

Lightyear Capital LLC

Part 2A of Form ADV: Firm Brochure

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This brochure (the “**Brochure**”) provides information about the qualifications and business practices of Lightyear Capital LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Doug Chiciak, at (212) 328-0509 or Doug.Chiciak@lycap.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“**SEC**”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about Lightyear is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

Since its last annual brochure dated March 29, 2023, this Brochure has been updated throughout to reflect updated disclosures in current Governing Fund Documents (as such term is defined in Item 4 below) related to current business practices, risks, fees and expenses, and others.

Regulatory assets under management as of December 31, 2023, was also updated.

Item 3: Table of Contents

Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	5
Item 6: Performance Based Fees and Side-by-Side Management	14
Item 7: Types of Clients	15
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	16
Item 9: Disciplinary Information.....	82
Item 10: Other Financial Industry Activities and Affiliations	83
Item 11: Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading	84
Item 12: Brokerage Practices	89
Item 13: Review of Accounts.....	90
Item 14: Client Referrals and Other Compensation	91
Item 15: Custody	92
Item 16: Investment Discretion	93
Item 17: Voting Client Securities.....	94
Item 18: Financial Information	95

Item 4: Advisory Business

Lightyear Capital LLC (collectively with any affiliates, as the context requires, “**Lightyear**”), a Delaware limited liability company founded in 2000, is a registered investment adviser located in New York, NY. Lightyear and its subsidiaries, Lightyear Capital II, LLC, Lightyear Capital III, LLC, Lightyear Capital IV, LLC, Lightyear Capital V, LLC, and Lightyear Capital VI, LLC (each, an “**Affiliated Adviser**” or, collectively, the “**Affiliated Advisers**”), provide investment advisory services to several private equity funds (each a “**Fund**” or, collectively, the “**Funds**”). The Funds invest primarily in high-growth, “asset-light” companies at the nexus of financial services and technology, healthcare, and business services.

The Funds are typically structured as limited partnerships and each has a general partner (or similar persons or entities, each, a “**General Partner**” or, collectively, the “**General Partners**”). Each General Partner is an affiliate of Lightyear Capital LLC.

Investment advice is provided directly to the Funds and not individually to the persons and entities that invest in the Funds (each, a “**Limited Partner**” and, collectively, the “**Limited Partners**”; and referred to collectively with the General Partners as “**Partners**”). In providing services to the Funds, Lightyear formulates each Fund’s investment objectives, directs, and manages the investment and reinvestment of each Fund’s assets, and provides reports to the Limited Partners. Lightyear provides investment advisory services to each of the Funds pursuant to separate advisory or management agreements and manages the assets of the Funds in accordance with the limited partnership agreements, investment advisory agreements, private placement memoranda, and other governing documents applicable to each Fund (the “**Governing Fund Documents**”). The investment guidelines of each Fund are described in the applicable Governing Fund Documents.

Limited partnership interests in the Funds are not registered under the Securities Act of 1933, as amended (the “**Securities Act**”), and the Funds are not registered under the Investment Company Act of 1940, as amended. Accordingly, interests in the Funds are privately offered and sold exclusively to Limited Partners satisfying the applicable eligibility and suitability requirements for private transactions within the U.S.

Lightyear Capital LLC is wholly owned by Lightyear Capital Management LP, the general partner of which is Lightyear Capital GP LLC. Both Lightyear Capital Management LP and Lightyear Capital GP LLC are wholly owned by Mark Vassallo and his estate planning vehicle. Mark Vassallo is also the manager of Lightyear Capital GP LLC and the Managing Partner of Lightyear Capital LLC. As of December 31, 2023, Lightyear managed approximately \$5.02 billion in regulatory assets under management on a discretionary basis.

Item 5: Fees and Compensation

General

The Governing Fund Documents of each Fund set forth in detail the fee structure relevant to such Fund.

Lightyear typically receives compensation from fees based on a percentage of assets under management, carried interest distributions, and payment of certain other fees or expenses as disclosed in the Governing Fund Documents. A description of the carried interest distributions is included in Item 6 below. As the fees and expenses incurred by each Fund vary, prospective and current investors should review the fees and expenses listed below, as well as refer to the applicable Governing Fund Documents for a description of all relevant fees and expenses to be paid by a Fund.

Management Fees

As compensation for investment advisory services rendered to certain of the Funds, Lightyear receives a management fee (the “**Management Fee**”) based on committed capital through the investment period and on invested capital thereafter, pursuant to the applicable Governing Fund Documents. Certain of the Funds do not pay a Management Fee to Lightyear. With respect to certain Funds, Lightyear reserves the right to waive or reduce the Management Fee for certain Limited Partners including employees, Lightyear-affiliated feeder funds (or the limited partners of such feeder funds), or affiliates of Lightyear. The Management Fee is typically collected from the Funds quarterly in advance.

For certain legacy Funds, in the event Lightyear does not provide advisory services with respect to a Limited Partner for the full period for which Management Fees have been paid, such Limited Partner will receive a refund in an amount equal to (1) the Management Fee initially allocated to such Limited Partner minus (2) its portion of the Management Fee recalculated as of the date that such advisory services terminated with respect to such Limited Partner.

For certain more recent Funds, the Management Fees that have been paid in advance for a quarter will not be refunded in the event Lightyear ceases to provide advisory services during such quarter. Please see the applicable Fund’s Governing Fund Documents for specific information regarding Management Fees and reimbursements.

Organizational Expenses

Each Fund bears offering and organizational expenses subject, in certain cases, to a maximum amount as set forth in such Fund’s Governing Fund Documents.

Fund Expenses

Each Fund will bear certain costs, expenses and liabilities incurred in connection with the operation and activities of its respective vehicles (including, but not limited to, parallel funds, alternative investment vehicles, and feeder funds). The amount of these expenses will reduce the actual returns received by Limited Partners on their investment in a Fund (and could, in certain circumstances,

reduce the amount of capital available to be deployed by a Fund to make investments). These expenses vary significantly by Fund and Limited Partners and prospective investors should consult each Fund's applicable Governing Fund Documents for a description of all expenses which will be borne by such Fund. While these expenses vary between Funds, they will typically include, without limitation, all fees, costs and expenses that are incurred in connection with, related to, arising from or attributable to (a) the operation and activities of any Fund, any parallel funds, any alternative investment vehicles, any Employee Co-Investment Funds, and any Feeder Funds (b) identifying, sourcing, developing, evaluating, investigating, researching, analyzing, negotiating, structuring, acquiring, holding, monitoring, maintaining, financing, refinancing, pledging, restructuring, and disposing of portfolio companies and all transactions related thereto and (c) the performance by Lightyear, the General Partners, the Affiliated Advisers, the Funds and their respective affiliates (including employees thereof) of their obligations under the relevant Governing Fund Documents and the agreements contemplated therein, as determined by the applicable General Partner, including, without limitation, all fees, costs and expenses that are incurred in connection with, related to, arising from or attributable to: (i) Management Fees; (ii) placement fees; (iii) **"Broken Deal Expenses"** which include all fees, costs and expenses incurred in identifying, sourcing, developing, evaluating, investigating, researching, analyzing, negotiating or structuring any portfolio investment that is not ultimately made including, without limitation, (a) expenses of Service Providers (as defined below), (b) all commitment, financing or reverse termination fees, (c) administrative expenses, (d) travel, travel-related and entertainment expenses (**"T&E Expenses"**) (as further described below), (e) the expenses of attending industry conferences, and (f) to the extent not prohibited by applicable U.S. federal securities laws, all fees, costs and expenses that are not otherwise borne by a co-investor (including, without limitation, all fees, costs and expenses set forth in (a) through (e) above); (iv) any service providers engaged in connection with the activities of the Funds, the General Partners, any related investment funds and any portfolio companies, including, without limitation, any attorneys and legal professionals, accountants, auditors, tax professionals, fund administrators, advisors (including, without limitation, investment bankers engaged in connection with the purchase or disposition of any investment), expert network providers, Consultants (as defined in Item 8) (including, without limitation, members of any third-party advisory committees of the Funds and Operating Partners (as defined below) engaged to provide services in respect of the Funds or one or more portfolio companies), research, data and software providers, valuation and appraisal experts, public relations consultants, local intermediaries, depositories, trustees, paying agents, custodians and safe-keeping services, and any other service providers (collectively, the **"Service Providers"**) (including, without limitation, expenses incurred in sourcing, recruiting, retaining, and compensating such Service Providers) whose fees may include retainer, hourly, periodic, finder's, success-based and/or performance-based fees; (v) T&E Expenses, which include travel, travel-related, and entertainment expenses, including, without limitation, air transportation (including first class, business class, comfort plus or similar airfare and the cost of in-flight wifi), ground transportation (including cars used outside normal business hours and cars used during business travel and reimbursement of mileage), lodging (including premium lodging), meals (including meals outside normal business hours, meals during business travel, premium meals, and, as applicable, closing dinners and mementos), entertainment (including social and entertainment events) and other similar fees, costs, and expenses (including, without limitation, travel-related business services); in each case above with respect to, without limitation, employees, portfolio company employees, potential management teams, consultants (including members of any third party advisory committee of the Funds and Operating Partners) , Service Providers, candidates for employment at a portfolio company, and all

