

INVESTMENT ADVISER BROCHURE
PFINGSTEN PARTNERS, L.L.C.
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March 29, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Pfingsten Partners, L.L.C. (“Pfingsten Partners”). If you have any questions about the contents of this Brochure, please contact us at (312) 222 8707 and/or pfingsten@pfingsten.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

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

ITEM 2

MATERIAL CHANGES

This Brochure, dated as of March 29, 2024, amends and replaces the Brochure dated as of May 3, 2023. This Brochure includes changes relating to: (i) the amount of our assets under management; (ii) updates to expense allocation; (iii) new risk factors relating to the use of artificial intelligence, recent regulatory developments for private funds and their advisers, custody and banking risks, and benchmark, SOFR (as defined below) and alternative benchmark rate risks; and (iv) enhanced conflicts of interest relating to the general partner's commitment and calculation of the management fee base.. In addition, Pfingsten Partners routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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ADVISORY BUSINESS

Pfingsten Partners, a Delaware limited liability company and a registered investment adviser formed in 1989, provides investment advisory services to its clients, which consist of private investment funds, including the funds described herein (collectively and together with any future private investment fund, the “Funds” and each individually, a “Fund”). For purposes of this brochure, “Pfingsten Partners” shall include (where the context permits) other affiliates that provide advisory services to and/or receive management fees from the Funds and/or serve as general partners of the Funds. Such affiliates are under common control with Pfingsten Partners, L.L.C. Pfingsten Partners is owned by Mr. Scott Finegan, Mr. Phillip Bronsteatter and Mr. Kenneth Hessevick.

Pfingsten Partners, through its Funds, invests in middle market manufacturing, distribution and business services companies with a strategy to build better businesses through operational improvements, professional management practices, global capabilities and profitable business growth rather than financial engineering.

Pfingsten Partners’ investments consist of portfolio companies, where Pfingsten Partners’ Senior Managing Directors and Managing Directors (the “Pfingsten Partners Directors”) will, in most cases, serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies held by the relevant Fund.

Pfingsten Partners provides investment advisory services to the Funds which invest directly in portfolio companies. As of December 31, 2023, Pfingsten Partners managed approximately \$1,076 million in client assets.

Pfingsten Partners’ advisory services for Funds are detailed in the applicable private placement memoranda and limited partnership agreements (collectively, the “Governing Documents”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” Investment restrictions, if any, are detailed in the Funds’ Governing Documents.

Pfingsten Partners Fund Program

Pfingsten Partners is the investment manager of the following Funds, each of which invests directly in portfolio companies and has as its general partner a Pfingsten Partners affiliate of which Pfingsten Partners is the managing member:

- Pfingsten Partners Fund IV, L.P.
- Pfingsten Partners Co-Investment Fund IV, L.P.
- Pfingsten Partners Fund V, L.P.
- Pfingsten Partners Fund V-A, L.P.
- Pfingsten Fund VI, L.P.
- Pfingsten Fund VI-A, L.P.

ITEM 5

FEES AND COMPENSATION

Pfingsten Partners charges management fees to the Funds which are passed on to the Funds' limited partners and also receives performance-based compensation. Such compensation complies with Rule 205-3 under the Advisers Act, and, where applicable, relevant provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Pfingsten Partners or its affiliates may receive expense reimbursement and/or additional compensation in connection with management and other services performed for portfolio companies of Funds, and such additional compensation will be credited in part to the applicable Fund in the form of an offset to the management fee. Please see Item 14: Client and Investor Referrals and Other Compensation for a further description of such fees. Fund limited partners also bear certain Fund expenses which are further described below.

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

The fees that Pfingsten Partners charges for Fund investments are described below:

Each Fund's general partner charges its respective Funds a gross annual management fee equal to 2.0% of the aggregate commitments to such Fund. The gross annual management fee is reduced by 75% of any allocable portfolio company Monitoring Fees (defined below) received during the previous three or six months (depending on the Fund), and is paid quarterly in advance by the Funds to their respective general partner. The management fee charged to the Funds will be reduced to 2.0% of investment contributions (i.e., the cost basis of existing portfolio companies) generally after a period of five to five-and-a-half years. If the advisory contract is terminated before the end of any full three-month billing period, the Funds will be eligible for a refund for the pro rata portion of the prior installment payment of the management fee based on the actual number of days in such period.

The management fees and other fees and distributions described herein are generally subject to modification, waiver or reduction by Pfingsten Partners in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter and other arrangements, which, to the extent permitted by applicable law, are not generally disclosed to other investors in the same Fund. The fee structures described herein may be modified from time to time. Fees may differ from one Fund to another, as well as among investors in the same Fund.

Certain investors in the Funds that are employees, former employees, business associates and other "friends and family" of Pfingsten Partners or its personnel ("Pfingsten Investors") will not typically pay management fees in connection with their investment in a Fund. Notwithstanding that Pfingsten Investors will generally not pay management fees, Pfingsten Investors will pay for their pro rata share of certain Fund expenses or the pro rata portion of such Pfingsten Investors' expenses will be allocated to Pfingsten Partners or the general partner of the applicable Fund.

The management fees paid by a Fund will generally be reduced by a percentage of: (i) the amount of fees paid by such Fund to persons acting as a placement agent in connection with the offer and sale of interests in such Fund to certain potential investors; (ii) the fees incurred by Pfingsten Partners in connection with the organization of such Fund that exceed a limit specified in such Fund's Governing Documents;

and/or (iii) certain Monitoring Fees (as defined and described below) received by Pfingsten Partners or its affiliates. The amount and manner of such reduction, if any, is set forth in the Governing Documents of the applicable Fund. To the extent a Monitoring Fee relates to more than one Fund, Pfingsten Partners shall allocate the resulting management fee reduction among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. Generally, the portion of Monitoring Fees allocable to capital invested by a Fund, co-investment vehicle or third-party investor that does not pay management fees will be retained by Pfingsten Partners and such amounts will not offset any management fee.

Pfingsten Partners and its affiliates receive portfolio company monitoring fees (“Monitoring Fees”) pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by Pfingsten Partners to such portfolio companies. Such services include being available to consult with and render such services to the portfolio companies and their subsidiaries as such board of directors or other governing body of the portfolio companies may from time to time request, which services shall include providing management and advisory services, operational consulting, reviewing requests for proposals for competitive bidding of services and products for the portfolio companies, attending periodic management meetings, providing other services related to business plans and strategy, employee benefits and compensation, insurance, cash management and expenditures, accounting systems and controls, financing and bank relationships, customer and supplier relationships, and review and analysis of capital expenditures. Further, depending on the particular needs of the portfolio company, certain members of each portfolio company’s transaction team may participate in the audit and compensation meetings of such portfolio company and are often involved with the recruitment of new management team members.

