

**INVESTMENT ADVISER BROCHURE
PART 2A OF FORM ADV**

LOVELL MINNICK PARTNERS LLC

**Radnor Financial Center
555 E. Lancaster Avenue, Suite 510
Radnor, PA 19087
(610) 995-9660
<http://www.lmpartners.com>**

March 29, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Lovell Minnick Partners LLC (“Lovell Minnick Partners”). If you have any questions about the contents of this Brochure, please contact us at (610) 995-9660. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Lovell Minnick 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 any specific level of skill or training.

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

Item 2 Material Changes

Lovell Minnick Partners filed its most recent Brochure on March 31, 2023. There are no material changes since the last brochure. However, this brochure has been updated to reflect additional detail in (i) *Item 5 – Fees and Compensation* and (ii) amended risk factors in *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*.

Item 3 Table of Contents

	<u>Page</u>
Item 2 Material Changes	ii
Item 3 Table of Contents	iii
Item 4 Advisory Business	1
Item 5 Fees and Compensation	3
Item 6 Performance-Based Fees and Side-By-Side Management	16
Item 7 Types of Clients	16
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	17
Item 9 Disciplinary Information.....	49
Item 10 Other Financial Industry Activities and Affiliations	49
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	49
Item 12 Brokerage Practices	51
Item 13 Review of Accounts	53
Item 14 Client Referrals and Other Compensation	53
Item 15 Custody	54
Item 16 Investment Discretion	54
Item 17 Voting Client Securities	54
Item 18 Financial Information.....	55

Lovell Minnick Partners LLC Brochure

Item 4 Advisory Business

Lovell Minnick Partners, the registered investment adviser, is a Delaware limited liability company. Lovell Minnick Partners and its affiliated investment advisers provide “investment supervisory services” to their clients, which consist of private investment-related funds. Lovell Minnick Partners is controlled by its sole member, Lovell Minnick Holdings LLC (“**Lovell Minnick Holdings**” and together with Lovell Minnick Partners, its affiliates and its predecessors, “**Lovell Minnick**”), which is managed by its Board of Managers, composed of Steven C. Pierson, Robert M. Belke, Jeffrey D. Lovell, Jason S. Barg and Trevor C. Rich. Lovell Minnick Partners was organized in November 2003, as the successor to a private investment advisory business formed by Jeffrey Lovell and James Minnick in 1999.

The following are the affiliated advisers of Lovell Minnick Partners (each, a “**General Partner**,” and collectively, together with any future affiliated general partner entities, the “**General Partners**,” and together with Lovell Minnick Partners, each, a “**Manager**,” and collectively, the “**Managers**”):

General Partners

- Lovell Minnick Equity Advisors III LP (“**Lovell Minnick III GP**”)
- Lovell Minnick Equity Advisors IV LP (“**Lovell Minnick IV GP**”)
- Lovell Minnick Equity Advisors V LP (“**Lovell Minnick V GP**”)
- Lovell Minnick Equity Advisors VI LP (“**Lovell Minnick VI GP**”)

Each General Partner is subject to the Advisers Act pursuant to Lovell Minnick Partners’ registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which are under common control with and operate as a single advisory business together with Lovell Minnick Partners.

The Managers’ clients include the following (each, a “**Partnership**,” and collectively the “**Partnerships**,” and collectively, together with any private investment fund to which Lovell Minnick Partners or its affiliates now or in the future provides investment advisory services, including the Co-Investment Aggregators and the Parallel Co-Investment Entities (as defined herein), each, a “**Fund**,” and collectively, the “**Funds**”):

- Lovell Minnick Equity Partners III LP
- Lovell Minnick Equity Partners III-A LP
- Lovell Minnick Equity Partners IV LP
- Lovell Minnick Equity Partners IV-A LP

- Lovell Minnick Equity Partners V LP
- Lovell Minnick Equity Partners V-A LP
- Lovell Minnick Equity Partners VI LP
- Lovell Minnick Equity Partners VI-A LP

The General Partners listed above each serve as the general partner to one or more Funds and have the authority to make all investment decisions for the Funds to which they provide advisory services. In addition to the Partnerships listed above, the General Partners currently also manage and have decisional authority with respect to the following Funds, which were formed to facilitate arrangements with certain co-investors by aggregating investments in an underlying portfolio company made by one or more Partnerships and such co-investors, which may include certain limited partners of one or more of the Partnerships or a co-investing Fund: (a) LM Matthews Holdings III LLC and LM Matthews Holdings III-A LLC, (b) LM LSQ Investors LLC, (c) LM Tortoise Investment Holdings IV Co-Investment LLC, (d) LM SRS Holdings LP, (e) LM Freeway Co-Investment LP, (f) LM West Holdings LLC, (g) LM West Intermediate Co. LP, and (h) LM Indigo Holdings LLC (each such Fund, together with any Funds formed in the future to facilitate aggregate Partnership and co-investor investments, each, a “**Co-Investment Aggregator**,” and collectively, the “**Co-Investment Aggregators**”). Further, the General Partners reserve the right to form, advise and manage other Funds which are co-investment vehicles not used to aggregate investments by a Partnership and a Partnership’s investors, currently being LM Tortoise Holdings Co-Investment LLC, Lovell Minnick Equity Partners Tailwind Co-Invest I LP, Lovell Minnick Equity Partners Tailwind Co-Invest II LP, Lovell Minnick Equity Partners Tailwind Co-Invest-A I LP, Lovell Minnick Equity Partners Tailwind Co-Invest-A II LP, Lovell Minnick Equity Partners Cardinal Co-Invest I LP, Lovell Minnick Equity Partners Cardinal Co-Invest-A I LP, Lovell Minnick Equity Partners NAW Co-Invest I LP, and Lovell Minnick Equity Partners NAW Co-Invest-A I LP (each such Fund, together with similar entities formed in the future by the General Partners, each, a “**Parallel Co-Investment Entity**,” and collectively, the “**Parallel Co-Investment Entities**”).

The Funds are private equity funds and invest through negotiated transactions in existing or newly formed operating entities, generally referred to herein as “**portfolio companies**.” The Managers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, monitoring and managing investments and achieving dispositions for such investments. Investments are made predominantly in privately held companies, although investments in publicly traded companies are permitted. In most cases, Lovell Minnick’s and/or its affiliate’s partners or senior personnel serve on each portfolio company’s board of directors or other primary governing body, or otherwise have the ability to (a) regularly obtain information from or (b) influence organizational control over, or management of, portfolio companies. Lovell Minnick does not directly participate in the provision of products or services by its portfolio companies.

The Managers’ advisory services to the Funds are further described in each Fund’s (a) private placement memorandum and (b) limited partnership agreement or other governing document (a “**Partnership Agreement**”), as well as below under “Methods of Analysis, Investment Strategies

and Risk of Loss” and “Investment Discretion.” Investors in the Funds (generally referred to herein as “investors,” “limited partners” or “partners”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed upon circumstances pursuant to the relevant Partnership Agreement or applicable Side Letter (as defined below); for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between the Managers and any investor. The Funds or the Managers have entered, and expect in the future to enter, into side letters or other similar agreements (“**Side Letters**”) with certain limited partners that have the effect of establishing rights under or altering or supplementing a Fund’s Partnership Agreement or such investor’s subscription agreement.

Additionally, as permitted by the relevant Partnership Agreement, the Managers expect to provide (or agree to provide) investment or co-investment opportunities (including opportunities to participate in Co-Investment Aggregators or Parallel Co-Investment Entities) to certain current or prospective investors or other persons, including other private equity sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Lovell Minnick Partners’ personnel and/or certain other persons associated with Lovell Minnick Partners and/or its affiliates alongside one or more Fund transactions. Such co-investments generally involve investment and disposal of interests in the applicable portfolio company at substantially the same time and on substantially the same terms as the Partnership making the investment. However in some circumstances, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility.

As of December 31, 2023, Lovell Minnick Partners managed \$4,462,554,954 in client assets on a discretionary basis.

Item 5 Fees and Compensation

Each Partnership’s General Partner receives an annual management fee (the “**Management Fee**”) and a carried interest in connection with the provision of advisory services to its clients. The precise amount of, and the manner of calculation of, the Management Fee differs among the various Partnerships, depending upon where it is in the life of that particular Fund. In addition, the Management Fees with respect to individual investors may be calculated on varying formulas, such as the size of the particular investor’s commitment, but only if and to the extent permitted by that Fund’s Partnership Agreement and/or applicable Side Letters. Co-Investment Aggregators do not pay a separate Management Fee, carried interest or transaction fees, but Parallel Co-Investment Entities do, in specific cases, pay fees for the advisory services provided by the applicable General Partner, which may include an advisory fee payable upon the consummation of the investment in, and/or the disposition of, the underlying portfolio company, or at such other times as agreed by the investors in the Parallel Co-Investment Entity, management fees and/or carried interest, in each case in accordance with such Parallel Co-Investment Entity’s Partnership Agreement. Any such compensation received from Parallel Co-Investment Entities does not offset or reduce any Management Fees.