or a certain subset of current or prospective Limited Partners; (vi) the expenses of attending industry conferences; (vii) research, data and software providers (including, without limitation, all fees, costs and expenses associated with data, data feeds, subscriptions, reports, analytics, modeling, structuring, pricing, execution, third-party information management systems, artificial intelligence and large language model programs, software, technology, databases and similar items provided by such providers); (viii) taxes (including interest, penalties, and other fees, costs, and expenses incurred in connection with tax (including any fees, costs, and expenses incurred in connection with any tax proceeding)) and other governmental charges incurred or payable by the Funds but excluding any amounts that have been treated as distributed under the applicable Governing Fund Documents; (ix) the preparation of the Funds' financial statements, tax returns and Schedule K-1s (or additional or similar tax-related schedules) and any other tax reports or tax-related compliance activities (including the fees, costs, and expenses incurred in connection with the purchase, implementation, maintenance, and upgrade of computer software and hardware for use in preparing and distributing the Fund's financial statements, reports, tax returns, and Schedules K-1 (or additional or similar tax-related schedules) and any other tax reports, as well as fees, costs, and expenses incurred in connection with providing online or electronic access to information and reporting (including any upgrades or customizations incurred in connection therewith)) and the representation of the Funds or the Partners by the partnership representative; (x) calling capital from and making distributions to the Partners, costs and expenses associated with the default of any Partners, the administration of assets, financial planning and treasury activities; (xi) indebtedness or hedging activities of the Funds, including, with respect to indebtedness, the principal amount of, interest on, guaranteed amounts under, and any penalties and other fees, costs, and expenses related thereto; (xii) brokerage commissions, clearing and settlement charges, bank charges, sales commissions and other investment, execution, closing and administrative expenses; (xiii) insurance premiums and related expenses and deductibles, including, without limitation, directors and officers liability insurance, cybersecurity insurance, and any other insurance for coverage of liabilities incurred in connection with the activities of, or on behalf of, the Funds, including an allocable portion of the premiums and fees for one or more "umbrella" policies that cover the Funds, related investment funds, Other Sponsored Funds (as defined in Item 8), Lightyear and their respective affiliates; (xiv) compliance with (including, but not limited to, filings, and registrations related thereto) applicable laws, rules, and regulations related to, or on behalf of, portfolio companies, the Fund, and/or its Limited Partners, including anti-money laundering, environmental, social, and governance ("ESG"), cybersecurity and privacy (including all data protection laws), and the implementation and monitoring of policies, procedures and controls (including training related thereto) to provide for compliance with such laws, rules, and/or regulations (including, without limitation, all fees, costs and expenses of applicable Service Providers and any related trade association memberships) and carbon offset expenses, including, without limitation, those of Lightyear); (xv) compliance with ESG standards or policies applicable to the Fund, the General Partner or Lightyear or to which they subscribe to now or in the future (including, without limitation, the United Nations Principles for Responsible Investment and the Institutional Limited Partners Association Diversity in Action initiative), including investigation, training, monitoring, tracking, engagement, reporting, filings, and preparation of any documentation with respect thereto; (xvi) third-party advisory committees of the Funds, including, without limitation, all fees, costs and expenses incurred in the sourcing, recruiting, retaining, and compensating of any committee member of such third-party advisory committees and the expenses of any such meetings of such committees including any T&E Expenses; (xvii) each Fund's limited partner advisory committee (each, an "**LP Advisory Committee**") and its members and observers (including, without limitation, T&E Expenses

in connection with any meetings thereof) to the extent not otherwise paid or reimbursed by Limited Partners; (xviii) sourcing, recruiting, retaining, and compensating professionals and other personnel to be employed by or who will provide services to current or prospective portfolio companies; (xix) licensing, implementing, maintaining, or otherwise utilizing any online reporting websites or portals, data rooms, secure-file transfer services, customer relationship management software or any other software or information technology services utilized in connection with the Funds' operations; (xx) ongoing investor relations activities pertaining to Limited Partners, including, without limitation, (A) the planning and holding of meetings for all attendees of any annual meetings or other special meetings of the Limited Partners (including, without limitation, speaker fees, travel and lodging for speakers, Service Providers, and portfolio company presenters, venue and related service expenses, the preparation and presentation of any media prepared in connection with such meetings, and the costs of meals provided in connection therewith or any related events) and (B) responding to any requirements or requests of one or more Limited Partners and the attending, planning and holding of any one-on-one meetings between any employees (or other representatives) of Lightyear and a Limited Partner or group of Limited Partners (including, without limitation, any related T&E Expenses and the fees, costs and expenses of applicable Service Providers in connection therewith) in each case to the extent not otherwise paid or reimbursed by such Limited Partners; (xxi) registration, qualification, exemption under, and/or legal and, to the extent not prohibited by applicable U.S. federal securities laws, regulatory compliance with any applicable U.S. federal, state, local, non-U.S. or other law, rule, or regulation (relating to the activities or business of a General Partner, a Fund, or one of more portfolio companies (including, without limitation, the Foreign Account Tax Compliance Act, the Hart-Scott-Rodino Antitrust Improvements Act and other antitrust laws, rules, and regulations, the Directive 2011/61/EU of the European Parliament and of the Council dated June 8, 2011 on Alternative Investment Fund Managers, as implemented in any relevant jurisdiction, together with Commission Delegated Regulation (EU) No 231/2013, as well as any similar or supplementary law, rule or regulation, in each case as amended from time to time, including as implemented in the UK pursuant to applicable legislation including the UK Alternative Investment Fund Managers Regulations 2013/1773, and retained and amended from time to time ("AIFMD"), the Swiss Collective Investment Schemes Act ("CISA"), as amended, and its implementing ordinances, the Swiss Financial Services Act ("FINSA"), the Sustainable Finance Disclosure Regulation (EU) 2019/2088, the Taxonomy Regulation ("SFDR") or any similar law, rule or regulation, and other similar marketing-related regulations in other jurisdictions, and the Private Fund Adviser Rules) including, without limitation, expenses relating to the preparation and submission of filings with the SEC (including, without limitation, Form PF, Form ID, Form D, Form 13F, Form 13H, Section 16 filings, Schedule 13D filings, and Schedule 13G filings), the U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service (the "IRS") and other national, state, provincial or local regulatory authorities in any country or territory; (xxii) the negotiation and drafting of any amendments, restatements or other modifications to, and compliance with each Fund's Governing Fund Documents, side letters or similar agreements with Limited Partners, or any other constituent or related documents of the Funds and the relevant General Partners, including the solicitation of any consent, waiver or similar acknowledgment from the Limited Partners and/or the relevant LP Advisory Committee or preparation of other materials in connection with compliance (or monitoring compliance) with such documents; (xxiii) the transfer (including the preparation of any form transfer agreement or any proposed transfer that is not ultimately consummated) of any interest in the Funds by a Limited Partner to the extent not otherwise reimbursed; (xxiv) the termination, winding up, liquidation and dissolution of the Funds; (xxv) any