The payment of Monitoring Fees by portfolio companies will, in some, but not all, circumstances create a conflict of interest between Pfingsten Partners and its affiliates, and the Funds and their investors because the amounts of these Monitoring Fees and reimbursements are often substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. Pfingsten Partners determines the amount of these Monitoring Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and 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 herein or to the extent required by applicable law) be directly disclosed to investors in the Funds.

In many cases with respect to the implementation of the arrangements described above, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

Additionally, a portfolio company will typically reimburse Pfingsten Partners for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended, participated in, or sponsored by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal and accounting expenses and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by Pfingsten Partners in connection with its performance of services for such portfolio company. Such reimbursed expenses are generally not included in the definition of “Monitoring Fees” under the terms of the applicable Governing Documents, and such reimbursements do not reduce the management fee. As used throughout this brochure, “travel and “travel-related” expenses shall be deemed to include, without limitation, commercial and non-

commercial transportation costs (including first class or business class travel and private car travel), lodging and accommodations.

Due to scheduling constraints and the short notice nature of such travel, Pfingsten Partners may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

Each Fund also pays a carried interest of 20%. Carried interest may be distributable to Pfingsten Partners on a deal-by-deal basis, assuming the cost basis, allocable cost contributions and preferred return hurdles are met, but the general partner in its discretion may defer carried interest distributions. The use by the general partner of both an annual management fee which is based on assets under management and a carried interest based on a percentage of net profits may create a conflict of interest and create an incentive for the general partner to cause the Funds to make riskier or more speculative investments than would otherwise be the case.

In addition to the management fee and carried interest payable to Pfingsten Partners, the Funds may be required to pay all fees, costs, expenses, liabilities and obligations relating to the applicable Fund's activities, investments and business (to the extent not borne or reimbursed by a portfolio company), including, without limitation: (i) all fees, costs, expenses, liabilities and obligations attributable to structuring, organizing, acquiring, sourcing, evaluating, investigating, diligencing, discovering, developing, researching, managing, operating, holding, valuing, winding up, liquidating, dissolving, terminating and disposing of the applicable Fund's investments, including follow-on investments and refinancings (including interest on money borrowed by or on behalf of the applicable Fund, registration expenses and brokerage, finders', custodial and other fees); (ii) legal, administration, accounting, auditing, consulting, custodian, depository, financing, filing and other fees and expenses (including, without limitation, fees, costs and expenses associated with the preparation, distribution or filing of (A) the Fund's financial statements, tax returns, tax estimates or Schedule K-1s, (B) any other administrative, regulatory or other Fund-related filing or reporting to the limited partners, or (C) other information (including an allocable portion of any licensing, maintenance, upgrade and/or implementation fees, expenses and costs of any investor administrative tools (including software and extranet tools) related to the foregoing); (iii) each Fund's pro rata share of the fees, costs and expenses of the relevant Fund's Advisory Board; (iv) all fees, costs, expenses, liabilities and obligations incurred by the Fund (including, without limitation, insurance (including directors and officers and errors and omissions liability insurance)), travel, consulting, litigation, arbitration and indemnification costs and expenses, judgments and settlements, finders', financing, appraisal, filing and other fees and expenses (including reimbursements of any fees and expenses to advisers, service providers and other third parties); (v) all fees, costs, expenses, liabilities, commissions, discounts and obligations incurred by the Fund, the general partner of such Fund or any Pfingsten Partners person relating to investment and disposition opportunities for the Fund not consummated (including, without limitation, legal, accounting, auditing, insurance, travel, consulting, finders', financing, real estate title and appraisal, filing, printing, purchase or sale of securities, custody, hedging, currency conversions, survey and other fees and expenses); (vi) all unreimbursed out-of-pocket fees, costs and expenses incurred by a Fund, the general partner of such Fund or any Pfingsten Partners person in connection with any conference or meeting of the limited partners, including the annual meetings of the limited partners and any other conference or meeting with any limited partner(s) (including prospective investors during fundraising and current limited partners); (vii) any taxes, fees, duties, penalties and other governmental charges levied against a Fund, (viii) any placement fees, (ix) costs and expenses that are classified as extraordinary expenses under GAAP, (x) all fees, costs and expenses incurred in connection with the organization, establishment, management, operation, and dissolution, liquidation and final winding up of any alternative investment vehicles or any intermediary or special purpose entity, (xii) any organizational expenses, including, but not limited to, the general partner, management fees, and fees and expenses paid to third-party valuation agents for valuations, appraisals or pricing services, administration (including maintaining the books and records of a Fund, including any related internal costs that Pfingsten Partners may incur to

produce any such books and records or external costs for a third-party administrator to maintain and oversee a Fund's books and records), (xiii) unreimbursed costs and expenses incurred in connection with any transfer contemplated by the Governing Documents but not including (A) ordinary overhead and administrative expenses which are payable by the general partner or Pfingsten Partners as contemplated by the Fund's Governing Documents and (B) any expenses included in the definition of "investment contributions," as defined in the Governing Documents, (xiv) expenses associated with making capital calls from and distributions to investors, including fees and expenses of information technology used to facilitate all such activities, (xv) expenses related to attending, participating in or sponsoring trade association meetings, conferences or similar events or meetings in connection with the identification or evaluation of investment opportunities or business sector opportunities, even if such expenses are not related to a specific transaction (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), and (xvi) any other fees and expenses approved by a Fund's advisory board.

From time to time Pfingsten Partners will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or Pfingsten Partners on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. In exercising its discretion to allocate investment opportunities and fees and expenses, Pfingsten Partners is faced with a variety of potential conflicts of interest. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, Pfingsten Partners has an incentive to allocate investment opportunities to the Funds from which Pfingsten Partners or its related persons derives, directly or indirectly, a higher fee, compensation or other benefit. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

To the extent not allocated to a portfolio company, Pfingsten Partners will allocate fees and expenses incurred in the course of evaluating and making investments that are consummated between Funds in accordance with each Fund's Governing Documents or, to the extent not addressed in such Governing Documents, pro rata based on the respective total capital commitments of such Funds.

With respect to allocating other expenses among Fund(s), Pfingsten Investors and/or co-investors (including third parties), as appropriate, Pfingsten Partners will make any such allocation determination in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation. Pfingsten Partners will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance and Pfingsten Partners has in the past and may determine an allocation of expenses to be fair and equitable even where a Fund is required to bear more than its proportional share of such fees or expenses relative to other parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of parties Pfingsten Partners selects to bear the expense in its initial allocation determination.

For more information regarding fees and compensation, please see the applicable Fund's Governing Documents.

ITEM 6

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described in greater detail under Item 5: Fees and Compensation, Pfingsten Partners may receive a performance-based fee in the form of a carried interest from the Funds.

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TYPES OF CLIENTS

Pfingsten Partners provides investment advice to the Funds. The Funds are investment partnerships formed under domestic laws and operated as investment pools exempt from registration under the U.S. Investment Company Act of 1940, as amended. The limited partners participating in Funds may include pension and profit sharing plans, endowments, family offices, governmental entities, charitable organizations, high net-worth individuals, insurance companies and other corporations or business entities and may include, directly or indirectly, principals or other employees of Pfingsten Partners.