The General Partners or their affiliates receive additional compensation in connection with management and other services performed for certain portfolio companies of the Funds formed prior to Lovell Minnick Equity Partners IV LP and Lovell Minnick Equity Partners IV-A LP, and such additional compensation offsets in whole or in part the Management Fees otherwise payable to the applicable General Partner to the extent provided by such Fund's Partnership Agreement. The Partnership Agreements for (a) Lovell Minnick Equity Partners IV LP, (b) Lovell Minnick Equity Partners IV-A LP, (c) Lovell Minnick Equity Partners V LP, (d) Lovell Minnick Equity Partners V-A LP, (e) Lovell Minnick Equity Partners VI LP, and (f) Lovell Minnick Equity Partners VI-A LP permit the General Partners and/or their affiliates to receive such compensation as well, but the General Partners do not expect to take such compensation from those Funds; provided that, to the extent the General Partners did receive such compensation, it would offset, in whole or in part, the Management Fees otherwise payable to the General Partner to the extent provided by such Fund's Partnership Agreement.

Investors in the Funds also bear certain expenses described below and in each Fund's specific Partnership Agreement.

With respect to each Fund (other than a Parallel Co-Investment Entity) that pays a Management Fee, such fee is initially equal to a fixed percentage of aggregate investor capital commitments to the Fund ("**Commitments**"). Upon a date specified in the applicable Partnership Agreement (such date, the "**Stepdown Date**"), the Management Fee will be reduced to a fixed percentage of the aggregate amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to investments that have not been disposed of or completely written-off for U.S. federal income tax purposes (as more fully described in the applicable Partnership Agreement), less the aggregate amount of any permanent write-downs required pursuant to the applicable Partnership Agreement for investments that have not been disposed of or completely written-off for U.S. federal income tax purposes (such investments, "**Impaired Value Investments**"). An investor participating in a closing after the initial closing of a Fund is required to bear its share of the Management Fee already paid by the earlier partners in the Fund, plus interest, as provided in that Fund's Partnership Agreement. The Management Fee generally will be payable until proceeds from all portfolio investments are distributed or until a General Partner's relationship with the applicable Fund is terminated for other reasons (as described in the applicable Partnership Agreement). Installments of the Management Fee payable for any period other than a full Management Fee period are adjusted on a *pro rata* basis according to the actual number of days in such period.

As is generally the case in private equity funds, the Partnership Agreements provide that a Fund's Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Partnership Agreements, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions that are not deemed to be Impaired Value Investments. Subject to the terms of each Fund's Partnership Agreements, an investment shall generally only be treated as completely written down to the extent that, for at least four (4) consecutive fiscal quarters, the fair market value of the applicable investment is less than 25% of the aggregate amount of investment contributions made with respect to such investment and, if at

any time subsequent to any write-down described in above, the fair market value of such investment is greater than or equal to 25% of the aggregate amount of investment contributions made with respect to such investment, then such investment shall not be treated as permanently written down.

Under the Partnership Agreements, where the fair market value of a Fund's aggregate investments in a portfolio company exceeds the total amount of investment contributions (including any Fund borrowings in anticipation or in lieu of investment contributions) relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Partnership Agreements do not require Management Fees to be reduced or refunded following the occurrence of a write-down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, except in the case where the Fund's aggregate investment(s) in a portfolio company meet the relevant Impaired Value Investment standard under the Partnership Agreements. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such Impaired Value Investment will be reduced solely based on the ratio of the fair market value of the aggregate remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

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

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

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

The Management Fee is typically payable by a Fund to the applicable General Partner partially in advance and partially in arrears for each Management Fee period, as described in the applicable Partnership Agreement. In some cases, the General Partners reserve the right, but are not required, to reduce the Management Fee in their sole discretion where the term of a Fund is extended pursuant to the Partnership Agreement or where a particular subsequent Fund is formed. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors in the relevant Fund. Where a Parallel Co-Investment Entity pays to the General Partner an advisory fee, such advisory fee may be payable upon the occurrence of certain events, such as when a Portfolio Company is acquired and/or disposed, or at such other times as set forth in the Partnership Agreement of such Parallel Co-Investment Entity. In some instances, Parallel Co-Investment Entities are be charged a management fee in accordance with the terms of any such Parallel Co-Investment Entity's Partnership Agreement. Any such management fee would not reduce or offset the Management Fee payable by the Fund(s) that are also invested in the same portfolio company as such Parallel Co-Investment Entity.

To the extent specified in a Fund's Partnership Agreement, Lovell Minnick and/or its affiliates are generally permitted to charge transaction fees or other fees to a portfolio company and, if so, the fee rate or amount of such fees ("**Supplemental Fees**"), including, without limitation: directors' fees, consulting fees, advisory fees earned with respect to any Fund investment, any transaction fees and monitoring fees with respect to any Fund investment, and any break-up fees with respect to Fund transactions not completed (in each case as specified in the applicable Partnership Agreement). The receipt of such fees gives rise to potential conflicts of interest between the Funds, on the one hand, and Lovell Minnick and/or its affiliates, on the other hand. A Fund's Partnership Agreement generally will provide that Supplemental Fees received by Lovell Minnick and/or its affiliates and attributable to a Fund's investment in a portfolio company will be credited against the Management Fee in a specified percentage. The remaining amounts of Supplemental Fees will be retained by Lovell Minnick and/or its affiliates without offset against the Management Fee. Such fees may be substantial. Funds that do not charge Management Fees do not share in any offsets. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, Lovell Minnick is expected to retain the benefit, except where the Partnership Agreements require payment to be made to limited partners that have not elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result).

As a matter of practice, Lovell Minnick has the discretion to charge, and has charged in the past, fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors (including Co-Investment Aggregators) in an investment, as well as other fees relating to the structuring, administration and exit of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in any such portfolio company investment or potential investment. Accordingly, a Fund that pays a Management Fee will only benefit through the offset to the Management Fee described above with respect to its allocable portion, on a fully diluted basis, of any such Supplemental Fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include a Co-Investment Aggregator or other co-investment vehicle managed by Lovell Minnick, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); and/or (iii) the value of profits, participation or equity interests in or relating to the relevant

portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. To the extent Supplemental Fees are paid in kind (including through securities, option grants or other interests), Lovell Minnick is permitted to calculate the amount of offset based on the then-current value of the in-kind payment, rather than the ultimate value of the interests as of a future date. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Lovell Minnick employee becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that Lovell Minnick employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with Lovell Minnick, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment. Additionally, as further described below and in the Partnership Agreements, it is Lovell Minnick's practice to use or retain Lovell Minnick Advisors (as defined below) to provide services to (or with respect to) certain Funds or portfolio companies in which one or more Funds invest. Such Lovell Minnick Advisors generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Lovell Minnick also will not offset compensation received from outside sources, such as residual employee boards seats at entities that are no longer Fund portfolio companies.

Additionally, as further described herein and in the Partnership Agreements, Lovell Minnick reserves the right to appoint certain persons (referred to as "**Lovell Minnick Advisors**") to Lovell Minnick's Advisory Council. Lovell Minnick Advisors, who will also be referred to as members of Lovell Minnick's Advisory Council or Lovell Minnick's Value Creation Team or as operating partners, are paid consultants to Lovell Minnick, but are not employees of Lovell Minnick. The Lovell Minnick Advisors generally provide services to (or with respect to) Lovell Minnick, one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest, which services may include, without limitation, the following activities:

- Assisting in the development of strategies and investment theses with respect to specific industry sectors or subsectors;
- Identifying business and investment opportunities and providing other sourcing assistance;
- Performing due diligence on potential investment transactions;
- Assisting with the negotiation and execution of investment transactions;
- Assisting in the development of portfolio company strategy vision, development and deployment;
- Assisting with the recruitment of management to portfolio companies;
- Advising with respect to specific functional areas affecting a Fund's portfolio companies, such as sales, marketing, technology, information technology, cyber protection, human resources, risk, legal, "ESG" investing (environmental, social and governance), revenue

cycle management, acquisition integration/rationalization and/or other operations advice and services and similar services; and

- Advising with respect to such other matters as the General Partners, the Funds and/or the Funds' portfolio companies may request.

Lovell Minnick Advisors are typically paid a monthly, quarterly or annual retainer by Lovell Minnick and/or the Funds. Depending on the nature of the services, the Lovell Minnick Advisors will also receive compensation, including, but not limited to, cash fees, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration and expense reimbursements directly from Lovell Minnick and/or the Funds or their affiliates (including portfolio companies), guaranteed minimums or other compensation for services provided by such persons to them in accordance with each Fund's specific Partnership Agreement, the amount of which typically is determined according to one or more methods, including the value of the time of such Lovell Minnick Advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, and/or amounts believed to be charged by other providers for comparable services. As an example, the Lovell Minnick Advisors may receive sourcing fees, diligence fees and similar fees in connection with any investment opportunities that they source or with respect to which they provide diligence or other assistance. These fees will be paid by the portfolio company resulting from such investment opportunities in the case of consummated investments or from the Funds in respect of unconsummated investments. Lovell Minnick Advisors generally make use of Lovell Minnick resources or otherwise are associated with Lovell Minnick. Lovell Minnick and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. In addition, Lovell Minnick Advisors may serve as members of the boards of portfolio companies, as operating executives of portfolio companies or direct service providers to portfolio companies in their functional area of expertise, and in connection therewith will receive various forms of compensation (including, without limitation, cash or incentive equity awards) directly from the portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company has a dilutive impact on the relevant Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Lovell Minnick Advisor compensation as well as fees, costs and expenses of structuring Lovell Minnick Advisor arrangements. The Funds indirectly bear a portion of the payments by portfolio companies due to their ownership of such portfolio companies. Such compensation and expense reimbursement are not covered by the Management Fee, and accordingly do not reduce or offset the Management Fee payable by the related Fund. In addition, Lovell Minnick Advisors are sometimes offered the opportunity to invest directly in portfolio companies, generally on the same terms as the Funds. To the extent that Lovell Minnick Advisors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Lovell Minnick Advisor's services at a time when fewer portfolio companies or Funds make use of such Lovell Minnick Advisor. Under many of these arrangements, including where Lovell Minnick Advisors are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Lovell Minnick

Advisor. The use of Lovell Minnick Advisors subjects the General Partners to potential conflicts of interest, as discussed under “Conflicts of Interest,” below.