actual or potential claims or proceedings or indemnification related to the Funds, any “covered persons” under the applicable Governing Fund Documents or any current or prospective portfolio companies (including, without limitation, expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of the Funds or the Partners and the amounts of any judgments or settlements paid in connection with such actual or potential claims or proceedings or indemnification); and (xxvi) any other extraordinary expenses related to the Funds or current or prospective portfolio companies (including, without limitation, all fees, costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles (“U.S. GAAP”)), excluding, for the avoidance of doubt, any expenses with respect to which a “covered person” under the relevant Governing Fund Documents would not be entitled to indemnification or advancement. Expenses include recurring and regular items, as well as extraordinary expenses for which it may be hard to budget or forecast. As a result, the amount of expenses ultimately drawn down or drawn down at any one time could exceed expectations.

To the extent required by applicable U.S. federal securities laws, the fees, costs, and expenses of any investigation that results in a court or governmental authority imposing a sanction for a violation of the Advisers Act or the rules promulgated thereunder will be borne by Lightyear.

Allocation of Expenses

From time to time, Lightyear will be required to decide whether fees, costs, and expenses are to be apportioned among Lightyear and its affiliates, the Funds (together with any parallel funds and any dedicated employee co-investment funds (each, an “**Employee Co-Investment Fund**”, or, collectively, the “**Employee Co-Investment Funds**”)), and any other third-party that Lightyear determines to be relevant. In some instances, an expense may be initially borne entirely by one Fund with allocation of such expense to the relevant party or parties subsequently or at the end of the Fund’s life. Lightyear will make such determinations in accordance with Lightyear’s Expense Allocation and Reimbursement Policy and the applicable Governing Fund Documents. However, expense allocation determinations are subjective and require judgment on the part of Lightyear and are made in a manner determined by Lightyear in its discretion. Lightyear can make corrective allocations after the fact should it determine that such corrections are necessary or advisable, which corrective allocations will generally not be disclosed. There can be no assurance that allocation errors will not arise, that Lightyear will be aware that corrective measures are necessary or that such corrective measures will be possible in all circumstances. If at the time any allocation error is identified and a Fund has already paid or borne such fees, costs, or expenses, any reimbursements of incorrectly applied fees, costs, or expenses will necessarily be applied at a later date and therefore such Fund could bear incorrect allocations for an unspecified period of time. Reimbursement to a Fund of any misallocated expenses will generally not include any interest on the principal amount of any misallocations.

The terms of any co-investment vehicle controlled by a General Partner or an affiliate thereof (each, a “**Co-Investment Vehicle**”, or, collectively, the “**Co-Investment Vehicles**”) formed to facilitate co-investment with a Fund differ from those of the Funds, and any terms of any Co-Investment Vehicles formed in the future to facilitate co-investment with a Fund may differ (as further described in “Co-Investments” in Item 11), including that such Co-Investment Vehicles may or may not pay management fees or other fees, carried interest or expenses (including, without limitation, Broken Deal Expenses and all fees, costs and expenses of Service Providers), in each case prior to or in

connection with the acquisition, holding or disposition of any investment, including in connection with any follow-on investment.

Lightyear, the General Partners, and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies or other third parties) to bear their share of certain fees, costs, or expenses; therefore, even if such parties benefit from the incurrence of such fees, costs, or expenses, to the extent not prohibited by applicable U.S. federal securities laws, the applicable Fund and any parallel fund and Employee Co-Investment Fund will bear all or a portion of such fees, costs, and expenses that benefited other third parties including, without limitation, any Co-Investment Vehicle, any Other Sponsored Fund, any co-investors, or any portfolio company, as the case may be.

The Funds will bear all expenses described above and will pay the Management Fee and any fees payable by the Funds to third parties. The expenses and fees will be paid regardless of whether a Fund produces positive investment returns. If a Fund does not produce positive investment returns, expenses and fees will reduce the amount of the investment recovered by the Partners to an amount less than the amount invested in such Fund by the Partners.

Also see Item 11 for further details on the allocation of expenses to co-investors.

Broken-Deal Expenses

The Funds' investments will require extensive due diligence activities prior to acquisition, and the related expenses will be substantial. In the event that a potential investment is not consummated, it could result in a Fund incurring substantial Broken Deal Expenses. Broken Deal Expenses will include all fees, costs, and expenses incurred in identifying, sourcing, developing, evaluating, investigating, researching, analyzing, negotiating, or structuring any portfolio investment that is not ultimately made, including, without limitation, (a) expenses of Service Providers, (b) all commitment, financing, or reverse termination fees, (c) administrative expenses, (d) T&E Expenses, (e) the expenses of attending industry conferences, and (f) to the extent not prohibited by applicable U.S. federal securities laws, all fees, costs, and expenses that are not otherwise borne by a co-investor (including, without limitation, all fees, costs, and expenses set forth in (a) through (e) above). The relevant General Partner will structure any co-investment opportunity so that any potential co-investors (other than any parallel fund or Employee Co-Investment Fund) do not bear any expenses in connection with unconsummated investments. As a result, all such Broken Deal Expenses will be borne entirely by the applicable Fund (which, for clarification, includes any parallel fund and any Employee Co-Investment Fund), not by the General Partner, Lightyear, or any of their respective affiliates, in each case, to the fullest extent permitted by applicable U.S. federal securities laws.

For the avoidance of doubt, Lightyear also advises one or more Committed Co-Investment Vehicles (as defined and further described in Item 11), which will not be allocated any Broken Deal Expenses, and, as a result, all such Broken Deal Expenses will be borne entirely by the Funds (including any related parallel funds and Employee Co-Investment Funds) alongside which any Committed Co-Investment Vehicles may invest, in each case, to the extent not prohibited by applicable U.S. federal securities laws.

Fee Income

Pursuant to the applicable Governing Fund Documents, Lightyear, the relevant General Partner, or any of their respective affiliates or employees thereof will receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or in connection with un consummated transactions (e.g., directors' fees, break-up and topping fees, fees in relation to guarantees, advisory fees, monitoring fees, commitment fees, financing fees, acquisition fees, divestment fees, transaction fees and other similar fees (whether in cash or in kind)). The potential to receive such fees creates an incentive for Lightyear to engage in transactions when it might not otherwise be in the best interest of the Funds to do so. Monitoring fees earned by Lightyear in connection with a Fund's investment in a portfolio company may be payable as a fixed dollar amount, may be determined based on the performance of such portfolio company, or may be calculated as a percentage of EBITDA (or other similar metric). Furthermore, the terms of a monitoring agreement will in certain instances provide for the ability to defer, including in Lightyear's discretion, the payment of fees due to Lightyear.