Generally, the minimum Fund investment that Pfingsten Partners accepts is \$1.0 million. In its discretion, Pfingsten Partners may from time to time increase or decrease the minimum investment amount and may allow deviations from such amounts for specific limited partners. Prior to investing in a Fund, a limited partner is required to complete a subscription agreement and limited partner qualification statement containing representations needed to establish the limited partner's eligibility to invest in the Fund. For more information regarding limited partner qualifications, please see the applicable Fund's Governing Documents.

ITEM 8

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

Pfingsten Partners' investment decision making process for the Funds typically proceeds as follows:

Pfingsten Partners investment professionals make an initial evaluation of each investment opportunity and conduct initial due diligence.

- A transaction team, generally comprised of at least one Senior Managing Director or Managing Director, a Corporate Finance Vice President and/or a Corporate Finance Associate, and an Operations professional, is assigned to analyze each investment opportunity that is determined to merit serious consideration.
- Decision-making is conducted in a consensus manner by the entire Pfingsten Partners transaction team. Once the Pfingsten Partners investment committee approves a decision to pursue an investment in a company, the transaction team works to negotiate a letter of intent and subsequent acquisition agreements and documents.
- The transaction team conducts due diligence, which includes but is not limited to an extensive review of the business, management and employee interviews, customer and management reference calls, calls with industry and technical experts, an intellectual property review, competition and market review, financial review, legal review and tax review.
- Assuming that an agreement can be reached, the transaction team develops an informational presentation and the investment opportunity is reviewed in its entirety by all Senior Managing Directors, Managing Directors, Corporate Finance professionals and Operations professionals. After that review, the investment may be approved by the Pfingsten Partners investment committee.

The sources of information that Pfingsten Partners uses in its investment decision making process include due diligence and research conducted by Pfingsten Partners' investment professionals and due diligence and information provided by other professional service firms.

Investment Strategies

While Pfingsten Partners believes most private equity firms create value through financial engineering, it seeks to create value by building better businesses. Pfingsten Partners, through the Funds, typically invests a minimum of 50% equity into the capital structure of each portfolio company and seeks to create value through operational improvements, professional management practices, global capabilities and profitable business growth. Pfingsten Partners seeks to exit Fund investments through a successful sale of stock or assets. The probability and timing of these exits vary across the portfolio and are highly dependent upon the specific progress made by a given company. While Pfingsten Partners investment professionals are always cognizant of opportunities to take advantage of favorable exit environments, their focus is primarily on building better businesses.

Pfingsten Partners believes many middle market companies that meet its investment criteria have significant growth and profit potential, but lack adequate capital, operational and financial management resources, infrastructure, a global vision and capabilities, professional management practices, and strategic, tactical and financial planning processes. These limiting factors often result in less than optimal growth and profitability. Pfingsten Partners supports its portfolio company management teams with the following:

- Operating professionals
- A team-based continuous improvement operating process and training programs
- Global capabilities
- Conservative capital structures

Investment Criteria

- Pfingsten Partners, through the Funds, seeks investments in companies that generally meet the following investment criteria:

Industry Segments	<ul style="list-style-type: none"> • Manufacturing, distribution and business service companies
Transaction Values	<ul style="list-style-type: none"> • Between \$15 and \$100 million for platform investments (transaction values for add-on acquisitions may be less than \$15 million)
Geographic Preference	<ul style="list-style-type: none"> • All platform companies must be headquartered in the United States • No geographic preference for add-on acquisitions
Investment Stage	<ul style="list-style-type: none"> • Established and profitable
Transaction Types	<ul style="list-style-type: none"> • Private companies undergoing an ownership transition, recapitalization or requiring growth capital • Corporate divestitures • Select financial restructurings or turnarounds • Strategic add-on acquisitions for platform companies
Control	<ul style="list-style-type: none"> • Required (alone or with a compatible co-investor)

- Pfingsten Partners does not intend to make direct investments in: (i) real estate; (ii) natural resource companies; (iii) highly regulated businesses such as banks, insurance companies and utilities; (iv) retail businesses; (v) restaurant chains; (vi) early stage companies; or (vii) software companies.

Risk of Loss

Inherent in Pfingsten Partners' investment advisory business are a number of risks, including those associated with Pfingsten Partners' strategy of investing in private companies. These risks result in a risk of investment loss for Funds and their limited partners. The risks may include, but are not limited to:

Business Risks

The Funds' investment portfolio will consist primarily of securities issued by privately held companies, including highly leveraged companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Future and Past Performance

The performance of the Funds' prior investments is not necessarily indicative of the Funds' future results. While the general partner intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that the targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

Investment in Junior Securities

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

Concentration of Investments

Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment 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 is less than the targeted amount, the Funds may invest in fewer portfolio companies and thus be less diversified.

Lack of Sufficient Investment Opportunities

It is possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty.

Illiquidity; Lack of Current Distributions

An investment in the Funds should be viewed as illiquid. 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. While an investment may be sold at any time, it is not generally expected that this will occur for a number of years after the initial investment. Before such time, there may be no current return on the investment.

Limited Transferability of Fund Interests

There will be no public market for Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Funds' interests under the Governing Documents and applicable securities laws. In general, withdrawals of Funds' interests are not permitted. In addition, Funds' interests are not redeemable.

Restricted Nature of Investment Positions

Generally, there will be no readily available market for investments made by the Funds, and hence, most of such Funds' investments will be difficult to value. Certain investments may be distributed in-kind to limited partners 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. After a distribution of securities is made to

the partners, many 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 partners may be lower than the value of such securities determined pursuant to the applicable partnership agreement, including the value used to determine the amount of carried interest available to the Fund's general partner with respect to such investment.

Reliance on the General Partner and Portfolio Company Management

At the time of formation, the Funds have no operating history and will be entirely dependent on Pfingsten Partners. Control over the operation of the Funds will be vested entirely with Pfingsten Partners, and the Funds' future profitability will depend largely upon the business and investment acumen of the Pfingsten Partners Directors. The loss of service of one or more of the Pfingsten Partners Directors could have an adverse effect on the Funds' ability to realize its investment objectives. Funds' limited partners generally have no right or power to take part in the management of the Funds, and as a result, the investment performance of the Funds will depend entirely on the actions of Pfingsten Partners. Although Pfingsten Partners will monitor the performance of each Funds' investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will continue to operate a company successfully.

General Partner's Carried Interest

The fact that the general partner's carried interest is based on a percentage of net profits may create an incentive for the general partner to cause the Funds to make riskier or more speculative investments than would otherwise be the case.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful 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 such Fund will make follow-on investments or that such 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 effect 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). Additionally, failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Limitation of Recourse and Indemnification

The Governing Documents will limit the circumstances under which a general partner and its affiliates will be held liable to the applicable Fund. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, such Governing Document will provide that the Fund will indemnify the general partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of the Fund. Such indemnification obligations could materially impact the returns to limited partners.

