reimburse costs and expenses incurred by Capital Advisers. Capital Advisers also have the potential to earn compensation from the Adviser or its affiliates.

In addition, as discussed above in Item 6, the Adviser, the Funds and the portfolio companies are expected to retain the Operations Group and its members to provide Operational Services. Subject to the relevant Governing Documents, fees, retainers, bonuses, profits, participation or equity interests, incentive equity and sock awards, profits and/or other equity interests and expenses (including, without limitation, travel expenses) associated with the Operational Services (collectively "Consulting Fees and Expenses"), generally are paid and/or reimbursed by applicable portfolio companies (or holding companies) and/or a Fund. As described further herein and in the Governing Documents, Consulting Fees and Expenses, including those paid to the Operations

Group or its members, will not offset or reduce the Advisory Fee and, thus, will not be covered by the Advisory Fee. To the extent that Operations Group members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operations Group's services at a time when fewer portfolio companies or Funds make use of such Operations Group member. Compensation of Operations Group members is typically determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of the Operations Group member, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such company. Under many of these arrangements, including where Operations Group members are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the number of hours worked or the amount of tangible work product generated by the Operations Group member. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Operations Group members. In such cases, where the relevant general partner believes the services of Operations Group members will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Operations Group services. Consulting Fees and Expenses also include a profits or equity interest in a portfolio company or other incentive-based compensation to the Operations Group member. Consulting Fees and Expenses in the form of profits, equity interests or similar interests in a portfolio company or intermediate holding company generally have a dilutive impact on a Fund's investment and have the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Operations Group compensation, as well as fees, costs and expenses of structuring Operations Group arrangements.

Consulting Fees and Expenses will also be incurred in respect of portfolio companies and targets that do not become portfolio companies. In the event the Operations Group (directly or indirectly) provides services with respect to the Funds, such Consulting Fees and Expenses will be allocated among the Funds as determined by the Adviser or relevant general partner, as applicable, in a fair and equitable manner consistent with the treatment of other Broken Deal Expenses. The Adviser's or relevant general partner's determination as to the allocation of such Consulting Fees and Expenses shall be binding on the relevant Fund and its investors.

The Adviser generally has discretion over whether to charge fees to or require other compensation from (or seek reimbursement from) a portfolio company in connection with services provided by the Operations Group and, if so, the fee rate or amount. The receipt by the Operations Group of such fees or other compensation gives rise to conflicts of interest between a Fund, on the one hand, and the Adviser and its affiliates, on the other hand. Such potential conflicts of interest include the determination by the Adviser whether certain costs or expenses that are incurred in connection with services provided by the Operations Group constitute expenses for which a Fund or a portfolio company is responsible under the relevant Governing Documents or portfolio company transaction document or services agreement, as applicable, or whether such expenses should be borne by the



Adviser. The Adviser's determination regarding the allocation of such expenses is binding on a Fund and/or the relevant portfolio company. Although there can be no assurance that there will be no errors in allocating such expenses, the Adviser seeks to make such determinations in a fair and equitable manner, consistent with its fiduciary obligations, in accordance with the Governing Documents or portfolio company transaction document or services agreement, as applicable, and pursuant to the Adviser's policies and procedures regarding the allocation of expenses.

Certain Capital Advisers and Operations Group members also have a limited partner interest in the general partners and/or one or more Funds, receive remuneration (including carried interest) from the Adviser and/or its Funds or affiliates and/or are entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to Capital Advisers and Operations Group members will not reduce or offset the amount of Advisory Fees of any Fund as described herein, and the use of Operations Group members is expected to fluctuate and/or expand over time. Such compensation is not otherwise covered by the Advisory Fee. Although the use of Capital Advisers and the Operations Group and the allocation of compensation paid to them by the Adviser, its affiliates and/or the portfolio companies subjects the Adviser and/or its affiliates to potential conflicts of interest, the Adviser believes that such potential conflicts have the potential to be reduced if, among other things, the services of the Capital Adviser or relevant Operations Group members align with the Adviser's model for the portfolio company and improve portfolio company performance. The Adviser also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Adviser believes will align such persons' interests with those of the Funds' limited partners and seeks to retain only Capital Advisers and service providers (including the Operations Group) which it believes will create value. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost.

#### *Business with Portfolio Companies and Investors*

Given the Funds' controlling interests in portfolio companies and the collaborative nature of the Adviser's business in relation to the portfolio companies in which the Funds have invested, there are often situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies. The Adviser has a potential 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 Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies in which the Funds have invested.

The Adviser generally has an incentive to recommend the products or services of certain investors in the Funds, certain third parties or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

Portfolio companies controlled by a Fund have the potential to provide services to certain Fund investors. The Adviser has the potential to have an incentive to cause the portfolio company to favor those 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 Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

The relevant liability standards under insurance coverage procured by the Adviser are expected to vary by carrier, and such standards are expected to vary depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages are expected to vary from relevant liability and/or indemnity standards in the Governing Documents. Investors generally will be responsible for insurance premiums, as set forth in the Governing Documents, regardless of whether the liability and/or indemnity standards in the Adviser's insurance coverage are higher or lower than that set forth in the Governing Documents.