Limited Partners will receive the benefit of certain of such fees only as set forth in the applicable Governing Fund Documents.

For the avoidance of doubt, such fee income (i) will include only a Fund's pro rata portion of the fees described above, (ii) will not include any fees received directly or indirectly from a portfolio company, proposed portfolio company, or any other person in respect of any investor or potential investor other than the Fund in such portfolio company, or proposed portfolio company or the capital provided or committed by any investor or proposed investor other than the Fund (including, without limitation, any Other Sponsored Fund or co-investor), and (iii) in certain cases will not include the amount of any such fees that are attributable to a General Partner's interest in a Fund. Any such fees described in the preceding sentence received by a General Partner, Lightyear, or any of their respective affiliates or employees thereof may be retained by Lightyear, a General Partner, or any of their respective affiliates or employees thereof without applying such amounts to reduce management fees.

Placement Agent Fees

A Fund may engage one or more third-party placement agents in respect of the offering of interests in such Fund to certain prospective investors. Any such placement agents act for the applicable Fund and Lightyear, and not as an investment adviser to potential investors in connection with the offering of interests in a Fund. Potential investors must independently evaluate the offering and make their own investment decisions. In making those decisions, potential investors should be aware that each placement agent will be paid a placement fee, which in some cases, will be based upon the amount of capital commitments (the "**Capital Commitments**") to a Fund by Limited Partners, as further described in the applicable Governing Fund Documents. Potential investors should also note that at various times a Fund's placement agent or agents may act as placement agent for other fund sponsors and funds, including fund sponsors and funds that are not affiliated with Lightyear. Such unaffiliated fund sponsors may pay placement fees on terms different from the fees such placement agents receive in respect of a Fund, and such differences in fees may influence a placement agent's decision to introduce potential investors to a Fund. Furthermore, such placement agents (or their affiliates) may seek to do business with and earn fees or commissions from portfolio companies of a Fund and

affiliates of Lightyear, for example in connection with financing or investment banking services, or lending or arranging credit. Accordingly, potential investors should recognize that each such placement agent's (or their affiliates') participation as a placement agent for interests in a Fund would be influenced by its interest in such current or future fees and commissions. Potential investors should also be aware that affiliates or employees of a placement agent could invest in a Fund on their own behalf and/or on behalf of their clients. See Item 14 for additional information regarding placement agents.

Service Providers

Subject to certain restrictions set forth in the Governing Fund Documents, certain Service Providers engaged in connection with the activities of a Fund, a General Partner, Lightyear, and any portfolio company will also provide goods or services to, or have business, personal, political, financial or other relationships with Lightyear and its affiliates and their portfolio companies. Such advisors and Service Providers may be family members or personal friends of Lightyear's employees, Limited Partners or affiliates thereof, affiliates of Lightyear, portfolio companies, sources of investment opportunities or co-investors or counterparties therewith. These relationships will likely influence Lightyear in deciding whether to select or recommend such a Service Provider to perform services for a Fund or a portfolio company (the cost of which will generally be borne directly or indirectly by such Fund or such portfolio company, as applicable). For example, Lightyear or a General Partner will be incentivized to engage a Limited Partner or an affiliate thereof as a Service Provider to establish or reinforce certain relationships or to induce investments in Lightyear-sponsored funds generally.

In certain circumstances, Service Providers, or their affiliates, charge different rates or have different arrangements for services provided to Lightyear or its respective affiliates (or provided to a Fund, but payable by Lightyear or its affiliates) as compared to services provided to, and payable by, the Funds or their portfolio companies, which will result in more favorable rates or arrangements than those payable by the Funds or such portfolio companies. In addition, certain Service Providers may temporarily provide their personnel to Lightyear, its affiliates or their portfolio companies pursuant to various arrangements including at cost, at a discount or at no cost. While the Funds and their portfolio companies may be the beneficiaries of these types of arrangements, Lightyear may from time to time be a beneficiary of these arrangements as well, including in circumstances where the Service Provider also provides services to Lightyear in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Lightyear, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in the applicable General Partner's discretion, taking into consideration the usage of such personnel.

Intangible and Other Benefits

In addition, Lightyear, its employees and its Service Providers can be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Funds which will not be subject to any Management Fee offset or otherwise shared with the Funds, Limited Partners and/or portfolio companies. Such benefits will include, among other things, participation at meals or events, or "miles" or "points," or other benefits of loyalty / status programs, airline travel or hotel stays where the costs related thereto were incurred as an expense of a Fund or

as portfolio company or third-party expenses. All such benefits and/or amounts, whether or not de minimis or difficult to value, will accrue exclusively to Lightyear including its employees (and not the Funds, the Limited Partners and/or the portfolio companies) even though the cost of the underlying service is borne by the Funds, Limited Partners and/or portfolio companies.

Item 6: Performance Based Fees and Side-by-Side Management

The General Partners of certain of the Funds receive performance-based compensation in the form of carried interest from their related Funds. A detailed description of the carried interest calculation methodology applicable to a Fund can be found in the relevant Fund's Governing Fund Documents. Generally, carried interest is calculated based on a percentage of the profits generated from each Fund investment and is subject to the satisfaction of a preferred rate of return, the recoupment of allocated losses, fees, and expenses and other criteria set forth in the relevant Governing Fund Documents. Certain of the Funds do not pay carried interest to their respective General Partners. Different effective rates of carried interest among Funds may create differing incentives for Lightyear, including in allocating investment opportunities among such Funds.

Item 7: Types of Clients

Lightyear provides investment advisory services to the Funds. Limited Partners will be required to meet certain eligibility and suitability qualifications and make certain representations prior to investing in a Fund. Details concerning applicable Limited Partner suitability criteria and minimum investment commitments are set forth in the respective Governing Fund Documents. Lightyear maintains the discretion to accept less than the minimum investment commitment.

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

The Funds generally make investments in companies at the nexus of financial services and technology, healthcare, and business services, where Lightyear believes there is significant investment opportunity. Lightyear intends to leverage its domain expertise developed over nearly two decades of investing and its proactive thematic sourcing process to make attractive investments in opportunity-rich markets fueled by a combination of innovation, advances in technology, demographic trends, regulatory changes, and evolving business and consumer needs and behavior.

Lightyear believes this nexus represents some of the largest and fastest growing segments of the economy and presents an array of attractive investment opportunities fueled by a combination of innovation, advances in technology, demographic and regulatory changes, and evolving business needs and consumer behavior. Lightyear strives to identify long-term trends that may be fueled by a combination of innovation, advances in technology, demographic and regulatory changes, and evolving business needs and consumer behavior to develop investment themes within growing subsectors that stand to benefit from these trends. Lightyear studies these subsectors, often over several years, to understand addressable markets, subsector dynamics, and critical success factors. The Firm's investment professionals work to identify companies that could present attractive investment opportunities and to build a network of subsector experts who may be helpful in the investment process. Lightyear's investment professionals present this top-down analysis and research on themes to the Investment Committee. This regular analysis reinforces each investment professional's efforts in direct sourcing, staying up to date on trends and deal activity in the Firm's target sectors, assisting investment teams in targeting potential portfolio companies, and performing market mapping and sector research. Investment professionals source potential investments and portfolio company M&A opportunities across multiple channels, including through direct communication with target companies, intermediary relationships, conference participation, and relationships with strategic partners.