Advisory Board

The general partner of the Fund will appoint one or more limited partner representatives to an advisory board of each Fund (the “Advisory Board”). The applicable Governing Documents may provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the applicable Fund or any other partner. In addition, representatives of the Advisory Board may have various business and other relationships with the Fund’s general partner and its partners, employees and affiliates. These relationships may influence their decisions as members of the Advisory Board.

Conflicts of Interest

Pfingsten Partners manages the Funds and will continue to form additional private investment funds. As Pfingsten Partners invests and manages assets for the Funds, it is possible for conflicts of interest to arise between these Funds. Pfingsten Partners has policies and procedures designed to address and resolve such conflicts of interest.

Valuation of Assets

There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the general partner of the applicable Fund will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the general partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Co-Investments

The general partner of a Fund may, in its sole discretion, provide or commit to provide co-investment opportunities to one or more of the limited partners of the applicable Fund and/or other persons, in each case on terms to be determined by the general partner in its sole discretion. Conflicts of interest may arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which may be made to one or more persons for any number of reasons as determined by the general partner in its sole discretion, may not be in the best interests of the applicable Fund or any individual limited partner. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments may involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor or partner may at any time have economic or business interests or goals that are inconsistent with those of the applicable Fund, or may be in a position to take action contrary to the investment objectives of such Fund. In addition, such Fund may in certain circumstances be liable for actions of its third-party co-investor or partner. See “Co-Investment Opportunities,” below.

Additional risks relevant to investments in the Funds are described in the applicable private offering memoranda.

Market Disruption, Health Crises, Terrorism and Geopolitical Risk

A Fund is subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of a Fund's investments. War, terrorism and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of a Fund's investments. At such times, a Fund's exposure to a number of other risks described elsewhere in this section can increase.

Climate Change

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Risks of Artificial Intelligence ("AI")

Pfingsten Partners's ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit Pfingsten Partners's ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While Pfingsten Partners may restrict certain uses of third-party and open source AI tools, such as ChatGPT, Pfingsten Partners's employees and consultants and a Fund's portfolio companies may use these tools, which poses additional risks relating to the protection of Pfingsten Partners's and such portfolio companies' proprietary data, including the potential exposure of Pfingsten Partners's or such portfolio companies' confidential information to unauthorized recipients and the misuse of Pfingsten Partners's or third-party intellectual property, which could adversely affect Pfingsten Partners, a Fund or its portfolio companies. Use of AI tools may result in allegations or claims against Pfingsten Partners, a Fund or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary

information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in Pfingsten Partners's and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on Pfingsten Partners or on the performance of a Fund and its portfolio companies. Such AI tools could also be used against Pfingsten Partners, a Fund or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of Pfingsten Partners, a Fund or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of Pfingsten Partners, a Fund or its portfolio companies to continue to operate as intended.

Recent Regulatory Developments for Private Funds and their Advisers

In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the "Private Funds Rules") under The Advisers Act specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of Pfingsten Partners and its affiliates, a Fund and/or its investments. As a result of the new rules, Pfingsten Partners will under certain circumstances be restricted or refrain from providing information regarding a Fund in response to investor requests. Pfingsten Partners will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Fund (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact Pfingsten Partners's decisions with respect to agreeing to certain preferential rights. The Private Funds Rules include certain audit requirements, which may require Pfingsten Partners to select a different auditor or obtain an additional audit, even if Pfingsten Partners does not believe it is in the best interest of a Fund or its investors to do so. Further, many provisions of the Private Funds Rules require Pfingsten Partners to make a variety of subjective determinations as to whether and how such rules apply to a Fund and Pfingsten Partners's related obligations. Pfingsten Partners will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. Pfingsten Partners' and a Fund's compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. Pfingsten Partners also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Fund's reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

Custody and Banking Risks

The Funds will maintain funds with one or more banks or other depository institutions (“banking institutions”), which may include U.S. and non-U.S. banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio companies, the general partner and/or Pfingsten Partners transact may inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where a Fund or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (FDIC) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. One or more investors or a Fund’s general partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a Fund’s general partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

Benchmark Rate Risk

Prior to June 30, 2023, certain bonds and loans held by the Fund may have had floating interest rates based on the London Inter Bank Offered Rate (“LIBOR”). LIBOR is an estimate of the interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and it was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom’s Financial Conduct Authority (“FCA”), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 (“LIBOR Act”). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a “determining person” as defined in the legislation, once U.S. dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve (the “Federal Reserve”) has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate (“SOFR”)-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, certain bonds and loans held by the Funds may have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

SOFR Risk

SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the “New York Fed”) based on data received from other sources, we have no control over its determination, calculation, or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Funds. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on SOFR-linked floating rate instruments and the trading prices of such instruments. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, the return on and value of SOFR-linked floating rate instruments may fluctuate more than floating rate instruments that are linked to less volatile rates. All of the foregoing risks may affect the performance of the applicable bonds and loans in which the Funds invest, which in turn may adversely affect the performance of the Funds.

Alternative Benchmark Rate Risk

As stated above, some of the bonds and loans held by the Funds may have floating interest rates based on alternative benchmark rates other than SOFR. Such alternative benchmark rates, like SOFR, may not have been widely used by market participants until relatively recently, and they may not perform exactly the same as LIBOR because they are calculated and administered differently. Generally, the use of alternative benchmark rates (including SOFR) may (i) cause the value of the interest rate on such bonds and loans to be uncertain or to be lower or more volatile than it would otherwise be, (ii) result in uncertainty as to the functioning, liquidity or value of such bonds and loans, and/or (iii) involve actions of regulators or rate administrators that may adversely affect certain markets or contracts underlying such bonds and loans. All of the foregoing could adversely affect the return on and value of the related floating rate instruments in which the Funds invest.

ITEM 9

DISCIPLINARY INFORMATION

Pfingsten Partners and its management persons have no legal or disciplinary events that are material to a limited partner's evaluation or its advisory business or integrity of its management.

ITEM 10

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Pfingsten Partners has no relationships or arrangements that are material to its advisory business or to its clients with related persons except as described below.

Other Pooled Investment Vehicles

Pfingsten Partners acts as an investment manager to the Funds. Such Funds may be organized as limited partnerships whose general partners are affiliates of Pfingsten Partners. Such affiliated general partners generally will receive the carried interest from the Funds. The terms of such arrangements are set forth in each Fund's Governing Documents.

The Funds maintain direct investments in portfolio companies, with approximately \$1,076 million in committed assets under management as of December 31, 2023. Each of the Funds is organized as a Delaware limited partnership.

Sponsor or Syndicator of Limited Partnerships

See "Other Pooled Investment Vehicles" above.