As described in the Partnership Agreement of certain Funds, the applicable General Partner reserves the right to waive all or a portion of Management Fee payments for a corresponding interest in such Fund’s profits, and the waived portion of such Management Fee is treated by the Partnership Agreements as a deemed capital contribution by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner’s behalf, and operates to reduce the amount of capital contributions the General Partner would otherwise be required to contribute to the Fund. When waived Management Fees are used to reduce the General Partner’s capital contribution, the limited partners of that Fund are required to make a *pro rata* contribution, according to how they would have funded the waived Management Fee, to fund the contribution that would otherwise be required of the General Partner. Such contributions are treated as a deemed capital contribution by the General Partner in respect of the General Partner’s Commitment. Reductions to Management Fees due to such waivers are taken into account before applying the offsets described above. The amount of such waived or reduced Management Fees may be significant. Due to waived or reduced Management Fees by Lovell Minnick and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

In addition to the Management Fee, each Fund’s Partnership Agreement generally provides for that Fund’s General Partner to receive a carried interest in the Fund of up to 20% of all realized profits, after payment of an 8% compounded annual preferred return to the Fund limited partners and after a related General Partner catch-up (as more fully described in each Fund’s Partnership Agreement). Carried interest distributed to a General Partner is subject to a potential clawback or giveback at the end of, and in the case of certain Funds, during the life of the applicable Fund, if the General Partner has received cumulative distributions at the time of determination in excess of those permitted by the applicable Partnership Agreement, based on the actual performance of the particular Fund. Co-Investment Aggregators are not charged a carried interest. In some instances, Parallel Co-Investment Entities are charged a carried interest in accordance with the terms of any such Parallel Co-Investment Entity’s Partnership Agreement.

The existence of performance-based compensation creates an incentive for Lovell Minnick to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although Lovell Minnick generally considers performance-based compensation to create a positive alignment of its interests with those of its investors, particularly in instances where the Partnership Agreements include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

Lovell Minnick and its affiliates are permitted to exempt, and have exempted, specified investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including the General Partners and any other investor designated by the General Partner. The relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by Lovell Minnick and/or its affiliates, or through other Funds which co-invest with a Fund.

The Funds generally invest on a long-term basis, although the timing of an investment realization may be opportunistic and therefore unpredictable. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Partnership Agreement, over the term of the applicable Fund. Investors generally are not permitted to withdraw or redeem interests in a Fund.

In certain circumstances, the Managers also receive compensation, which can, and does in certain instances include an advisory fee, structured as further detailed in this Item 5 above, and/or carried interest, for management and other services performed in connection with Parallel Co-Investment Entities that are formed to co-invest in portfolio companies alongside the Funds. The Managers have wide latitude to structure and negotiate any such parallel services, as well as the amount and manner of payment of any related compensation by such Parallel Co-Investment Entities or their investors. Any such compensation received by the Managers does not offset or reduce the Management Fee paid by any other Fund. The receipt of compensation, including performance-based compensation, in connection with such co-investments has the potential to create an incentive for the Managers to allocate investment opportunities to co-investors. However, any such allocation will be done in a manner consistent with the Managers' existing investment allocations and co-investment policies and Partnership Agreements for the relevant Fund or other vehicle.

Partners and others within Lovell Minnick generally receive a portion of the Management Fee through salaries and other compensation and consulting fee arrangements and participate in carried interest or other compensation received by Lovell Minnick or its affiliates.

As described in the applicable Partnership Agreement, each Fund will reimburse the applicable General Partner for that Fund's organizational and start-up expenses up to a specified amount, including legal, travel, lodging, accounting, printing, consulting, capital raising, meal and entertainment, regulatory compliance (including the initial and/or preliminary registrations, filings (including, without limitation, any filings required under the Corporate Transparency Act) and compliance and any ongoing filings, compliance or reports contemplated by the European Union Alternative Investment Fund Managers Directive (2011/61/EU) (together with Commission Delegated Regulation (EU) No 231/2013, as well as any similar or supplementary law, rule or regulation, including any equivalent or similar law, rule or regulation to be implemented in the United Kingdom as a result of its withdrawal from the European Union, or subordinate legislation thereto, as implemented in any relevant jurisdiction, the "AIFMD")), and any administrative or other filings, and other organizational expenses, including the preparation of, and negotiation with respect to such Fund's private placement memorandum, investor presentations and other marketing materials, subscription agreements, the Partnership Agreement and any Side Letters or similar agreements, agreements with placement agents and other similar agreements and out of pocket costs and expenses incurred by placement agents, finder or other persons performing similar services in connection with any of the foregoing. The applicable General Partner will bear the cost (which it reserves the right to offset against the Management Fee) of all organizational expenses in excess of such amount, if any, and of any placement fees payable to any placement agent (but, for the avoidance of doubt, not any expense reimbursement made to any such placement agent) in connection with the formation of the Partnership. Co-Investment Aggregators and Parallel Co-Investment Entities each pay their own expenses, including organizational and start-up expenses (see below in this Item 5 for information concerning Broken Deal Expenses, as defined below).

In addition to the Management Fee and carried interest payable to the applicable General Partner, a Fund will bear all other fees, costs, expenses, liabilities, and obligations relating to the Fund's and/or its subsidiaries' and intermediate entities' activities, investments, and business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company or any of their respective subsidiaries or applied to reduce Management Fees. As specified in each relevant Partnership Agreement, such amounts generally will include all fees, costs, expenses, liabilities, and obligations relating or attributable to: (i) activities with respect to the sourcing, evaluating, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals or databases and dues or membership fees for industry trade groups and related organizations), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, the Fund's portfolio companies and its actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence and deal-sourcing software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated, whether or not such activities are successful and whether or not such activities were undertaken prior to the initial closing date; (ii) indebtedness of, or guarantees made by, the Fund, the relevant General Partner or any "affiliated partner" on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services (including amounts paid to Lovell Minnick Advisors); (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services (including any costs and expenses related to (x) appointments or changes of any depository appointed pursuant to the AIFMD or (y) compliance with the Swiss Collective Investment Schemes Act dated June 23, 2006 (as amended) and the Financial Services Act 2018 (as amended) (including the appointment of a Swiss representative and paying agent)); (vi) legal, accounting, research, auditing, technology, administration (including fees and expenses associated with compliance with anti-money laundering laws and regulations and any third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including expenses relating to hiring consultants (*e.g.*, headhunter fees, background checks or relocation expenses), consulting and retainer fees, incentive equity, stock awards and salaries and other compensation paid to, and benefits or personnel costs provided to or on behalf of, the Lovell Minnick Advisors and similar individuals or other advisors, operating partners, consultants performing investment initiatives, due diligence and/or finding or evaluating potential investments or industry/market segments or providing services related to environmental, social and governance investment considerations and policies, and other similar consultants), tax and other professional services; (vii) extraordinary expenses, such as break-up, reverse breakup, topping termination fees and other similar fees or other liabilities or obligations incurred for transactions or projects that

are not consummated, including a co-investor's or potential co-investor's share of such costs (expenses related to transactions not consummated, "**Broken Deal Expenses**"); (viii) insurance (including directors and officers liability, fidelity bond, cyber-security, portfolio company management liability, errors and omissions liability, cyber-security, crime coverage and general partnership liability premiums and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs or commissions) and any consultants or other advisors utilized in the procurement, review and analysis of insurance policies; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, mailing, courier, marketing and publicity (including, without limitation, the public relations costs associated with transaction publicity); (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including, without limitation, Form PF and any filings required under the Corporate Transparency Act), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) any expenses associated with the reporting, filing, and ongoing compliance requirements contemplated by the AIFMD, the EU Sustainable Finance Disclosure Regulation and/or the EU Taxonomy Regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) compliance with any financial account reporting regime applicable to the Funds, any alternative investment vehicle and/or the General Partners, including the "Foreign Account Tax Compliance Act" or "FATCA" and the OECD Standard for Automatic Exchange of Financial Account Information - Common Reporting Standard and any similar laws, rules and regulations, and any fees, costs and expenses of any third-party service providers and professionals related to the foregoing; (xiv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or the Fund limited partners (the "**Limited Partners**" and, together with the relevant General Partner, the "**Partners**"); (xv) any activities with respect to protecting the confidential or non-public nature of any information or data, (including any costs and expenses incurred in connection with U.S. state and non-U.S. data protection laws, the European Economic Area or the United Kingdom, including the Data Protection Directive (95/46/EC), the UK Data Protection Act 2018, the Privacy and Electronic Communications (EC Directive) Regulations 2003, the General Data Protection Regulation (EU 2016/679) and the Freedom of Information Act); (xvi) to the extent provided in the relevant Partnership Agreement, or otherwise approved by the relevant General Partner in its sole discretion, activities or proceedings of the relevant Limited Partner advisory board (the "**Advisory Board**") (including any costs and expenses incurred by representatives of the General Partner, the Advisory Board members, permitted observers and other Persons in attending or otherwise participating in meetings of the Advisory Board); (xvii) indemnification obligations (including legal and any other fees, costs and expenses incurred in connection with indemnifying any Partner or other person pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xviii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith;