Prospective investors should be aware that there will be occasions when the General Partners, Lightyear, and one or more of their respective affiliates will encounter potential or actual conflicts of interest in connection with the Funds' activities. The following information enumerates certain potential or actual conflicts of interest that should be carefully evaluated before making an investment in the Funds. The following discussion, however, does not purport to enumerate all potential or actual conflicts of interest that will arise in connection with an investment in the Funds. By acquiring an Interest in a Fund, each Limited Partner will be deemed to have acknowledged the existence of any such potential or actual conflicts of interest (as further detailed in the applicable Governing Fund Documents) and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Suitability of Investments

An investment in a Fund is not suitable for all investors. An investment is suitable only for sophisticated investors and an investor must have the financial ability to understand and the willingness to accept the extent of its exposure to the risks and lack of liquidity inherent in an investment in a Fund. Prospective investors in a Fund should consult with their own advisors and perform their own legal, tax, accounting, and financial evaluation of the merits and risks of an investment in a Fund in light of their own circumstances and financial condition.

Nature of Investment

An investment in a Fund requires a long-term commitment, with no certainty of return of capital. There is likely to be little to no near-term cash flow available to the Partners. Many of the Funds' investments will be highly illiquid and it is expected that the Partners will achieve liquidity on their investments only if they receive interim distributions and upon termination of a Fund. Moreover, there can be no assurance that the Funds will be able to realize such investments in a timely manner. Dispositions of such investments are expected to require a lengthy time period or could result in distributions in kind to the Partners.

The securities in which the Funds will invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Since each Fund will only make a limited number of portfolio investments, and since each Fund's portfolio investments generally will involve a high degree of risk, poor performance by any of the portfolio investments could severely affect the total returns to the Partners.

In addition, in circumstances where a General Partner intends to refinance all or a portion of the capital invested in a portfolio investment, there will be a risk that such refinancing will not be completed, which could lead to increased risk as a result of a Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

Past Performance; No Assurance of Investment Return

There is no assurance that any Fund will be able to successfully identify, make and realize any particular investment or generate returns for its Partners (or that such returns will be commensurate with the risks associated with an investment in a given Fund). An investment in a Fund should only be considered by persons who can afford a loss of their entire investment. Past performance of any Fund and other investment entities associated with Lightyear is not necessarily indicative of future results. There can be no assurance that projected or targeted returns for any Fund will be achieved.

Portfolio Concentration

Although generally no more than 20% of the total Capital Commitments will be invested at any time in a single portfolio company (excluding any Bridge Investments (as defined below)), diversification is not a requirement of the Funds. Accordingly, each Fund's portfolio investments could include a small number of large positions. While this portfolio concentration can enhance total returns to the Limited Partners, if any large position has a material loss, then returns to the Limited Partners will be lower than if they had invested in a more diversified portfolio.

Vintage Year Concentration Risks

Due to their long-term nature, private funds are exposed to market cycles that can result in final returns that vary substantially over vintage years. Additionally, fundraising by general partners, and volume of investment activity frequently follow countercyclical patterns, which could impede proper diversification over time. There can be no assurance that a Fund's investments will be adequately

diversified. As a result, the investment portfolio of a Fund given its vintage year may be overly concentrated compared to a fund in another vintage year, which could adversely affect performance.

Risks Relating to Due Diligence of, and Conduct of, Portfolio Companies

Before making investments, Lightyear will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence entails evaluation of complex business, financial, tax, accounting, actuarial, technology, environmental, legal, insurance, and other issues. External legal advisors, accountants, consultants, investment banks, and other third parties (together, the “**Third Parties**”) are involved in the due diligence process to varying degrees depending on the type of investment. If Lightyear is unable to timely engage such Third Parties, the ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Lightyear will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, such Third Parties’ investigations. The due diligence that Lightyear carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that could be necessary or helpful in evaluating such investment opportunity. No assurance can be given as to the accuracy or completeness of the information provided by such Third Parties, and a Fund could incur liability as a result of such Third Parties’ actions. In addition, at times, a Fund’s transaction opportunities will require rapid execution, and investment analyses and decisions by Lightyear could frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Lightyear at the time of making an investment decision could be limited, and Lightyear may not have access to detailed information regarding the investment. In addition, the recent outbreak of COVID-19 has forced Lightyear to remotely conduct due diligence of prospective portfolio companies and virtually monitor existing portfolio companies, which could limit Lightyear’s ability to adequately assess and oversee such portfolio companies. Such impact could materially and adversely affect the value and performance of the Funds’ investments in portfolio companies, the Funds’ ability to source, diligence, manage, and divest its investments in portfolio companies, and the Funds’ ability to achieve their investment objectives. Therefore, no assurance can be given that Lightyear will have knowledge of all circumstances that could adversely affect an investment. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that Lightyear, any of its affiliates, or the Funds will be able to detect or prevent irregular accounting, employee misconduct, or other fraudulent practices (including, without limitation, violations of applicable anti-bribery laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act) during the due diligence phase or during its efforts to monitor an investment on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund could suffer a partial or total loss of capital invested in that portfolio company. Under certain circumstances, payments or distributions to the Funds could be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Investments in Financial Services Businesses

The Funds typically focus on investments in companies at the nexus of financial services and technology, healthcare, and business services. Concentration in a single industry involves risks greater than those generally associated with diversified acquisition funds, including potential fluctuations in returns. Instability, fluctuation or an overall decline within the financial services

industry will likely not be balanced by investments in other industries not so affected. In the event that the financial services industry as a whole declines, potential returns to Limited Partners could be adversely affected.

More specifically, certain financial services businesses have asset and liability structures that are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities (including the Dodd-Frank Act (as defined below)), monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services businesses and could impact the value of financial instruments held by financial services businesses. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable, could vary from country to country and could impact economic activity in various regions. There can be no assurance that a particular financial services business will not experience significant declines with respect to its net interest income in a changing interest rate environment.

The profitability of the financial services industry could be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services businesses. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment and the availability and cost of credit is likely to significantly affect the activity levels of customers with respect to size, number and timing of transactions. A market downturn would likely lead to a decline in the volume of transactions that financial services businesses execute for their customers and thus lead to a decline in revenues from fees, commissions and spreads. See “General Economic and Market Conditions” below.

Competitiveness of the Financial Services Industry

The financial services industry is extremely competitive, and it is expected that competitive conditions in the industry will continue to intensify. The financial services industry has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions, resulting in larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. In addition, technological advances and the growth of e-commerce have made it possible for other businesses, including businesses in which the Funds could invest, to offer competing products and services that have been traditionally offered by financial services businesses. It is expected that cross-industry competition will continue to intensify. As a result, the competitive position of the financial services businesses in which the Funds invest could be weakened, which could adversely affect the Funds.

Investments in Businesses Providing Consumer Lending

The Funds could make investments in financial services businesses that provide origination, lending and/or servicing loans, and such portfolio companies could therefore be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state

lender licensing requirements and other regulatory requirements in the conduct of their business. Such portfolio companies could also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau.

State and federal regulators and other governmental entities have the authority to bring administrative enforcement actions or litigation to enforce compliance with applicable lending or consumer protection laws, with remedies that can include fines and monetary penalties, restitution of borrowers, injunctions to conform to law, or limitation or revocation of licenses and other remedies and penalties. In addition, lenders and servicers could be subject to litigation brought by or on behalf of borrowers for violations of laws or unfair or deceptive practices. Failure of a portfolio company to conform to applicable regulatory and legal requirements could be costly and could have a detrimental impact on the Funds.

Investing in Highly Regulated Portfolio Companies

A Fund could invest in portfolio companies that are subject to extensive regulation by various regulatory and self-regulatory authorities in the United States.