ITEM 11

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

Code of Ethics and Personal Trading

Pfingsten Partners has adopted a Code of Ethics that is intended to meet the requirements of Rule 204A-1 under the Advisers Act and to ensure that Pfingsten Partners professionals give precedence to the interests of Pfingsten Partners' clients and limited partners and treat all clients and Fund limited partners fairly. The Code of Ethics is designed to minimize the potential for conflicts of interest and includes policies and procedures that, among other things: (i) require all Pfingsten Partners employees to report their personal securities holdings and transactions; (ii) to obtain pre-approval before engaging in certain types of securities transactions (including transactions in "restricted list" securities, securities in an initial public offering and securities in a limited offering); (iii) prohibit certain investments and other transactions that could create a conflict of interest; and (iv) prohibit unlawful or otherwise inappropriate use of confidential and/or material nonpublic information. Pfingsten Partners employees are required each year to acknowledge their receipt of the Code of Ethics and affirm their understanding of, and agree to comply with, the Code of Ethics. In addition, Pfingsten Partners employees annually receive training regarding their obligations under the Code of Ethics. A copy of Pfingsten Partners Code of Ethics is available to prospective clients and Fund limited partners upon request.

Pfingsten Partners may from time to time come into possession of material nonpublic or other confidential information about public companies that, if disclosed, might affect a limited partner's decision to buy, hold or sell a security. Under applicable law, Pfingsten Partners and its affiliates 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 Pfingsten Partners. Accordingly, if Pfingsten Partners or any of its affiliates comes into possession of material nonpublic or other confidential information with respect to any public company, Pfingsten Partners would be prohibited from communicating such information to clients and the Funds will not be free to act upon any such information. Pfingsten Partners shall have no responsibility or liability for failing to disclose such information to clients as a result of following its policies and procedures designed to comply with applicable law.

Material Financial Interest in Transactions

Principals and employees of Pfingsten Partners and its affiliates may directly or indirectly own an interest in the Funds, including through certain co-investment vehicles. Such vehicles may invest in one or more of the same portfolio companies as the Funds, subject to any restrictions set forth in the Governing Documents.

Allocation of Investment Opportunities

In connection with its investment activities, Pfingsten Partners may encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which may include, but are not limited to, the following:

- The Funds;
- Any co-investors or 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) (the co-investors or

investors in such co-investment vehicles which may include Pfingsten Investors and/or individuals and entities that are not investors in any Funds (“Third Parties”));

- Pfingsten 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
- Pfingsten Investors and/or Third Parties acting as “co-sponsors” with Pfingsten Partners with respect to a particular transaction.

Pfingsten Partners 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. Investment Allocation Requirements are generally set forth in the Fund’s Governing Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow Pfingsten Partners discretion in making allocation decisions among the Funds, Pfingsten Partners will follow the process set forth below.

Pfingsten Partners must first determine which Funds will participate in an investment opportunity. Pfingsten Partners assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure, which typically are reflected in the Fund’s Governing Documents.

Once Pfingsten Partners identifies the Funds that will participate in a particular investment, Pfingsten Partners, in its discretion, decides how to allocate such investment opportunity among the participating Funds. In allocating such investment opportunity, Pfingsten Partners may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund’s investment objectives and investment focus;
- Transaction sourcing;
- Each Fund’s liquidity and reserves;
- Each Fund’s diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- 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 and anticipate co-investment amount (if any);
- Each Fund’s targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- 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;
- Supply or demand of an investment opportunity at a given price level;

- Risk considerations;
- Cash flow considerations;
- Asset class restrictions;
- Timing expected necessary to execute and investment;
- The seniority of an investment and other capital structuring criteria;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or third parties;
- Whether an investment opportunity would enable a Fund to qualify for certain programmatic benefits or discounts that are not readily available to other Funds including, but not limited to, the ability to enter into credit arrangements with certain financial or governmental institutions;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Governing Documents of each Fund.

Pfingsten Partners 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. The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives.

Follow-On Investments

Investments to finance follow-on acquisitions may present 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 will from time to time participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. 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.

Furthermore, a conflict of interest also arises because a Fund that participates in a follow-on investment in a portfolio company held by another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by Pfingsten Partners on behalf of the original Fund and from operational or other information about such portfolio company acquired from the original Fund's ownership of interests in the portfolio company. In such circumstances, such benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. An investment by a Fund in a portfolio company in which another Fund invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Fund and an investment by one or more other Funds in any such portfolio company may dilute the original Fund's interest in such portfolio company.

Additionally, Pfingsten Partners at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Fund (or another Fund) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Funds and/or Pfingsten Partners at the expense of the current Fund(s) investing in such follow-on investment.

Management of the Funds

Pfingsten Partners manages a number of Funds that may have investment objectives similar to each other. Pfingsten Partners expects that it or its personnel will in the future 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. Pfingsten Partners may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, a Fund may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

It is expected that employees of Pfingsten Partners responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by Pfingsten Partners, including funds raised in the future or to proprietary investments made by Pfingsten Partners and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these officers and employees.

In addition, Pfingsten Partners receives and generates various kinds of portfolio company data and other information, including related to or in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, Pfingsten Partners is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. Pfingsten Partners also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable Pfingsten Partners to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for Pfingsten Partners and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, Pfingsten Partners is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. Pfingsten Partners may also share data from a portfolio company of one Fund with a portfolio company of another Fund, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to Pfingsten Partners (which expenses are indirectly borne by the Funds). Pfingsten Partners has in the past and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. Pfingsten Partners has already and is likely in the future in certain instances to use this information in a

manner that may provide a material benefit to Pfingsten Partners, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, Pfingsten Partners may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use of distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, Pfingsten Partners is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of Pfingsten Partners and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by Pfingsten Partners or its personnel will not be subject to the management fee offset provisions or otherwise shared with a Fund or its investors. Pfingsten Partners has in the past and is likely in the future to utilize such information to benefit Pfingsten Partners, its affiliates and/or certain Funds.

Conflicts Relating to Pfingsten Partners and the Funds

From time to time Pfingsten Partners will, in its discretion, enter into transactions with investors in one or more Funds or other related parties to dispose of all or a portion of certain investments held by one or more Funds. The sales price for such transactions will be mutually agreed to by Pfingsten Partners and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by Pfingsten Partners. Although Pfingsten Partners 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 Governing Documents of the applicable Fund(s).

A Fund has in the past and may, from time to time in the future sell down an interest in its portfolio companies to co-investors, portfolio company management, or other related persons. Subject to the Governing Documents, Pfingsten Partners may charge (or may decide not to charge) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investors, portfolio company management, or other related person.

The general partner of a Fund may, in its discretion, under certain circumstances elect to increase its commitment to such Fund prior to the final close of the Fund without the consent of the limited partners. Any increased commitment by the general partner will dilute the interests of the limited partners. Although the general partner will pay interest in respect of prior capital contributions in the same manner as is paid by the limited partners, the general partner has information about the Fund's investments, including regarding their valuation and performance expectations, which the limited partners do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the general partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the general partner receiving value that would have otherwise benefitted limited partners.