(xix) any annual Limited Partner meeting or other periodic, if any, meetings of the Limited Partners and any other conference, meeting or webcast or other video conference with any Limited Partner(s) (including any costs and expenses associated with venue, presentations, lodging, meals, events, recording, production or speakers and other meeting or conference-related costs); (xx) except as otherwise determined by the General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities and any other costs and expenses related to any past or anticipated structuring or restructuring of any Fund; (xxi) the termination, liquidation, winding up or dissolution of the Fund and any legal entities owned directly or indirectly by a Fund, including portfolio companies and related entities; (xxii) defaults by Partners in the payment of any capital contributions to the extent not borne by the defaulting Limited Partners; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, and any alternative investment vehicle of the Fund and, to the extent relating to any of the foregoing Persons and/or its activities, the constituent documents of the General Partner and related entities, in each case including the preparation, distribution and implementation thereof; (xxiv) complying with any law, rule, regulation, policy, directive or special measure related to the activities of the relevant Fund (including in relation to privacy, data protection, know-your-customer, anti-money laundering, anti-corruption, sanctions, anti-terrorism or environmental, social or governance considerations), including any legal, administrator, consulting or other third-party service provider fees, costs and expenses related thereto, any regulatory expenses of the General Partner incurred in connection with the operation of the Fund, legal fees and any costs and expenses related to compliance with any environmental, social or governance or other investment considerations and policies of the General Partner and/or the Fund; (xxv) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs and expenses of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxvi) any third-party experts, including independent appraisers, engaged by the General Partner or its affiliates in connection with a Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same entity as one or more funds or other entities sponsored by the General Partner or its affiliates; (xxvii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer by a Limited Partner; (xxviii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor by a Partner or such tax, fee or charge is treated as having been distributed to the Partners pursuant to the Partnership Agreement) and any costs and expenses of or related to the “partnership representative” of a Fund; (xxix) distributions to the Partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxx) unreimbursed costs or expenses and unpaid fees or other compensation of the Lovell Minnick Advisors, other consultants and operating partners or other persons engaged by such persons; (xxxi) compliance or regulatory matters related to the Fund, except as set forth in the Partnership Agreement; (xxxii) any travel (including, where appropriate as determined by the General Partner, the cost of using or chartering private aircraft or

other private air travel at a cost not to exceed the cost of corresponding first class commercial airfare, other air travel, and other modes of transportation), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxiii) any excess organizational expenses; (xxxiv) any placement fees; (xxxv) any other fees, costs, expenses, liabilities or obligations approved by the Advisory Board; (xxxvi) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the Managers or any of their respective affiliates, including Lovell Minnick Advisors and portfolio company personnel, at any conference or training program, including any applicable hosting costs, registration fees and exhibition, sponsorship or other presentation fees, venue, lodging, meals and other meeting or conference-related costs and expenses; (xxxvii) travel and lodging costs for advisory committee members at meetings; (xxxviii) software development costs or other technology-related expenses relating to other items listed as “Partnership Expenses” or otherwise; (xxxix) the costs of hosting or attending conferences, training programs, meetings or other events for portfolio companies, their executives and/or their personnel; (xl) costs of conferences (including related travel, lodging and/or meals) relating to specific investment opportunities and/or the relevant industries or strategies in which the Funds invest; (xli) excess organizational expenses; (xlii) closing dinners, social and entertainment costs and/or after-hour meals and transportation; and (xliii) any placement fees.

Except where the relevant Partnership Agreement or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. Subject to a Fund’s Partnership Agreement and except as otherwise described herein, Lovell Minnick or the related General Partner pays all ordinary administrative and overhead expenses incurred by it or its affiliates in connection with maintaining and operating the adviser’s own general business operations (including employees’ salaries, rent, certain consulting fees and equipment expenses). The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Lovell Minnick and/or its affiliates, the Lovell Minnick Advisors and other consultants; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the relevant Partnership Agreement, such interests are permitted to be issued to Lovell Minnick and its personnel. The General Partners reserve the right to agree with Lovell Minnick Advisors, operating partners, joint venture or similar partners, service providers, portfolio company

management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the relevant Partnership Agreement, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors (including Co-Investment Aggregators and Parallel Co-Investment Entities) to co-invest in portfolio companies alongside one or more Funds, subject to Lovell Minnick's related policies and practices and the relevant Partnership Agreement(s) and/or Side Letter(s) to the extent applicable. Once operational, such vehicle generally will bear all expenses applicable to its formation and operation, as well as their allocable portion of investment amounts and related expenses incurred in connection with the investment, subject to any caps negotiated with such co-investors and set forth in the relevant Partnership Agreement or other applicable formation documents. Such allocations generally are made *pro rata* based on the amount invested by each Fund, Co-Investment Aggregator and/or Parallel Co-Investment Entity in the underlying portfolio company, subject to any caps negotiated with such co-investors and set forth in the relevant Partnership Agreement or other applicable formation documents. If a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated and no Parallel Co-Investment Entity became operational prior to that time, then, unless otherwise provided in agreements with potential co-investors, all Broken Deal Expenses relating to such unconsummated transaction will be borne entirely by the Partnership(s) that were to participate in the subject investment, and not by any prospective co-investment entity or co-investor that were to have participated in such transaction. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such Broken Deal Expenses where permitted by such vehicle's governing documents. The Managers' practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest" below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for use of the facility.

To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in Item 12 below.

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

As discussed in Item 5 (“Fees and Compensation”) above, the General Partners are in most cases entitled to receive a carried interest allocation on realized profits in the Funds. The Co-Investment Aggregators are not charged a carried interest. As described above, in some cases, Parallel Co-Investment Entities do pay a carried interest. The Managers believe such arrangements do not pose a conflict of interest because Co-Investment Aggregators and Parallel Co-Investment Entities generally invest at substantially the same time or shortly following an investment by the Funds and on substantially the same terms as the Funds and dispose of such investments in a similar manner.

Additionally, to the extent that Lovell Minnick has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Lovell Minnick personnel are assigned varying percentages of carried interest from the Funds, Lovell Minnick and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. The Managers seek to address the potential for conflicts of interest in these matters with allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund’s investment guidelines and Partnership Agreement, as well as other factors that do not include the amount of performance-based compensation received by the Managers or any personnel.

See Item 8, “Methods of Analysis, Investment Strategies and Risk of Loss,” for discussion of potential conflicts of interest.

Item 7 Types of Clients

The Managers provide investment advice solely to their Fund clients, and references throughout this Brochure to “clients” and to Lovell Minnick’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds are investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Investors participating in the Funds generally include, but are not limited to, individuals, banks or thrift institutions, insurance companies and other investment entities, including funds of funds, family offices, state and private pension and profit-sharing plans, trusts, foundations, charitable organizations, other corporations or business entities and, directly or indirectly, principals or other employees of and advisors to Lovell Minnick and its affiliates and members of their families, Lovell Minnick Advisors or other service providers retained by Lovell Minnick, as well as executives of portfolio companies.

The Funds generally have a minimum investment amount of \$5 million for third-party investors, although individual Commitments of lesser amounts are permitted to be accepted at the discretion of the applicable General Partner.

Investors must be “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and are required to be “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act.

The General Partners have complete and sole discretion with respect to each Fund investment to determine whether or not there will be co-investors, whether some or all of the Limited Partners of the applicable investing Fund will be invited to participate as co-investors, and the allocation of co-investment opportunities among participants. The General Partners reserve the right to consider various factors in determining which investors are invited to invest in a particular co-investment, including, but not limited to, applicable tax, regulatory and securities law considerations, the size of the co-investment opportunity and the practicality of dividing it up among multiple investors, the minimum and maximum investment size sought, the ability of the investor to fund the investment on a timely basis, historically expressed interest in co-investments, the investor's expertise in the industry to which the investment opportunity relates, the investment criteria expressed by investors (such as preferred industries, geographies, etc.), ability to participate in anticipated follow-on investments, and for strategic or other reasons.

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

General

The Managers seek to generate returns for their investors over an intermediate investment horizon through investments in growth-oriented, middle-market companies in the financial services, financial technology and business services sectors.

The Managers seek to achieve the Funds' goals by investing in companies that Lovell Minnick believes have meaningful growth potential and where the management teams are committed to increasing equity value through a variety of methods including internal investment, acquisitions, prudent use of leverage and expense rationalization.

The following is a summary of the investment strategies and methods of analysis generally employed by the Managers on behalf of the Funds and a summary of certain risks involved with the Managers' investment strategy and an investment in the Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis and risks are included in the applicable private placement memorandum for each Fund. There can be no assurance that the Managers will achieve the investment objectives of the Funds, and a loss of investment is possible.