The Adviser reserves the right to engage in business opportunities arising from a Fund's investment in a portfolio company (e.g., entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company).

The Adviser has service providers, including for example, its network of Capital Advisers, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services to businesses that are competitors of the Adviser. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Adviser entities, whether or not relating to financing Adviser personnel obligations to fund general partner commitment obligations) to Adviser personnel and their estate planning vehicles. The Adviser has a potential conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser. There is a possibility that the Adviser, because of such belief or for other reasons, would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person.

Certain members of a Main Fund's advisory board currently are, and are expected in the future to be, officers or directors of, or otherwise affiliated with, investors in another Fund. The general partner of a Fund expects to utilize the services of investors and their affiliates on an arm's length basis as it deems appropriate.

#### *Positions with Portfolio Companies*

Personnel of the Adviser typically serve as directors of portfolio companies of the Funds. Such personnel are required to remit any remuneration they receive as directors to the applicable Funds. In addition, personnel of the Adviser are permitted leave the employment of the Adviser or its affiliates and become an officer or employee of a portfolio company. Personnel are prohibited from receiving consulting, management or other fees personally from portfolio companies.

### *Side Letter Agreements*

The Adviser and/or its affiliates generally enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms. Any such terms, including with respect to (a) opting out of particular investments, (b) reporting obligations of a Fund, (c) transfer to affiliates, (d) co-investment opportunities, (e) withdrawal rights due to adverse tax or regulatory events, (f) consent rights to certain amendments to the Partnership Agreement, (g) reduced or waived management fees and/or carried interest and (h) any other matters described herein, have the potential to be more favorable than those offered to any other limited partners, many of which will not be subject to the “most-favored nation” provisions of a Fund’s Governing Documents. If a general partner and/or the applicable Fund enter into a side letter entitling a limited partner to opt out of a particular investment or withdraw from the Fund, any election to opt out or withdraw by such limited partner may increase any other limited partners’ pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal).

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

### *Excuse and Exclusion*

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although the Adviser believes it to be unlikely, excuse or

other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the Adviser on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

### *Borrowings*

The Adviser reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by the relevant Fund, consistent with the Governing Documents. Similarly, the Adviser or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Funds.

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

### *Other Potential Conflicts*

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there are potential conflicts of interest. Members of the law firms engaged to represent the Funds are investors in a Fund and also represent

one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds and the Adviser, the parties may engage separate counsel in the sole discretion of the Adviser, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds may engage other common service providers. In such circumstances, there may be a conflict of interest between the Adviser and the Funds in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it 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 Funds.

The Adviser reserves the right to have, and reserves the right to cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former personnel or executives of the Adviser. The Funds and/or their portfolio companies are permitted to bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there is a potential conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that the Adviser would favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

A Fund, subject to its Governing Documents, is permitted to invest in a pooled investment vehicle that is advised by, or that has another business or other relationship with, the Adviser or its related persons subject to any investment restrictions in the Governing Documents of such Fund. In such a case, investors in such Fund will bear not only the direct Advisory Fees and other expenses associated with their investment in the Fund, but also the expenses and fees associated with the investment in the underlying pooled investment vehicle, some of which fees and expenses are paid to the Adviser or its related persons. Additionally, the interests of the Fund, as an investor, have the potential to conflict with the interests of the underlying pooled investment vehicle or the Adviser or its related persons in their capacity as service providers to the underlying pooled investment vehicle, which would create a conflict of interest for the Adviser.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

The Governing Documents of certain Funds permit the general partner of each such Fund to cause such Fund to distribute such general partner's share of securities resulting from an investment disposition by such Fund to such general partner or its affiliates in kind, while disposing of limited partners' share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the general partner and the limited partners of the applicable Fund because the general partner has an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the general partner was prohibited from receiving its

proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners).

A Fund's general partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the general partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the general partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the general partner and its beneficial owners may intend to hold the investment for a different time period than the Adviser deems suitable for the Fund. Although the general partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the general partner and its beneficial owners could exceed the value of the general partner's *pro rata* interest in the Fund and the amount of carried interest owed. Conversely, the general partner and its beneficial owners potentially will decide to sell such securities within a short period of time, which could have an adverse impact on the price of securities that are held by limited partners at the time of such sale. Limited partners in receipt of a distributed investment will have no advice from the relevant general partner with respect to disposition of such investment (including timing of such disposition). To the extent the beneficial owners of the general partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

The Governing Documents of certain Funds permit each such Fund's general partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information may be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The general partner may elect to withhold certain information to such limited partners for reasons relating to the general partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

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

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

Please see the discussion above under the sub-heading “Resolution of Conflicts” for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, the Adviser will not interpret such provisions to constitute a waiver of any person’s non-waivable federal fiduciary duties to the relevant Fund under the Advisers Act.