Transactions between Funds and Limited Partners

While uncommon, certain situations may arise where a limited partner in a Fund managed by Pfingsten Partners may buy a portfolio company from a Fund managed by Pfingsten Partners and such business opportunities may not be appropriate or available to all limited partners. Pfingsten Partners has policies and procedures in place in the event such an opportunity should arise. In the event Pfingsten Partners is provided a purchase or sale opportunity involving a transaction between a Fund and a limited partner, it will discuss the potential transaction with the Advisory Board of the Fund that will be purchasing or selling such portfolio company and disclose the transaction to limited partners of the applicable Fund or Funds.

Pfingsten Partners personnel have in the past, and may in the future, invest in funds or other entities managed by limited partners of a Fund, which could incentivize such Pfingsten Partners personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

Co-Investment Opportunities

Pfingsten Partners may, on occasion, offer co-investment opportunities to certain of its Funds' limited partners. Pfingsten Partners will determine if the amount of an investment opportunity exceeds the amount Pfingsten Partners determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to Pfingsten Partners and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by Pfingsten Partners to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' Governing Documents or, to the extent not addressed in such Funds' Governing Documents, in accordance with the following paragraphs. There may be circumstances where Pfingsten Partners determines, for strategic or other reasons, the amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

Subject to any Investment Allocation Requirements, or other specific agreements with an investor, in general, (i) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to co-investment opportunities, (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of Pfingsten Partners or its related persons or other participants in the applicable transactions, such as co-sponsors, (iii) co-investment opportunities typically will be offered to some and not other investors in the Funds, in the sole discretion of Pfingsten Partners or its related persons, investors may be offered a smaller amount of co-investment opportunities than originally requested, and an investor may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund, and (iv) certain persons other than investors in the Funds (e.g., other Funds managed by Pfingsten Partners, consultants, joint venture partners, Pfingsten Partners investors, persons associated with a portfolio company and other third parties, including persons who Pfingsten Partners believes will provide a benefit to a Fund and/or one or more portfolio companies or who provide a strategic sourcing or similar benefit to Pfingsten Partners, a Fund, and/or a portfolio company and one or more of their respective affiliates, due to industry or regulatory expertise or otherwise), rather than one or more investors in a Fund, will, from time to time be offered co-investment opportunities, in the sole discretion of Pfingsten Partners or its related persons. Each co-investment opportunity is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry,

size, geography, asset class, projected holding period, exit strategy and counterparty). Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require Pfingsten Partners to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, Pfingsten Partners from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect Pfingsten Partners' decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In addition, certain Pfingsten Partners Directors have personal investments in certain investors that, from time to time, are offered co-investment opportunities. Such an interest creates an incentive for Pfingsten Partners to offer more, or larger co-investment opportunities to such investors. In the event that Pfingsten Partners is considering offering a co-investment opportunity to any such investor, any Pfingsten Partners Directors with a personal investment in such investor will recuse themselves from making any allocation determinations with respect to such co-investment opportunity.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, Pfingsten Partners may consider some or all of a wide range of factors, which include, but are not limited to, its own interest and/or one or more of the following:

- Pfingsten Partners' evaluation of the size and financial resources of the potential co-investment party and Pfingsten Partners' perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources or similar synergies) 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 (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);
- Any confidentiality concerns Pfingsten Partners has that may 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;
- Whether a potential co-investment party has a history of participating in opportunities and Pfingsten Partners' 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 Pfingsten Partners and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to hold investments for longer periods of time (or indefinitely);
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;

- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to Pfingsten Partners and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- Pfingsten Partners' perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, competitive, confidentiality, 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;
- Pfingsten Partners' evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- Pfingsten Partners' 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 potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment) as well as commitments to future funds raised by Pfingsten Partners;
- Whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity); and
- Whether Pfingsten Partners 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 (including strategic, sourcing or similar benefits) to current or future Funds and/or Pfingsten Partners and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or Pfingsten Partners.

The factors above are not listed in order of importance or priority and Pfingsten Partners is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Pfingsten Partners' exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Pfingsten Investors and Third Parties, and in the manner discussed above often will not, result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, Pfingsten Partners may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangement with such persons (including, for example, whether Pfingsten Partners and/or the applicable general partners are entitled, under arrangements made with certain potential co-investment parties, to additional management fees

and/or carried interest based on the availability of co-investment opportunities offered to such parties). Pfingsten Partners expects that these factors will lead the Adviser to favor some potential co-investors over others with respect to the frequency with which Pfingsten Partners offers them co-investment opportunities. Pfingsten Partners also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

Limited partners that are provided co-investment opportunities may also be provided the opportunity to sit on the board of directors or similar governing body of the applicable portfolio company. Holding a position on a board of directors or similar governing body of a portfolio company may provide such limited partners with voting rights, access to information and potentially the ability to influence the operations and decision-making of such portfolio company not necessarily available to other limited partners.

In the event Pfingsten Partners determines to offer an investment opportunity to co-investors, there can be no assurance that Pfingsten Partners will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial, and the Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from Pfingsten Partners as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that Pfingsten Partners is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

Fee Structure

Because the management fee is payable through liquidation of a Fund and there is a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because management fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to defer the realization of investments and/or deploy capital when Pfingsten Partners would not otherwise have done so. In addition, the valuation of partially realized or unrealized investments from time to time may be zero or close to zero. Because the management fee, at certain times during the life of the Funds, payable to Pfingsten Partners is based on capital invested by the Funds relative to such investments, in such instances the Advisory Fee paid with respect to such investment will be higher than if the management fee payable were based on the fair value of such investment.

Pfingsten Partners has discretion in determining whether and when an investment has been permanently written down, which impacts the calculation of management fees. As provided in the Funds' Governing Documents, following the investment period of a Fund, the management fee with respect to such Fund is typically calculated based on invested capital, which is reduced by any investments that are permanently written down. As a result, a conflict of interests exists because Pfingsten Partners has an

incentive to refrain from or delay permanently writing down investments in order to ensure the management fee base does not decrease, which would result in higher management fees ultimately paid to Pfingsten Partners. In general, Pfingsten Partners evaluates several criteria in determining whether to permanently write down an investment, including, without limitation, how long the investment has been held, length of time the investment has been marked down, materiality or markdown, anticipated holding period of the investment, volatility in valuation, impact of market conditions on valuation, other valuation methodologies showing increased valuations, and anticipated recovery path for the investment. Pfingsten Partners may change these criteria in its sole discretion from time to time and Pfingsten Partners has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment should be permanently written down. As a result, Pfingsten Partners is permitted to determine that even extremely distressed investments should not be permanently written down. There can be no assurance that an investment, in hindsight, should have been permanently written down or should have been permanently written down at an earlier date.