Providing investment advice to clients is regulated on both the federal and state level in the United States. Portfolio companies and their subsidiaries could be investment advisers registered with the SEC under the Advisers Act. Any portfolio company or any of their subsidiaries that is a federally registered investment adviser is regulated and subject to examination by the SEC. The Advisers Act imposes numerous obligations on investment advisers registered with the SEC, including fiduciary duties, disclosure obligations, recordkeeping and reporting requirements, marketing restrictions, and general anti-fraud prohibitions. The failure to comply with the Advisers Act could cause the SEC to institute proceedings and impose sanctions for violations, including censure or terminating their SEC registrations and could also result in litigation or reputational harm. In addition, many state securities commissions impose filing requirements on investment advisers that operate or have places of business in their states. Similarly, many states require certain client facing employees of investment advisers and Financial Industry Regulatory Authority, Inc. (“FINRA”)-registered broker-dealers to become state licensed.

Portfolio companies and their subsidiaries could also be an SEC-registered broker dealer. Broker dealers and their personnel are regulated, to a large extent, by the SEC and self-regulatory organizations, principally FINRA. In addition, state blue sky commissions have supervisory authority over broker-dealer activities conducted in their states. Broker dealers are subject to regulations which cover all aspects of the securities business, including sales practices, trading practices among broker dealers, use and safekeeping of clients’ funds and securities, capital structure, recordkeeping, and the conduct of directors, officers, employees, and representatives. Continued efforts by market regulators to increase transparency by requiring the disclosure of conflicts of interest have affected, and could continue to impact, a portfolio company’s disclosures and its business.

A Fund could make investments in portfolio companies with licensed insurance affiliates. State insurance laws grant supervisory agencies, including state insurance departments, broad administrative authority. State insurance regulators and the National Association of Insurance Commissioners continually review existing laws and regulations, some of which affect certain partner

firms who engage in the sale of insurance products through affiliated or unaffiliated entities. These supervisory agencies regulate many aspects of the insurance business, including the licensing of insurance brokers and agents and other insurance intermediaries, and trade practices, such as marketing, advertising, and compensation arrangements entered into by insurance brokers and agents.

Investing in the Healthcare Industry

The U.S. healthcare industry is subject to an evolving regulatory regime at the federal, state, and local levels. In recent years, there have been multiple reform efforts made within the healthcare industry focused on delivering better quality of care and curtailing healthcare costs. For example, the Patient Protection and Affordable Care Act of 2010 (the “**PPACA**”) and related regulatory reforms have materially changed the healthcare industry and, in particular, the regulation of health insurance in the United States.

Investing in securities of healthcare companies involves substantial risks, including, but not limited to, the following: (i) the possibility of lawsuits related to patents or products, changes in government policies, and changes in investor sentiments and preferences with regard to healthcare sector investments; (ii) a portfolio company and its products and services are likely to be subject to extensive regulation, compliance with which is costly and time-consuming, and such regulation may cause unanticipated delays and other risks and uncertainties; (iii) a portfolio company’s products and services could face competition sooner than anticipated due to changing legislation; and (iv) healthcare reform measures could result in reductions in Medicare, Medicaid, and other sources of healthcare funding as well as more rigorous insurance or other coverage criteria, new payment or reimbursement methodologies, and additional downward pressure on the price that a portfolio company may receive for any product or service. Any such developments could materially and adversely affect a portfolio company’s business, operating results, financial condition, and prospects.

Further, the Funds could seek investments in the digital healthcare sector. The digital healthcare sector is characterized by rapid technological change, new product and service introductions, evolving industry standards, changing customer needs, and intense competition. In addition, there may be a limited-time opportunity for a portfolio company to achieve and maintain a significant share within this market, due in part to the rapidly evolving industry and the substantial resources available to such portfolio company’s existing and potential competitors. It is uncertain whether a portfolio company’s marketplace will achieve and sustain high levels of demand and market adoption over time.

Investments in Software-Based Solutions

The Funds will seek to make investments in portfolio companies that offer software-based solutions and services in which the markets for similar products and services are highly competitive from new and existing competitors. Principal competitors of a Fund’s prospective investments could include other providers of software solutions. Such competitors could have longer operating histories, greater brand recognition, and greater financial, marketing, and other resources than a Fund’s portfolio companies. The markets in which the Funds’ portfolio companies will compete will likely continue to attract new well-funded competitors and new technologies, including large technology and other companies not historically in the software-based solutions and services business, start-ups, and international providers of software-based solutions and services. There can be no assurance that the Funds’ portfolio companies will be able to compete successfully against current or future competitors

or that competitive pressures faced by any such portfolio company in the markets in which it operates will not materially and adversely affect its business, results of operations, and financial condition.

Investments in Alternative Practice Structures of Accounting Firms

A Fund could structure an investment in a business using alternative practice structures, pursuant to which such portfolio company that such Fund owns could provide a range of services (a “**Services Company**”) to a public accounting firm owned by certified public accountants (a “**CPA Firm**”) in exchange for a fee. Although alternative practice structures are allowed under accounting laws and regulations and professional standards, there can be no assurance that regulators and/or standard-setters will not impose new or revised rules applicable to parties operating in an alternative practice. Any such new or revised rules could impact the business model and/or revenue of any such portfolio companies in which a Fund makes an investment. Furthermore, there can be no guarantee that the arrangement contemplated under this transaction would not be challenged under the existing accounting laws, regulations, and professional standards.

State accountancy laws and regulations preclude Services Companies described in the foregoing paragraph from rendering attest services. Professional independence rules limit (i) the services that the Services Company can provide to clients of a CPA Firm and (ii) the services such CPA Firm can provide to, among other companies, certain parties related to the Services Company. The Services Company and the CPA Firm would need to implement policies and procedures designed to maintain independence and freedom from conflicts of interest in accordance with applicable standards. There can be no assurance that following the policies and procedures implemented by the Services Company and CPA Firm will adequately satisfy the auditor independence rules nor can there be any assurance that regulators will not impose additional restrictions on the profession. In each case, the Services Company in which a Fund could invest could experience a decline in fee revenue as well as expenses related to addressing independence concerns.

Investment in Restructurings

The Funds could make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. There is no assurance that any such portfolio company will overcome or alleviate such financial difficulties. Such investments could, in certain circumstances, subject a Fund to additional potential liabilities, which could exceed the value of a Fund’s original investment therein. Such portfolio investments of the Funds could also be subject to U.S. federal bankruptcy laws and U.S. state fraudulent transfer laws, which vary from state to state, if the securities relating to such portfolio investments were issued with the intent of hindering, delaying, or defrauding creditors or, in certain circumstances, if the issuer receives less than reasonably equivalent value or fair consideration in return for issuing such securities. If such portfolio investments constitute debt and such debt is used for a buyout of shareholders, this risk is greater than if the debt proceeds are used for day-to-day operations or organic growth. Under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor could have its claims subordinated or disallowed, or could be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by that Fund to the Limited Partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings involving non-U.S. portfolio companies could be subject to various laws

enacted in the countries of their issuance for the protection of creditors. These considerations will differ depending on the country in which each portfolio company is located or domiciled. While the Funds will attempt to avoid taking the types of action that would lead to such liability, there can be no assurance that such claims will not be asserted or that the Funds will be able to successfully defend against them.

Investments in Publicly Traded Companies

The Funds' investment portfolios could contain securities or instruments issued by publicly held companies. Such investments will subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities or instruments at certain times, increased likelihood of shareholder litigation against such companies' board members and increased costs associated with each of the aforementioned risks.