## Item 12. Brokerage Practices

As the Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding and selling publicly traded securities.

### Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund's general partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic Communications Networks when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

### Aggregation of Trades

The Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders often employ this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other Funds for which it has trading authority, or in which it has an economic interest. In such cases, the Adviser generally aggregates trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.



### Item 13. Review of Accounts

#### Oversight and Monitoring

The investment portfolios of the Funds generally are private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Partners and other investment professionals of the Adviser.

#### Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund within 120 days after the fiscal year end of such Fund, as well as quarterly performance reports within 60 days after each fiscal quarter end. The Adviser and the applicable general partner, if any, may from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

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

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. The Adviser will typically perform management, advisory, monitoring, transaction consulting, financial advisory and other services for, and in connection with such services generally will receive fees from, actual or prospective portfolio companies or other investment vehicles of the Fund, including fees in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales and similar transactions. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

While not a client solicitation arrangement, the Adviser engages one or more persons to act as a placement agent for Funds that are fundraising in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted. Such fees are generally paid by the Adviser, or Advisory Fees received by the Adviser are generally reduced by the amount of such fees, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). The Adviser retained Alpine Capital Advisors SPA, Aqueduct Capital Group, LLC, Hollister Associates, LLC, MPW Capital Advisors Ltd., and Raymond James & Associates, Inc., each a placement agent, to solicit commitments from investors in exchange for a cash fee based on the aggregate capital commitments of certain third-party investors, subject to certain exclusions and exceptions, in addition to a discretionary bonus and the reimbursement of certain expenses.

## Item 15. Custody

The Adviser is deemed to have “custody” over the Funds’ funds or securities for purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). To comply with this Custody Rule, each Fund’s funds or securities must be held with qualified custodians to the extent required by the Custody Rule; these qualified custodians may include prime brokers, banks and other broker-dealers. In addition, audited financial statements are delivered to each limited partner within 120 days following such Fund’s fiscal year-end. If a delivery error has caused a limited partner not to receive access to audited financial statements in a timely manner, such limited partner should contact the Adviser’s CCO. The Adviser generally maintains custody of certain assets held in the name of one or more Funds with the following qualified custodians:

- JPMorgan Chase Bank, N.A., 560 Mission Street, 22<sup>nd</sup> Floor, San Francisco, CA, 94105;
- Pershing LLC, One Pershing Plaza, Jersey City, NJ, 07399; and
- Morgan Stanley Smith Barney LLC, 28 State Street, 33rd Floor, Boston, MA, 02109.

The Adviser has retained BTIG, LLC (“BTIG”) to serve as an introducing prime broker for one or more Funds. Pershing LLC (“Pershing”) acts as a clearing agent and custodian for one or more Funds. The services that Pershing provides as a custodian may include providing custody, margin financing, clearing, settlement and stock borrowing in accordance with the terms of the prime brokerage and custody agreements entered into with the Adviser. The Adviser may receive other services from BTIG and Pershing which may include technology services (such as internet access, IT support, Bloomberg connections, wireless networking, email archiving and disaster recovery systems), capital introduction services, portfolio reporting and access to electronic communications networks.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the general partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents or offering documents of the applicable Fund and generally involve certain diversification requirements, geographic limitations or requirements pertaining to structuring investments to address certain tax consequences to one or more investors in a particular Fund. Additionally, pursuant to the terms of the Governing Documents of the applicable Fund, however, the Adviser enters into side letter agreements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

The assets of a Feeder Vehicle are invested in a Main Fund.

## Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or Governing Documents and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s CCO or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the Adviser’s CCO or appropriate investment professional for a voting decision. In most cases, the Adviser’s CCO or investment professional covering the particular investment will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her. If the investment professional is making the Voting decision, the investment professional will inform the CCO of any such Voting decision, and if the CCO does not object to such decision as a result of his or her conflict-of-interest review, the Vote will be voted in such manner. If the investment professional and the CCO are unable to arrive at an agreement as to how to vote, then the CCO may consult with the Adviser’s CEO as to the appropriate vote, who will then review the issues and arrive at a decision based on the overriding principle of seeking the maximization of the economic value of the relevant Funds’ holdings. The Adviser’s proxy voting guidelines (“Proxy Guidelines”) state the general view and expected vote of the Adviser under a majority of circumstances with respect to the issues addressed therein.

The Adviser’s CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. No conflicts of interest review will be required for any vote taken in accordance with the Proxy Guidelines. Any vote not taken in accordance with the Proxy Guidelines, however, will require a mandatory conflicts of interest review by the Adviser’s CCO, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser’s CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants or other professionals to assist with voting decisions and/or to delegate voting or consent powers to such fiduciaries, consultants or other professionals.

Copies of relevant proxy logs identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Kurt A. Krieger, Chief Legal Officer, HGGC, LLC, 1950 University Avenue, Suite 350, Palo Alto, CA 94303.

Item 18. Financial Information

The Adviser does not require prepayment of Advisory Fees more than six months in advance or have any other events requiring disclosure under this item.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to HGGC.