The general partners of the Funds are entitled to carried interest under the terms of the Governing Documents of such Funds. Such general partners are affiliates of Pfingsten Partners. The existence of the general partners' carried interest creates an incentive for the general partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation. However, the investment made by Pfingsten Partners or its affiliates in a Fund, the giveback obligation of the general partner (as described below) and the fact that the preferred return is calculated on an aggregate basis reduces the incentive to make speculative investments or otherwise time the sale of an investment in a manner motivated by the personal benefit of Pfingsten Partners' personnel.

Pursuant to the Governing Documents, the general partners may be required to return excess amounts of carried interest as a "GP Giveback". This GP Giveback obligation may create an incentive for the general partners to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a GP Giveback situation for the general partner.

Business with and among Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of Pfingsten Partners' business and the portfolio companies in which the Funds have invested, there are often situations where Pfingsten Partners is in the position of recommending the services of a portfolio company to other portfolio companies of the Funds, which may involve fees, commissions, servicing payments and/or discounts to Pfingsten Partners, an affiliate, or a portfolio company. Pfingsten Partners will generally have a conflict of interest in making such recommendations, in that Pfingsten Partners 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 held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

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

In addition, certain portfolio companies controlled by a Fund have in the past, and may, from time to time in the future engage in activities that could adversely affect another Fund and/or its portfolio

company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

Current and former founders and prospective founders, officers, executives and other affiliates of portfolio companies will from time to time also invest in a Fund. While Pfingsten Partners believes this aligns portfolio company management teams and other affiliates with the best interests of the Fund, Pfingsten Partners may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor or other affiliates of the portfolio company that is an investor in a Fund such that they continue to invest in the Funds, among other reasons

Pfingsten Partners and/or its affiliates may engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

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

From time to time a Fund's portfolio company will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Fund or other Funds. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or Pfingsten Partners or the consent of any advisory committee.

In addition, Pfingsten Partners has in the past, and may in the future cause a Fund to transact with a portfolio company of the Fund or another Fund, including purchasing an asset or services from, or selling an asset or services to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Fund differ from those of the counterparty portfolio company.

Service Providers

Services required by a Fund (including some services historically provided by Pfingsten Partners or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties in the discretion of Pfingsten Partners or its affiliates. Pfingsten Partners and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Pfingsten Partner personnel. Such services may include, without limitation, deal sourcing, information technology, license software, depository, data processing, client relations, administration, custodial, accounting, legal and tax support and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that is not incurred for comparable services by other Funds. The decision by Pfingsten Partners to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. Such services may also supplement or be performed alongside services performed by Pfingsten Partner personnel. The costs and expenses of any such third-party service providers will be borne by the Funds.

Pfingsten Partners and/or its affiliates engage certain service providers to provide services to Pfingsten Partners, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers are, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel, pension consultants and/or other investors who provide services (including mezzanine and/or lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as Pfingsten Partners may give such investor preferred economics or other terms with respect to its investment in a Fund, or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor. In addition, Pfingsten Partners will have a conflict of interest 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 Pfingsten Partners information about markets and industries in which Pfingsten Partners operates, will provide other services that are beneficial to Pfingsten Partners and/or will provide financial sponsorship of events held by Pfingsten Partners (such as transaction closing dinners or outings, or informational summits or training events for Pfingsten Partners or portfolio company personnel). Pfingsten Partners generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds 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.

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

Additionally, employees of Pfingsten Partners or its affiliates, and/or their family members or relatives may have ownership, employment, or other interests in such service providers. These relationships that Pfingsten Partners may have with a service provider can influence Pfingsten Partners in determining whether to select, or recommend such service provider to perform services for a Fund or a portfolio company. Pfingsten Partners will have a 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 Pfingsten Partners information about markets and industries in which Pfingsten Partners operates or is interested or will provide other services that are beneficial to Pfingsten Partners. Although Pfingsten Partners selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of the relevant Fund(s)), there is a possibility that Pfingsten Partners, because of financial, business interest, or other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. While Pfingsten Partners often does not have visibility or influence regarding advantageous service rates or arrangements, there will be situations in which Pfingsten Partners receives more favorable service rates or arrangements than the Funds or their portfolio companies.

Pfingsten Partners or its affiliates and service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by Pfingsten Partners or its affiliates differ from those required by the Funds and/or its portfolio companies, Pfingsten Partners and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies. Notwithstanding the foregoing, Pfingsten Partners generally does not negotiate for any arrangement with a service provider that provides for a lower rate or discount than those available to a Fund or a portfolio company for comparable services. It may be difficult to distinguish services provided by the service provider from the investment advisory services provided to the Funds by Pfingsten Partners and its affiliates.

Pfingsten Partners from time to time has in the past and may cause the Funds to bear the full cost and expense of engaging certain third-party service providers on behalf of a portfolio company. In the event a Fund is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Fund and will not reimburse the Fund for their pro rata portion of the cost of any such service provider.

In certain circumstances where Pfingsten Partners commits or has committed to seek “market” or “arms-length” rates or terms, Pfingsten Partners will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Pfingsten Partners reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, Pfingsten Partners undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable, or relate specifically to the assets, services, geographies, or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Pfingsten Partners reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not Pfingsten Partners 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 or could provide such services at lesser cost. To the extent the Funds engage in a long-term or recurring contract with a service provider, Pfingsten Partners may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

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

Positions with Portfolio Companies

Pfingsten Partners personnel may serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Pfingsten Partners personnel's fiduciary duties as a director conflicts with those of the Fund, it is expected that generally the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund. Furthermore, a Pfingsten Partners personnel serving as a director to a portfolio company owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such Pfingsten Partners personnel may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. Pfingsten Partners personnel serving as directors may make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent a Pfingsten Partners personnel serves as a director on the board of more than one portfolio company, such Pfingsten Partners personnel's fiduciaries duties among the two portfolio companies may create a conflict of interest. Certain decisions made by a director may subject Pfingsten Partners, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify Pfingsten Partners and Pfingsten Partners personnel from such claims. Pfingsten Partners personnel serving in a director or observer role are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, Pfingsten Partners personnel have in the past, and may in the future, on occasion leave the employment of Pfingsten Partners or its affiliates and become an officer or employee of a portfolio company which shifts the burden of compensation to the applicable portfolio company. Any fees received by any employee of Pfingsten Partners or its affiliate that have transitioned to become an officer or employee of a portfolio company are retained by such person and do not otherwise reduce the management fee. Pfingsten Partners personnel are prohibited from receiving consulting, management or other fees personally from portfolio companies.

From time to time Pfingsten Partners personnel may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such person's employment with Pfingsten Partners. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such Pfingsten Partner employee or former employee is not subject to the management fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one or more investors in the Funds) are often provided with the opportunity to serve on the board of directors or board of

advisors of the applicable portfolio company. Positions on the board of directors or board of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of Pfingsten Partners to take actions with respect to the portfolio company that Pfingsten Partners considers to be in the best interests of the Funds.