Moreover, the Funds may not have the same access to information in connection with investments in public securities, either when investing initially or after making an investment, as compared to privately negotiated investments. In certain circumstances, a Fund could also be limited in its ability to make additional investments in or sell existing investments in public securities as a result of the General Partners, Affiliated Advisers, Lightyear or any affiliate or employee thereof being deemed to have material, non-public information regarding the issuers of those securities or as a result of other internal policies.

Investments in Debt Securities

A portion of each Fund's investments could be in debt and debt-related investments. One of the fundamental risks associated with such investments is credit risk, which is the risk that an obligor will be unable to make principal and interest payments on its outstanding obligations when due. Adverse changes in the financial condition of an obligor or in general economic conditions (or both) could impair the ability of such obligor to make such payments and result in defaults on, and declines in, the value of investments owned by a Fund. A Fund's return to Limited Partners would be adversely impacted if an obligor in which a Fund invests becomes unable to make such payments when due. There can be no assurance that a portfolio company will generate sufficient cash to service its contractual obligations to a Fund, and, in any such case, that Fund could suffer a partial or total loss of invested capital.

A Fund's debt investments could be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the obligor repaying the principal on an obligation held by a Fund earlier than expected. This circumstance could happen, for example, when there is a decline in interest rates. Debt and debt-related investments are also subject to other creditor risks, including (a) the possible invalidation of investment transactions or payment in connection with such transactions as fraudulent conveyances or preferential payments under relevant creditors' rights laws or the subordination of claims under so-called "equitable subordination" common law principles, and (b) environmental or other liabilities that could arise with respect to collateral securing the obligations. Additionally, a number of judicial decisions in the United States have upheld the right of borrowers to sue lending institutions on the basis of various

evolving legal theories (collectively termed “**Lender Liability**”). Generally, Lender Liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors. A Fund could be subject to potential allegations of Lender Liability. It is possible that Lender Liability or equitable subordination claims affecting a Fund’s investments could arise without direct involvement of that Fund if the Fund is not the agent or lead arranger for the investments.

Certain investments could have an interest-only payment schedule, with the principal amount remaining outstanding and at risk until the maturity of the investment. In such cases, a portfolio company’s ability to repay the principal of an investment could be dependent upon the ability to refinance or a liquidity event or the long-term success of the portfolio company, the occurrence of which is uncertain. A debt obligation that is fully bearing payment-in-kind interest will generally have a higher risk of nonpayment of interest since there will be no cash payments of interest from the borrower prior to maturity or refinancing. Debt instruments could be subject to fluctuations due to changes in interest rates and obligors’ credit quality. Also, a default on debt held by a Fund or a sudden and extreme increase in prevailing interest rates could cause a decline in the Fund’s asset value.

Valuation and Changing Accounting Standards

The valuation of the assets of the Funds will affect each Fund’s reported performance. The Funds’ portfolio investments generally will have no, or a limited, liquid market, and the fair value of such portfolio investments is unlikely to be readily determinable. There is no assurance that the value assigned to a portfolio investment for any purpose at any given time will accurately reflect the fair value as of the valuation date or the value that will be realized by the applicable Fund upon the eventual disposition of such portfolio investment, as actual realized returns will depend on, among other factors, future operating results of portfolio investments, pace of deployment, the value of portfolio investments and economic market conditions at the time of disposition, legal and contractual restrictions, any related transaction costs, and the timing and manner of sale, all of which could differ from the assumptions and circumstances on which such valuations and any related assumptions were originally based. Moreover, the performance of a Fund could be adversely affected if such valuation determinations for any portfolio investment are materially higher than the value ultimately realized upon the disposition of such portfolio investment.

Valuations will be based to a large extent on the General Partner’s estimates, comparisons, and qualitative evaluations of private information, which can be unavailable, incomplete, or inaccurate. It is possible that Limited Partners therefore will not be able to replicate the General Partner’s methodology or to value accurately a Fund’s portfolio investments. The amount of assumptions, judgment, and discretion inherent in valuing illiquid assets such as a Fund’s Portfolio Investments renders valuations uncertain and susceptible to material fluctuations over possibly short periods of time.

For purposes of financial reporting that is compliant with U.S. GAAP, the Funds will follow the requirements for valuation set forth in Accounting Standards Codification 820 (“**ASC 820**”), “**Fair Value Measurements and Disclosures**” (formerly, Financial Accounting Standards No. 157, “**Fair Value Measurements**”), which defines and establishes a framework for measuring fair value under

GAAP and expands financial statement disclosure requirements relating to fair value measurements. Additional Financial Accounting Standards Board (“FASB”) Statements and guidance and additional provisions of GAAP that could be adopted in the future could also impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. The General Partner intends to apply ASC 820 and other relevant FASB statements and guidance to the valuation of the Fund’s assets and liabilities.

ASC 820 and other accounting rules applicable to investment funds and various assets in which they invest are also subject to change. Such changes could adversely affect a Fund. For example, changes in the rules governing the determination of the fair value of assets to the extent such rules become more stringent would tend to increase the cost and/or reduce the availability of third-party determinations of fair value. This could in turn increase the costs associated with selling assets or affect their liquidity due to inability to obtain a third-party determination of fair value. The Funds may elect to engage a third-party valuation firm to perform attestations of valuations prepared by the Funds, or to prepare valuations that are reviewed by the Valuation Committee.

Force Majeure Events

A Fund’s investments could be subject to catastrophic events and other force majeure events. These events could include fires, floods, pandemics, earthquakes, adverse weather conditions, assertion of eminent domain, strikes, wars, riots, terrorist acts, “acts of God,” and similar risks. These events could result in the partial or total loss of a portfolio investment or significant downtime resulting in lost revenues, among other potentially detrimental effects, and investors must be prepared to bear such losses. Some force majeure risks are generally uninsurable and, in some cases, investment agreements can be terminated if the force majeure event is so catastrophic that it cannot be remedied within a reasonable time period.

Operating and Financial Risks of Portfolio Companies

Companies in which a Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. As a result, portfolio companies that a General Partner expects to be stable could operate at a loss or have significant variations in operating results, could require substantial additional capital to support their operations or to maintain their competitive positions, or could otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of a Fund’s investment strategy and approach will depend, in part, on the ability of a Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to successfully identify and implement such restructuring programs and improvements.

Operational Risk

Each Fund depends on Lightyear and its other Service Providers to develop appropriate systems and procedures to control operational risk. Operational risk arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated, or accounted for, or other similar disruptions in a Fund’s operations could cause a Fund to suffer

financial loss, the disruption of its business, liability to clients or third parties, regulatory intervention, or reputational damage. A Fund's business is highly dependent on its ability to process transactions across numerous and diverse markets. Consequently, the Funds rely heavily on its Service Providers that provide financial, accounting, and other data processing systems. The ability of these systems to accommodate an increasing volume of transactions could also constrain the Funds' abilities to properly manage its portfolio.

Reliance on the General Partners and Lightyear

The General Partners and Lightyear will have exclusive responsibility for each Fund's activities, and, other than as set forth in the applicable Governing Fund Documents, Limited Partners will not be able to make investment or any other decisions in the management of the Funds and will not receive the level of portfolio company financial information that is available to Lightyear and the General Partners. Accordingly, no person should purchase an Interest unless such person is willing to entrust all aspects of the management of a Fund to Lightyear and the relevant General Partner. The success of each Fund will depend on the ability and expertise of the relevant General Partner and Lightyear to identify and consummate suitable investments, to improve the operating performance of portfolio companies and to dispose of the portfolio investments of such Fund at a profit.

Uncertainty of Financial Projections

A General Partner will generally price transactions and structure portfolio investments on the basis of its financial projections, which could take into account (among other factors) market environment, views and assumptions on default rates, recoveries, interest rate movements and other technical market factors. Projected operating results will be based primarily on a General Partner's subjective judgments which could be informed by third-party advice and reports. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections. There can be no assurance that the projected results will be obtained, and actual results could vary significantly from the projections.