Investment and Operating Strategy

The Managers seek to capitalize on opportunities by:

- Providing capital and industry knowledge in support of buyouts, recapitalizations and business expansions;
- Applying their experienced advice to evaluate and fund new product and service offerings, technology enhancement or marketing initiatives;
- Leveraging their market intelligence of acquisition targets to consummate acquisitions and capital investment on attractive terms; and
- Using their operational experience to enhance firms' profitability, making them more attractive to strategic and financial buyers or that can become public companies.

All decisions with respect to Fund investments are made by the related General Partner, including which entities will receive investment allocations, the timing and amount of investments, all aspects of Fund oversight of investments, and the timing and terms of investment realizations.

Types of Investments

On behalf of the Funds, the Managers make equity investments in each portfolio company.

The specific Partnership Agreement of each Fund establishes diversification requirements that limit total Fund investment in a particular portfolio company. The Managers invest in the following types of transactions, among others:

- Divestitures by financial institutions and other owners;
- Management or other buyouts of private or public companies;
- Growth capital investments to support acquisitions and other expansion initiatives; and
- Recapitalizations where interests can be purchased from retiring or inactive shareholders.

Risks of Investment

Fund investors risk losing their investment in their Fund based largely on the investment strategy pursued by that Fund's General Partner. Although the following risk factors are generally applicable to the Funds, investors should also refer to a Fund's private placement memorandum for risk factors specific to their Fund. The risks involved with Lovell Minnick's investment strategy and an investment in a Fund include, but are not limited to:

1. *Business Risks.* A Fund's investment portfolio is expected to consist primarily of securities issued by privately held companies, and operating results with respect to any specified period are difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.
2. *Future and Past Performance.* At no time is the performance of the Managers' prior investments necessarily indicative of a Fund's future results. While the Managers intend for the Funds to make investments that have returns commensurate with the investment risks undertaken, there can be no assurance that any targeted rate of return will be achieved. With respect to any given investment, loss of invested equity is possible.
3. *Investment in Junior Securities.* The Funds invest in equity securities which may be among the most junior securities in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there is no collateral to protect such an investment once made.
4. *Concentration of Investments.* The Funds participate in a limited number of investments, all within financial and business services, and related technology companies. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry could substantially affect its aggregate return.

Furthermore, the smaller the amount of committed capital raised by a particular Fund and the larger the amount invested in a particular portfolio company, the fewer portfolio companies it will have, and thus its investment risks will be less diversified.

5. *Lack of Sufficient Investment Opportunities.* The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which Commitments of the Limited Partners are invested (or drawn down to be invested), the Limited Partners will be required to bear Management Fees during a Fund's investment period based on the entire amount of such Limited Partners' capital commitments or capital contributions and bridge financing contributions and other expenses as set forth in the relevant Partnership Agreement.
6. *Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the relevant Partnership Agreement. A General Partner is permitted to pursue investments outside of the industries and sectors in which Lovell Minnick has previously made investments or has internal operational experience.
7. *Impact of Government Regulation, Reimbursement and Reform.* Certain industry segments in which a Fund intends to invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

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

willing to agree to any such preferential terms with any potential investor. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

8. *Illiquidity.* An investment in a Fund is 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 generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the Management Fee payable to the General Partner) may exceed its periodic income, thereby requiring that the excess expenses be paid from the Fund's capital, including, without limitation, unfunded or callable Commitments.
9. *Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage.

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

A Fund is also permitted to borrow money (including through a Commitments-backed credit facility or other short-term credit arrangement) or guaranty indebtedness (such as a guaranty of a portfolio company's (including a holding company for a portfolio company) debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. Under the terms of the Partnership Agreement for the Funds, guarantees of a portfolio company's debt (including holding companies of a portfolio company) are not subject to indebtedness caps included in such Partnership Agreements. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Partnership Agreements and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross collateralized basis with one or more other Funds and entities managed by Lovell Minnick or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the Partnership Agreements, in which case the investment would be treated as a permanent investment of the relevant Fund. In addition, to the extent that a Fund provides a guaranty of portfolio company (including a holding company of a portfolio company) indebtedness, it is possible that such Fund will be required to satisfy such guaranty. As a result, in each such case, the Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, certain of which exclude bridge financing investments.

10. Environmental, Social and Governance ("ESG") Matters. Lovell Minnick maintains an ESG policy and seeks to integrate certain material ESG factors into its investment process in accordance with its policies and subject to its fiduciary duties and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Lovell Minnick expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There can be no guarantee that the criteria utilized by the General Partners, or any judgment exercised by the General Partners, will reflect the beliefs, values, internal policies or preferred practices

of any particular investor or other asset manager or reflect market trends. In addition, Lovell Minnick's ESG Policy and associated ESG practices are expected to evolve over time. Although Lovell Minnick views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Lovell Minnick cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For the avoidance of doubt, however, the General Partners do not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

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

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Lovell Minnick's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. Lovell Minnick and its ESG Policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Lovell Minnick cannot guarantee that its current approach including the ESG Policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new regulatory requirements is expected to lead to increased management burdens and costs.

11. *Restricted Nature of Investment Positions.* Generally, there will be no readily available market for each Fund's investments, which will make such investments more difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such 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 relevant Partnership Agreement, including the value used to determine the amount of carried interest available to Lovell Minnick with respect to such investment.

12. Reliance on Portfolio Company Management. Although each General Partner will monitor the performance of its Fund's investments, it is the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although a Fund generally intends to invest in companies that the General Partner believes have strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able to successfully operate a company in accordance with the Fund's objectives.
13. Need for Follow-On Investments. Following its initial investment in a given portfolio company, for various reasons, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments that become available.

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) or may result in a lost opportunity for the Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

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

Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil or cross-border disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

15. Director Liability. A Fund generally obtains the right to appoint one or more representatives to the boards of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. It is the Managers' intention to require every portfolio company to obtain director liability insurance. However, it is possible that portfolio companies may not obtain insurance with respect to such liability, or that the

insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability at any given time, which may, subject to its applicable governing documents, require a Fund to indemnify the applicable directors.

16. *Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon portfolio companies in which a Fund makes investments.
17. *Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Lovell Minnick may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its

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

18. *Market Conditions.* Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates, inflation, tax rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the Funds' portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of a credit or banking crisis or the downgrading of the credit ratings within the United States, which, among other things, can impact public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of any publicly traded securities held by a Fund may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.
19. *Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments.* Any deterioration of the global credit markets may make it more difficult for investment funds such as the Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, could dramatically reduce investor demand for high yield debt and senior bank debt, which in turn could lead some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns will be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.
20. *Liability Insurance.* Lovell Minnick has obtained a customary professional liability insurance policy that covers Lovell Minnick and its employees and agents, the General Partners, each Fund, and the members of the various Advisory Boards. While Lovell Minnick and the other insured entities each pay a portion of the aggregate insurance premium, it is possible that one or more of the insureds could experience claims that exhaust all of the coverage such that there would be no coverage remaining available to the other insureds.
21. *Conflicting Investor Interests.* Limited Partners may have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Potential conflicts of interest

are expected to arise in connection with decisions made by the General Partner regarding an investment that may be more beneficial to one Limited Partner than another, or one Fund than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the General Partners generally will consider the investment and tax objectives of the relevant Fund(s) and its partners as a whole, not the investment, tax, or other objectives of any Limited Partner individually.

The General Partners may be presented with opportunities to seek financing and other services in connection with a Fund's investments from certain Limited Partners or their affiliates that are engaged in the lending business or other businesses, respectively. This has the potential to subject the relevant General Partner to conflicts of interest, because although the General Partner selects lending and other service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the Fund, the General Partner may have an incentive to pursue financing opportunities with certain Limited Partners because of its financial or other business interest, including a Limited Partner's historical or potential future relationship with the General Partner and Fund investments made or to be made by a Limited Partner.

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

directed at the Managers or one of their service providers holding their financial or investor data, the Managers, their affiliates or the Funds may also be at risk of loss.

23. *Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “**Privacy Laws**”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Lovell Minnick, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Lovell Minnick, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

24. *Limited Access to Information.* Limited Partners’ rights to information regarding a Fund, the relevant General Partner or Lovell Minnick generally will be specified, and in many cases strictly limited, by the relevant Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund’s investments that will not be disclosed to Limited Partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Lovell Minnick’s control. Decisions by Lovell Minnick or its affiliates to withhold information may have adverse consequences for Limited Partners in a variety of circumstances. For example, a Limited Partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a Limited Partner to monitor Lovell Minnick and its performance. Additionally, it is anticipated that Limited Partners that designate representatives to participate on a Fund’s Advisory Board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other Limited Partners. Limited Partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Lovell Minnick reserves the right to withhold certain information from investors subject to such laws for reasons relating to Lovell Minnick’s public reputation, business strategy or other reasons.

25. Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Lovell Minnick and its affiliates, as well as in connection with officerships or directorships of Lovell Minnick personnel, Lovell Minnick comes into possession of confidential or material, non-public information. When Lovell Minnick and its affiliates have access to material, non-public information that may be relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Lovell Minnick's internal policies and practices.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Lovell Minnick or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Lovell Minnick's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Lovell Minnick or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

26. Sanctioned Investors. If, after subscribing to a Fund, a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "Sanctions List"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including, without limitation, a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Funds' activities, could materially and adversely affect the Funds.
27. CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States ("CFIUS"), such as where CFIUS-related laws, regulations or guidance

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

28. 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, a General Partner 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 Partners gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest, carried interest give-back obligations and the calculation of Management Fees.
29. Co-Investments. The General Partners reserve the right, in their sole discretion, to provide or commit to provide co-investment opportunities (including the opportunity to participate in co-invest vehicles) to one or more current or prospective Limited Partners and/or other persons, in each case on terms to be determined by the General Partner in its sole discretion. Conflicts of interest are expected to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which are permitted to be made to one or more persons for any number of reasons as determined by the relevant General Partner in its sole discretion, may not be in the best interests of the Fund as a whole or any individual Limited Partner.

In exercising its sole discretion in connection with such co-investment opportunities, a General Partner reserves the right to consider some or all of a wide range of factors, including, without limitation, applicable tax, regulatory and securities laws considerations, the investor's expression of interest to co-invest contained in such investor's side letter arrangement, the size of the co-investment opportunity and the practicality of dividing it up among multiple investors, the size of the investor's current capital commitment, the ability

of the investor to make future follow-on investments, the minimum and maximum size of the co-investment sought by the investor, the investor's expertise in the industry to which the investment opportunity relates, and the investor's expressed investment criteria (such as preferred industries, geographies, etc.), and the ability of the investor to act quickly and the ability of the investor to add strategic value to the particular portfolio company. Although a General Partner reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness will not be the sole determining factor considered by such General Partner in identifying co-investors. A Fund may co-invest with third parties through partnerships, joint ventures or other entities or arrangements. Such investments involve risks not present in investments where a third-party is not involved, including the possibility that a third-party co-investor may at any time have economic or business interests or goals that are inconsistent with those of the Fund, or may be in a position to take action contrary to the investment objectives of the Fund. In addition, a Fund may in certain circumstances be liable for actions of its third-party co-investor.

30. *Subscription Lines.* A Fund generally is permitted to enter into, and has generally entered into, a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects Limited Partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the Limited Partners, Limited Partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any Limited Partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors. The subscription lines also provide for the provision of indebtedness directly to a portfolio company (or a holding company of a portfolio company), which indebtedness is guaranteed by the Funds invested in such portfolio company (or a holding company of a portfolio company). Any such guarantees typically are not subject to any negotiated indebtedness caps in the applicable Partnership Agreement.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's Limited Partners and the terms of the relevant Partnership Agreement, it may be higher than the interest rate a Limited Partner could obtain individually. To the extent a particular Limited Partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a Limited Partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for Limited Partners to make contributions to a Fund, or result in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby

may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Partnership Agreements. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for Limited Partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a Limited Partner with commitments

to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the Limited Partner to meet the accumulated, larger capital calls at the same time. The General Partners are authorized to use Fund-level borrowing to pay Management Fees and to reimburse Lovell Minnick for expenses incurred on behalf of the Funds. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than Limited Partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, Limited Partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

31. *Investment- and Intermediate Entity-Level Borrowing.* Under the Partnership Agreements, a Fund is generally permitted to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as “back leverage” and net asset value (NAV) facilities), and is permitted, directly or indirectly, through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is generally permitted to be incurred for any purpose relating to the activities of a Fund, including, without limitation, to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Partnership Agreements. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Partnership Agreements impose limits on borrowings at the Fund level, portfolio

investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments. In addition, Fund guarantees of portfolio company indebtedness (or a holding company or other intermediate entity above a portfolio company) are not subject to the indebtedness limitations of the Partnership Agreements.

32. *Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a “Distress Event”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Lovell Minnick, any General Partner, the Funds and/or any of their portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of Lovell Minnick to manage the Funds and their investments, and on the ability of Lovell Minnick, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of a Fund to access capital contributions or otherwise); the inability of a Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Lovell Minnick or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that Lovell Minnick will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Lovell Minnick will be able

to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

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

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

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses, including Lovell Minnick and

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

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

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

35. *U.S. Taxation of Carried Interest.* U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or Lovell Minnick who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Lovell Minnick to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.
36. *Changes to Benchmark Rates.* To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate ("SOFR") or other rates (each, a "**Benchmark Rate**"), the Fund

may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

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

Each of these transactions has the potential for conflicts between the interests of a Fund or Limited Partner and those of Lovell Minnick or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Lovell Minnick or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of Limited Partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Lovell Minnick, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s)

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

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

Conflicts of Interest

Lovell Minnick and its related entities and personnel engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, management and other services to Funds, SPACs and portfolio companies. Lovell Minnick will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective

investments will place varying levels of demand on these over time. In the ordinary course of Lovell Minnick conducting its activities, the interests of a Fund likely will conflict with the interests of Lovell Minnick, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Lovell Minnick will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

Without limitation, the Managers and Lovell Minnick's principals currently manage a number of Funds that are similar to each other, and each of the Funds has made and is expected in the future to make investments that are similar to investments made by other Funds. The Managers' investment staff expect to continue to manage and monitor such Funds and investments, and expect to direct certain relevant investment opportunities or resources to those investments. Lovell Minnick personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Lovell Minnick's principals and Lovell Minnick's investment staff will continue to manage and monitor such investments until their realization. Such other investments that Lovell Minnick principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. In addition, the Partnership Agreements of the respective Funds allow new Funds to be formed in certain situations even though prior Funds are still active. This could create potential conflicts of interest in determining the allocation of investment opportunities between or among Funds, or between or among portfolio companies within the Funds. Such allocation will be made in the sole discretion of the Managers, subject to the terms of the applicable Partnership Agreements and the Managers' internal allocation policy. During the investment period of a Fund, the Managers pursue all appropriate investment opportunities exclusively through such Fund, subject to certain limited exceptions as described in the applicable Partnership Agreement (such as when a Fund has reached certain levels of investment or when a particular opportunity does not meet the criteria for that Fund) and the Managers' internal allocation policy. In such cases, the investment may be made by a subsequent Fund. Lovell Minnick allocates such potential investments according to its then existing internal allocation policy and in appropriate circumstances reserves the right to seek guidance from the Advisory Board of each affected Fund. In addition, the significant investment of the principals of the Managers in such Funds, as well as the Managers' interest in the carried interest of such Funds, operate to align, to a significant degree, the interest of the Managers with the interest of the Limited Partners in such Fund. However, this alignment neutralized to some degree because the Managers have similar economic interests in all other Funds and investments as well, and receive Management Fees and carried interests relating to such interests. Such other Funds, and investments that the Managers may control, may compete with a Fund or the companies acquired by a Fund.

Following the investment period of a Fund, the Managers reserve the right to, and likely will, focus on other investment activities or opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in Lovell Minnick's sole discretion, Lovell Minnick and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the relevant Partnership Agreement, Lovell Minnick personnel are permitted to serve on boards or act in other

roles unaffiliated with Lovell Minnick, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, and, except to the extent provided for in the relevant Partnership Agreement, no such compensation received by any Lovell Minnick personnel will offset or otherwise reduce any Management Fees.

The Managers expects to be presented with certain investment opportunities that would be suitable not only for a given Fund, but also for other private Funds and other investment vehicles operated by the Managers. In determining which investment vehicles should participate in such investment opportunities, the Managers and their affiliates in some cases will be subject to conflicts of interest among the investors in such investment vehicles. The Managers resolve such conflicts of interest in light of their obligations to investors in each Fund and other private Funds, and attempt to allocate investment opportunities among the Funds and such other private Funds in a manner that they believe is fair and equitable to the Funds over time and consistent with the Managers' obligations to each such Fund, including as set forth in the applicable Partnership Agreements and the Managers' then existing investment allocation policy, seeking guidance from the relevant Advisory Boards in the sole discretion of and when deemed appropriate by, the relevant Manager(s). There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such cross-fund investment conflict not existed.

The Managers serve or expect to serve as investment managers to Parallel Co-Investment Entities that invest with or alongside the Funds in certain portfolio companies. Third party investors are permitted to invest directly in a particular portfolio company. The Managers have sole discretion to select co-investment participants. Generally, the Managers will select which investors or other persons are permitted to co-invest based on various factors, including (but not limited to) applicable tax, regulatory and securities laws considerations, the size of the co-investment opportunity and the practicality of dividing it up among multiple investors, the size of the investor's current capital commitment, the ability of the investor to make future follow-on investments, the minimum and maximum size of the co-investment sought by the investor, the investor's expertise in the industry to which the investment opportunity relates, the investor's expressed investment criteria (such as preferred industries, geographies, etc.), the sophistication of the investor, the ability of the investor to add strategic value to the particular portfolio company, the ability of the investor to fund and complete the investment on a timely basis, the investor's expression of interest to co-invest contained in such investor's side letter arrangement, the ability of the investor to meet timing, and investment-size criteria and any other reason for including such investor. In circumstances where an entire investment could be made by a Fund, a Manager still reserves the right to allocate a portion of such investment to one or more co-invest vehicles in accordance with such Fund's Partnership Agreement and the Managers' allocation policy if a Manager believes that the full investment would unreasonably limit the diversification of the applicable Fund or its ability to make follow-on or future platform investments, or that a particular co-investor would add value to the Fund or the investment. The Managers reserve the right to take into consideration a variety of factors in making such determinations. Decisions regarding whether and to whom to offer co-investment opportunities are permitted to be made by the Managers and their related persons in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Limited Partners in a Fund, and the consideration of the factors set forth above likely will result in certain

investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Limited Partners that participate in co-investments may be in a position to obtain different terms, and additional information regarding the applicable portfolio company, that may not generally be available to Limited Partners in other Funds. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Lovell Minnick expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Partnership Agreement and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund’s Partnership Agreement. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, a General Partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any Broken Deal Expenses (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of Lovell Minnick and its affiliates make capital investments in or alongside certain Funds, Lovell Minnick and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund’s return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company’s capital structure, there is a potential for conflicts of interest in determining the terms of each such investment, particularly where certain Funds are intended to invest in different types of securities in a single portfolio company. Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions, including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring may raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each

Fund generally will supply such additional capital in such amounts, if any, as determined by Lovell Minnick in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Lovell Minnick expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

The Managers' allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While the Managers will allocate investment opportunities in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which the Managers expects to be subject, discussed herein, did not exist.