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

Other Conflicts

The Governing Documents of a Fund establish complex arrangements among the Funds, Pfingsten Partners, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Governing Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While Pfingsten Partners will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

Pfingsten Partners and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds may be investors in a Fund, and may 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, Pfingsten Partners and/or its affiliates, the parties may engage separate counsel in the sole discretion of Pfingsten Partners and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, Pfingsten Partners and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to Pfingsten Partners, the Funds, and/or the portfolio companies. This may result in Pfingsten Partners

receiving a more favorable rate on services provided to it by such a common service provider than the rates by the Funds and/or the portfolio company, or Pfingsten Partners receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between Pfingsten Partners, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that Pfingsten Partners will 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 and/or the portfolio companies.

Pfingsten Partners and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points,” “rebates” or credit in loyalty/status programs to Pfingsten Partners and/or its personnel, and such rewards and/or amounts will exclusively benefit Pfingsten Partners and/or such personnel and will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies.

Pfingsten Partners has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, Pfingsten Partners and/or their respective directors, officers, employees, agents, representatives, members of the advisory board and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by Pfingsten Partners that cover one or more Funds and/or Pfingsten Partners (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). Pfingsten Partners will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or Pfingsten Partners on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

ITEM 12

BROKERAGE PRACTICES

Given the nature of its advisory services, Pfingsten Partners does not contemplate using the services of a broker-dealer to effect client transactions. As described further under Item 14: Client Referrals and Other Compensation, Pfingsten Partners may enter into solicitation arrangements pursuant to which it compensates placement agents that are broker-dealers for referrals of potential limited partners in Pfingsten Partners' clients, the Funds.

ITEM 13

REVIEW OF ACCOUNTS

Pfingsten Partners conducts ongoing review of its clients' accounts and Fund investments. By playing an active role in each stage of the investment (pre-investment due diligence, post-investment or ongoing monitoring, and post-divestiture escrow-related monitoring), Pfingsten Partners gathers information that helps it to better manage existing investments, ensure accurate and timely Fund reporting, and make new investments.

With respect to Fund review, responsibilities include analyzing the Fund's quarterly reports, conducting annual meetings, advisory board and informal meetings, and managing the underlying portfolio companies. Review and monitoring also includes gathering portfolio company information required in assessing valuations, checking allocations of income and loss, reviewing distribution procedures and allocations, and approving any necessary amendments or extensions of the Funds' Governing Documents.

With respect to each portfolio company, once an investment decision is made, the Pfingsten Partners' transaction team (which is generally comprised of at least one Senior Managing Director or Managing Director, a Corporate Finance Principal, Vice President and/or a Corporate Finance Associate, and an Operations professional) is responsible for that investment with involvement from other Pfingsten Partners investment professionals, as appropriate. Review and monitoring includes monthly assessments of each portfolio company's performance and the performance of such company's management opposite budget and expectations, with detailed financial statement review conducted regularly.

Each quarter, the portfolio information contained in Pfingsten Partners' database is updated, including Fund interest valuations, transactions (i.e., capital calls and distributions), and the underlying portfolio company information. For each underlying portfolio company investment, Pfingsten Partners tracks its location, business description, industry sector and the partnership's cost and value. Pfingsten Partners also tracks cumulative liquidations and write-downs of the portfolio company holdings. Pfingsten Partners uses its database to calculate the performance of the portfolio.

At the end of a Fund's life, Pfingsten Partners monitors for proper accounting and administration of allocations, distributions, and claw backs. Members of Pfingsten Partners' client service team periodically check to confirm that each Fund is maintained in accordance with its stated objectives.

Pfingsten Partners provides annual audited and quarterly unaudited financial statements of the Funds to limited partners in the Funds. Each year, Fund limited partners are also provided with information relevant to their annual tax returns.

ITEM 14

CLIENT AND INVESTOR REFERRALS AND OTHER COMPENSATION

Client and Investor Referrals

Pfingsten Partners does not enter into client referral arrangements. From time to time, Pfingsten Partners may enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. The payment of such fees is subject to compliance with federal securities laws or applicable exemptions to such laws. Any fees and expenses payable to any such placement agents will be borne by Pfingsten Partners directly or indirectly through an offset against the management fee.

Success Fee Arrangements

From time to time, a Fund portfolio company may pay success fees to certain persons that source transactions to such Fund. Such success fees are payable only upon the successful closing of a transaction, are paid in connection with the other transaction expenses incurred by the portfolio company and may take the form of cash and/or securities. The payment of such success fee is subject to compliance with federal securities laws (including those regarding the registration of brokers and dealers) or applicable exemptions to such laws. Persons eligible to receive such success fees may include, among others, executives of portfolio companies held by Funds or limited partners in Funds.

ITEM 15

CUSTODY

Pfingsten Partners is deemed to have custody of the assets and securities of the Funds that are organized as limited partnerships, indirectly through its affiliates, who are the general partners of the Funds, and is therefore subject to Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). However, Pfingsten Partners complies with the “pooled vehicle annual audit exception” of the Custody Rule by delivering to the limited partners in the Funds audited financial statements of the Funds, prepared in accordance with generally accepted accounting principles, within 120 days of each Funds’ fiscal year-end pursuant to the terms of each Funds’ Governing Documents.

Fund limited partners should review carefully any audited financial statement of the Fund in which they invest.

ITEM 16

INVESTMENT DISCRETION

Pfingsten Partners has discretionary authority to manage investments on behalf of the Funds. As a general policy, Pfingsten Partners does not allow clients to place limitations on this authority.

The general partner of the Fund reviews the Governing Documents of the relevant Fund to ensure (i) compliance with any investment restrictions agreed to in such documents and (ii) that the general partner has proper authority to assume discretionary investment authority.

ITEM 17

VOTING CLIENT SECURITIES

Policy Regarding Proxy Voting

Pfingsten Partners recognize that voting rights have economic value and that the exercise of such voting rights is an important part of their fiduciary duties. Pfingsten Partners Directors will evaluate shareholder issues that may have an impact on the economic value of an investment and will vote on those issues with a view toward maximizing the ultimate economic value of such investment during the time period in which Pfingsten Partners expects to hold the investment. All proxies will be voted prudently, considering the prevailing circumstances, and consistent with both the fiduciary standards of the Advisers Act and ERISA.

Proxy Voting Procedures

All amendments to partnership agreements and shareholder votes by privately held direct portfolio companies are recorded by Pfingsten Partners Directors as proxy votes.

The following procedures are performed when proxies are received by Pfingsten Partners Directors:

- The individual responsible for the investment ensures all materials are received and all proxies are voted.

ITEM 18

FINANCIAL INFORMATION

Pfingsten Partners has no financial commitments that impair its ability to meet contractual or fiduciary obligations to its Funds and has not been subject to any insolvency proceedings.