In certain cases, the Managers will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, the Managers will not receive compensation for identifying such transferees, and will use their discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Because a General Partner's carried interest is based on a percentage of realized profits of each respective Fund, it creates an incentive for the General Partner to cause the applicable Fund to make riskier or more speculative investments, or to exit such investment earlier, than would otherwise be the case. However, the Managers believe that the carried interest does not create a conflict of interest with respect to the Funds and instead operates to align the interests of the Managers with that of the Funds. In addition, the Managers do not allocate investment opportunities based on the potential to receive carried interest.

Since a General Partner is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it is expected to have a potential conflict of interest in connection with approving transactions or setting such compensation. The Managers believe this conflict may be mitigated to an extent by offsetting the Management Fee by a specified percentage of such Supplemental Fees and by a General Partner's interest in the carried interest of a Fund.

As a result of the Funds' controlling interests in portfolio companies, Lovell Minnick and/or its affiliates typically have the right to appoint all or some board members to such portfolio companies (including current or former Lovell Minnick personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Lovell Minnick, Lovell Minnick Advisors and/or its affiliates (which may include other portfolio companies of the Funds). Except to the extent such amounts are subject to the Partnership

Agreements' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Lovell Minnick.

Lovell Minnick and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in or who were employed by portfolio companies owned by the Funds or other investment vehicles advised by Lovell Minnick and/or its affiliates; conversely, current or former personnel or executives of Lovell Minnick and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by Lovell Minnick. Additionally, Lovell Minnick, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions or other service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Lovell Minnick and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Lovell Minnick entities, whether or not relating to financing Lovell Minnick personnel obligations to fund General Partner commitment obligations) to Lovell Minnick personnel and their estate planning vehicles. Lovell Minnick expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Lovell Minnick information about markets and industries in which Lovell Minnick operates (or is contemplating operations) or will provide other services that are beneficial to Lovell Minnick or one or more other Funds. Lovell Minnick expects to be subject to a potential conflict of interest in making such recommendations, in that Lovell Minnick has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies. In addition, portfolio companies are expected to pay fees to third party consultants (including Lovell Minnick Advisors and other consultants introduced or arranged by Lovell Minnick and/or its affiliates that provide services to the Funds or one or more Fund portfolio companies), and such fees do not offset the Management Fee as described herein.

Additionally, a portfolio company (or a Fund in connection with a portfolio company investment) typically will reimburse Lovell Minnick or service providers (including Lovell Minnick Advisors and other consultants) retained at Lovell Minnick's discretion for expenses (including, without limitation, travel expenses) incurred by Lovell Minnick or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Lovell Minnick personnel. This subjects Lovell Minnick and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements or may bear such expenses directly, and such amounts over time are expected to be substantial. Lovell Minnick determines the amount of these reimbursements for such services in its own discretion, subject to the Partnership Agreements and Lovell Minnick's internal reimbursement policies and practices. Although the

amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Lovell Minnick or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third-party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest. Employees of and consultants to the Managers may serve as directors or officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds, and vice versa. Accordingly, in these situations, there will be certain potential conflicts of interests between an individual's duties as an employee of the Managers and an individual's duties as a director of such portfolio company.

Lovell Minnick Advisors are expected to have a limited partnership or profit interest in a Fund or a General Partner. Although the Managers intend to utilize Lovell Minnick Advisors with a view to adding specialized knowledge, capability and experience to benefit portfolio company investments or operations, and to reducing costs to portfolio companies (and, ultimately, the relevant Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. In addition, the Managers intend to utilize only Lovell Minnick Advisors which they believe provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

The Managers reserve the right to cause a Fund to enter into a transaction whereby the Fund (i) purchases securities from, or sells securities to, other Funds managed by the Managers, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. Such transactions have the potential to arise in the context of re-balancing an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is sold to another Fund or continuation fund formed by the Manager or its affiliates as part of a restructuring of a Fund. In some cases, a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where (i) the investment of one Fund supports the value of portfolio companies owned by another Fund or (ii) the transaction allows Lovell Minnick or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Funds' Partnership Agreements or otherwise in the sole discretion of the Managers, the Managers reserve the right to seek to mitigate such conflicts by seeking the opinion of an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Lovell Minnick) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's Advisory Board) to such transactions. The Managers reserve the right to determine that the willingness of a third party to make an investment on the same or similar terms as the

investing Fund demonstrates the fairness to the Fund of the relevant transaction (including its value) under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). The Managers intend that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances Lovell Minnick generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Partnership Agreements.

Although the Managers generally structure Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, the Managers intend to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or a Lovell Minnick affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's Limited Partners could suffer adverse effects resulting from any default by any Fund or a Lovell Minnick affiliate, whether or not related to the Fund in which such Limited Partners have invested.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements or Side Letters of the Funds, the Managers will allocate fees and expenses in a manner that they believe is fair and equitable to their clients under the circumstances over time and considering such factors as they deem relevant, but in their sole discretion. In exercising such discretion, the Managers may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles (including Co-Investment Aggregators and/or Parallel Co-Investment Entities) receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by the Managers or their affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, *e.g.*, in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Lovell Minnick. The Funds generally have varying expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's Limited Partners. For example, a General Partner and its beneficial owners may intend to hold the investment for a different time period than Lovell Minnick deems suitable for the relevant Fund. Although a General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the relevant Fund's disposition thereof, neither the relevant Fund nor its Limited Partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of a General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the relevant Fund or its Limited Partners.

Except to the extent prohibited by the relevant Partnership Agreement, Lovell Minnick and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which has the potential to overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the relevant Partnership Agreement and "anti-assignment" provisions of the Advisers Act, Lovell Minnick and its personnel are also permitted to offer, restructure and monetize interests in Lovell Minnick.

Because there is a fixed investment period after which capital from investors in a Fund generally can only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Lovell Minnick might not otherwise have done so.

The Partnership Agreements provide the General Partners with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the General Partners' compensation. In making such determinations, the General Partners are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the General Partners or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The General Partners are incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

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

The General Partners' wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and, except as set forth in the Partnership Agreements, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Partnership Agreements. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the General Partners' compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the General Partners intend to operate in accordance with the Partnership Agreements, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Lovell Minnick and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Lovell Minnick's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, ability to be excused from certain investments, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's Partnership Agreement.

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

As a consequence of one or more Limited Partners being excused or excluded from, or for regulatory, tax or other factors altering or limiting their participation in, investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating Limited Partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a Limited Partner defaults on a drawdown in respect of an investment. Although Lovell Minnick believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposure to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Partnership Agreements; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

In connection with its services to the Funds and their investments, Lovell Minnick and its personnel have in the past and expect to receive certain tangible, intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds or portfolio companies, including benefits provided from service providers. For example, in the course of Lovell Minnick's operations, including research, due diligence, investment monitoring, operational improvements

and investment activities, Lovell Minnick and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “**Lovell Minnick Information**”). In many cases, Lovell Minnick Information will include tools, procedures and resources developed by Lovell Minnick to organize or systematize Lovell Minnick Information for ongoing or future use. Although Lovell Minnick expects its Funds and their portfolio companies generally to benefit from Lovell Minnick’s possession of Lovell Minnick Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or Lovell Minnick and its personnel) and not by the Fund or portfolio company from which Lovell Minnick Information was originally received or derived. Lovell Minnick Information will be the sole intellectual property of Lovell Minnick and solely for the use of Lovell Minnick. Lovell Minnick reserves the right to use, share, license, sell or monetize Lovell Minnick Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. For example, airline travel, hotel stays and other expenses incurred as Fund expenses or that are reimbursable from portfolio companies may result in cash-back incentives, “miles,” “points” or other forms of credit in loyalty/status programs to Lovell Minnick and/or its personnel. Such terms are expected to vary and any such rewards (whether or not *de minimis* or difficult to value) generally will inure to the exclusive benefit Lovell Minnick and/or such personnel and will not be subject to any Fund’s Management Fee offset arrangements described above or otherwise shared with the Funds, their investors and/or portfolio companies.

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

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

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

Lovell Minnick Partners is affiliated with other Lovell Minnick investment advisers, including the General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Lovell Minnick Partners' registration in accordance with SEC guidance. These affiliated investment advisers operate as a single advisory business together with Lovell Minnick Partners and serve as General Partners of the Funds and may share common owners, officers, partners, personnel, consultants or persons occupying similar positions. See Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

As discussed above, Lovell Minnick frequently makes investments on behalf of the Funds in financial services businesses (collectively, the "**Financial Services Portfolio Companies**"). In particular, certain Funds (either individually or in the aggregate with one or more other Funds) indirectly own 25% or more of the securities of Financial Services Portfolio Companies that are, or may become, during the course of the investment, (i) broker-dealers, (ii) investment advisers or financial planners, (iii) investment companies or other pooled investment vehicles, (iv) insurance companies or agencies, (v) pension consultants, (vi) sponsors or syndicators of limited partnerships, and/or (vii) futures commission merchants, commodity pool operators or commodity trading advisors. Certain Lovell Minnick professionals serve on the board of directors of certain of the Financial Services Portfolio Companies. Notwithstanding these indirect relationships, Lovell Minnick does not direct the management or policies of such Financial Services Portfolio Companies regarding the provision of products or services, and Lovell Minnick does not have any arrangements with the Financial Services Portfolio Companies that are material to its advisory business or the advisory or broker-dealer businesses of the Financial Services Portfolio Companies. Lovell Minnick will provide a list of such Financial Services Portfolio Companies upon request.

Lovell Minnick (on behalf of itself or the Funds) or one of its portfolio companies reserves the right to enter into a business relationship with another portfolio company, including in the ordinary course of business. This presents a potential conflict of interest, as Lovell Minnick has an incentive to recommend the products or services of one portfolio company to another, and does make such recommendations. However, Lovell Minnick does not require any portfolio company to use the products or services of another portfolio company, and Lovell Minnick does not set any contractual terms governing a business arrangement between portfolio companies. When Lovell Minnick engages a portfolio company to provide services on behalf of itself, the Funds or any other portfolio companies, the portfolio companies are chosen based upon Lovell Minnick's belief regarding such portfolio companies' ability to benefit Lovell Minnick and the Funds.

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

The Managers have adopted the Lovell Minnick Partners Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of the Managers'

Principals and employees (“Supervised Persons”) and which addresses conflicts that arise from personal trading, outside business activities, the access to and use of confidential and material non-public information, and the standards of conduct applicable to personal investment activities at Lovell Minnick. The Code requires Supervised Persons to act in accordance with its provisions, report misconduct, and it prohibits conduct which violates a fiduciary duty to clients, Lovell Minnick’s Funds, or applicable Federal Securities Laws. A copy of the Code will be provided to any Limited Partner or prospective Limited Partner upon request to the Managers’ Chief Compliance Officer at (610) 995-9660.

The Code requires Supervised Persons to report their personal securities transactions and prohibits the Managers’ personnel’s direct or indirect acquisition, beneficial ownership or disposition of securities in an initial public offering or in a limited offering, in each case, without first obtaining approval from the Managers’ Chief Compliance Officer. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client-eligible investments. In addition, the Code requires the Managers’ officers and employees to comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information. Lovell Minnick maintains a “Restricted List” to assist in the management of conflicts as it relates to personal account trading that could adversely impact a Fund and prevent the misuse of material non-public and other sensitive or confidential information. The CCO is generally responsible for administering and enforcing the Code of Ethics as part of the firm’s efforts to prevent abuse and misconduct by its personnel responsible for client accounts.

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

Accordingly, should the Managers or any of their affiliated persons come into possession of material, non-public or other confidential information with respect to any public company, the Managers are prohibited from communicating such information to Limited Partners, and the Managers have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Lovell Minnick personnel serving as directors of public companies, conducting research on potential investments for the Funds, or from interactions with certain investors affiliated with public companies. Such relationships may restrict trading on behalf of clients, including the Funds. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold. The Code is designed to mitigate such risks, but there can be no assurance a Fund will not be impacted.

When permitted by applicable law and subject to and in accordance with the terms of the applicable Fund Documents, the General Partner has in the past caused, and may in the future (but is under no obligation to) cause a Fund to acquire or dispose of investments in cross trades between one Fund and other Funds or clients advised by the Manager or an affiliate thereof. Such transactions create

conflicts of interest because, by not exposing such buy and sell transactions to market forces, a Fund may not receive the best price otherwise possible, or the Manager might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund. Additionally, in connection with a cross trade, the General Partner and its affiliates may have a potentially conflicting division of loyalties and responsibilities regarding a Fund and the other parties to trade and have developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to the applicable Fund as a party to any such transaction.

Principals and personnel of the Managers and their affiliates are permitted to directly or indirectly own an interest in Funds. The Managers believe that such interests do not create a conflict of interest and instead operate to align the interests of Principals and employees of the Managers with the Funds. The Funds are permitted to invest together in the manner set forth in the applicable Partnership Agreement. The Managers will determine allocation of investment opportunities in a manner that they believe is fair and equitable to their clients consistent with the applicable Funds' underlying documents. The Managers will seek approval of such decisions by the appropriate Fund Advisory Board where deemed appropriate by Lovell Minnick. See Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss," for a discussion of conflicts of interest.

Item 12 Brokerage Practices

The Managers generally cause the Funds to invest in securities issued by private companies, purchasing and selling such securities through privately negotiated transactions in which the services of a broker-dealer generally are not utilized. However, the Managers reserves the right to also distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although the Managers do not intend regularly to engage in public securities transactions, to the extent they do so, they follow the brokerage practices described below.

If the Managers sell publicly traded securities for Funds, they are responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Managers. In such event, the Managers will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Managers reserve the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

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

Consistent with the Managers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Managers generally do not make use of such services at the current time. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Managers' Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by the Managers, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between the Managers and their affiliates.

The Managers will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, the Managers reserve the right, in their discretion, to cause the Funds to pay such brokers a commission for effecting portfolio transactions in the amount of the commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This may be done where the Managers have determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, the Managers would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

The Managers will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with the Managers' goal to obtain best execution for their clients, the Managers reserves the right to seek to place a portion of the trades that they direct with the brokers who are identified through this process.

Although the Managers generally do not allocate brokerage business on the basis of research services, to the extent they do so, they may have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on their Funds' interest in receiving most favorable execution.

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

If such orders are not batched, it may have the effect of increasing brokerage commissions or other costs.

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

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to Funds over time.

In Lovell Minnick's private company securities transactions on behalf of the Funds, Lovell Minnick reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Lovell Minnick reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. As a result, although Lovell Minnick generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

Item 13 Review of Accounts

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

The Funds generally provide to their Limited Partners (i) audited financial statements annually, (ii) unaudited financial statements for the four quarters of each fiscal year, (iii) annual tax information necessary for each Limited Partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company periodically.

Item 14 Client Referrals and Other Compensation

As discussed in Item 5 ("Fees and Compensation"), the Managers and/or their affiliates may receive certain fees from a Fund's portfolio companies. As described in the applicable Fund's Partnership Agreement, this compensation will, in certain circumstances, offset a portion of the Management Fees paid by the Funds. However, in other circumstances, these fees would be in addition to Management Fees.

Lovell Minnick Partners reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a Limited Partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. However, certain out-of-pocket expenses related to such third party's engagement with Lovell Minnick Partners will be borne by the applicable Fund and, indirectly, its investors without offsetting or otherwise reducing any Management Fees.

Item 15 Custody

Lovell Minnick generally expects that it does and will be deemed to have “custody” (within the meaning of Rule 206(4)-2 of the Advisers Act) of assets held in the name of one or more Funds, and intends to maintain such assets with the following qualified custodians:

- Silicon Valley Bank, a Division of First Citizens Bank (cash)
- Citizens Bank (cash)
- Colorado State Bank and Trust, a Division of BOKF, NA (securities)

Limited Partners will not receive statements from the custodians. Instead, the Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by the Public Company Accounting Oversight Board, and the audited financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

Item 16 Investment Discretion

Each Manager has discretionary authority to make and manage investments on behalf of the applicable Fund. As a general policy, the Managers do not allow clients to place limitations on this authority, provided that the Partnership Agreement of a Fund may impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the applicable Partnership Agreement, however, a Manager may, and often does, enter into side letters or similar arrangements with certain Limited Partners whereby the terms applicable to such Limited Partner’s investment in the Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons or for other agreed upon reasons. The applicable Manager assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the Limited Partners of the Fund.

Item 17 Voting Client Securities

In accordance with SEC requirements, the Managers have adopted Proxy Voting Policies and Procedures (the “**Policy**”) to address how any Manager will vote proxies, as applicable, for the Funds’ portfolio investments. The Policy seeks to ensure that the applicable Manager votes proxies (or similar instruments) in the best interest of the Funds, including when there may be material conflicts of interest in voting proxies. The Managers generally believe their interests are aligned with the Funds’ investors through the Managers’ Principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event, however, there is or may be a conflict of interest between the applicable Manager and the Funds in voting proxies, the Policy outlines several alternative approaches that the Manager may take to address the conflict. The Managers do not consider service on portfolio company boards by Manager personnel or Principals or the Managers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Policy sets forth certain specific proxy voting guidelines the Managers

follow when voting proxies on behalf of the Funds. A copy of the Policy or information regarding how the Managers voted proxies for particular portfolio companies will be provided to clients or prospective clients at no charge upon request to the Managers' Chief Compliance Officer at (610) 995-9660.

Item 18 Financial Information

Lovell Minnick Partners does not require or solicit prepayment of management fees more than six months in advance and does not have any other events requiring disclosure under this item of the Brochure.