Recycling; Reinvestment

Under certain circumstances, the Funds have the ability to "recycle" proceeds distributable (or previously distributed) to the Partners that constitute a return of capital contributions as permitted under the applicable Governing Fund Documents. Accordingly, a Partner may be required to fund an aggregate amount in excess of its Capital Commitment during the term of a Fund, and to the extent such recalled or retained amounts are reinvested in investments, a Partner will remain subject to investment and other risks associated with such investments.

Financial and Other Fraud

Instances of fraud and other deceptive practices committed by senior management or owners of portfolio companies in which a Fund invests will undermine Lightyear's due diligence efforts with respect to such companies and negatively affect the valuation of a Fund's portfolio investments. In addition, when discovered, financial fraud could contribute to overall market volatility that can negatively impact a Fund's investment program. In the event of fraud by any portfolio company in

which a Fund invests, such Fund could suffer a partial or total loss of capital invested in that company, and investors must be prepared to bear such capital losses.

Interest Rate Risks

Changes in interest rates could adversely affect a Fund's underlying investments and changes in the general level of interest rates can affect a Fund's income by affecting the spread between the income on its assets and the expense of its interest-bearing liabilities, as well as, among other things, the value of its interest-earning assets, the capitalization rate at which its assets are valued in the market, and its ability to realize gains from the sale of assets. Interest rates are highly sensitive to many factors, including governmental, monetary, and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements, and other factors beyond the control of the General Partners or Lightyear. Any deterioration of the global debt markets, any possible future failures of financial services companies, and/or a significant rise in market perception of counterparty default risk, interest rates, and/or taxes could adversely affect a Fund's ability to generate attractive risk-adjusted investment returns. In order to seek to reduce the interest rate risk inherent in a Fund's underlying investments and capital structure, such Fund could enter into interest rate transactions, including, but not limited to, interest rate swaps and caps. Depending on the state of interest rates in general, a Fund's use of interest rate transactions could enhance or harm the overall performance of such Fund.

Discontinuation of LIBOR

The publication of all LIBOR settings on a representative basis has now ceased, although certain United States Dollar ("USD") and British Pound sterling settings will continue to be published for a limited period on the basis of a "synthetic" methodology. These synthetic settings are intended for use in certain legacy contracts only, not new use.

As of the date of publication of this Brochure, the current nominated replacement for USD-LIBOR is the Secured Overnight Financing Rate ("SOFR") and the nominated replacement for British pound sterling-LIBOR is the Sterling Overnight Interbank Average Rate ("SONIA"). With respect to so-called "tough legacy contracts," which are contracts that did not provide for a clearly defined and practicable replacement benchmark rate, the United States enacted federal legislation that replaced USD-LIBOR references in certain U.S. law-governed contracts under certain circumstances with a SOFR-based rate plus a statutory spread adjustment. It is unknown whether SOFR and SONIA will maintain market acceptance as replacements for LIBOR and, because each of SOFR and SONIA differs from LIBOR, there is no assurance that SOFR or SONIA will perform in the same way as LIBOR would have performed at any time.

The transition away from LIBOR to one or more alternative benchmark rates is complex and could have a material adverse effect on the value of a Fund's portfolio investments, including as a result of changes in the (i) business, financial condition and results of operations of a Fund's portfolio companies, (ii) pricing and/or availability of investments, and/or (iii) negotiations and/or changes to the documentation for certain of a Fund's portfolio investments and/or prospective investments, as well as the pace of such changes, disputes, and other actions regarding the interpretation of current and prospective loan documentation, basis risks between investments and hedges, basis risks within investments (e.g., securitizations), costs of modifications to processes and systems, and/or costs of

administrative services and operations, including monitoring of recommended conventions and benchmark rates and the market acceptance thereof, or any component of or adjustment to the foregoing.

Financial Services Industry Regulatory Factors

Financial services businesses operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and could be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance, any of which could have material adverse effects. The regulations could require a financial services institution to meet specific capital adequacy guidelines or rules that involve quantitative measures of their assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. Compliance with capital requirements could limit the operations of financial services businesses. A change in such requirements, or the imposition of new rules affecting the scope, coverage, calculation or amount of such capital requirements, or a significant operating loss or any unusually large charge against capital could adversely affect the ability of a financial services institution to expand or maintain levels of business or to pay dividends. In the United States, comprehensive financial regulations are in place that apply to both large and small financial institutions, including with respect to the lending, deposit, investment, trading, and operating activities of banks and their holding companies. These regulations could impact the profitability of the companies in which a Fund invests and affect such companies' activities and business practices, including their ability to offer new products, obtain financing, attract deposits, make loans, and achieve satisfactory interest spreads. Financial services businesses also could be subject to qualitative judgments by the regulators about interest rate risk, concentration of credit risk and other factors. Changes in laws, rules or regulations governing financial services businesses could adversely affect portfolio companies and thereby the Funds and returns to Limited Partners. The subsequent adoption of a law or regulation or a change of a law or regulation or of the interpretation thereof by a court or governmental authority could require the Funds to divest some or all of its investments under unfavorable market conditions.

U.S. Financial Institution Failures

In the spring of 2023, the U.S. financial services industry experienced a period of uncertainty following a number of failures of regional banks and their entry into receivership. The consequences of these closures and receiverships included limited liquidity, defaults, nonperformance, and other adverse developments among these financial institutions, giving rise to similar liquidity constraints and adverse developments among their transactional counterparties and customers. Concerns – actual or perceived – about these failed institutions, as well as certain other regional banks, and their counterparties and customers, have led and may continue in the future to lead to market-wide liquidity problems.

Accordingly, an investment into a Fund is subject to the risk that one or more banks, investment banks, brokers, hedging counterparties, lenders, or other custodians of cash and other assets with whom that Fund (or one or more of its portfolio companies) does business (each, a “**Financial Institution**”) fail to perform their obligations or experience closure, receivership, bankruptcy, or any other form of

financial distress or difficulty, including insolvency (each, a “**Distress Event**”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant deposit withdrawals, fraud, malfeasance, poor performance, or accounting irregularities. In the event a Financial Institution experiences a Distress Event, a Fund and/or its portfolio companies may not be able to access deposits, draw upon borrowing facilities, or have access to other services for an extended period of time or ever. For example, if any of a Fund’s lenders were to be placed into receivership or bankruptcy, that Fund could be unable to access existing committed credit lines. In addition, if any of a Fund’s investors or other parties with whom a Fund conducts business are unable to access funds or credit lines with a Financial Institution, such parties’ ability to meet their obligations to a Fund or to enter into new arrangements requiring additional capital or payments to a Fund could be adversely affected.

Although deposits with an FDIC-insured bank are insured to applicable limits, which are generally \$250,000 per depositor and per ownership category, and securities and cash held by certain broker-dealers are insured by the Securities Investor Protection Corporation (“**SIPC**”), amounts in excess of the relevant insurance limit are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be attempted, and, if it is, there can be no assurance that it will be successful or avoid the risk of loss, substantial delays, or negative impact on banking or brokerage conditions or markets. It is also possible that there will be further involvement of governmental and other regulatory authorities in financial markets in the United States and/or around the world. The economic circumstances described above could continue or worsen in the future, and changes in general economic conditions are likely to affect a Fund’s activities, as well as those of its portfolio companies. For example, a Distress Event could have a potentially adverse effect on the ability of Lightyear and the Affiliated Advisers to manage a Fund and its investments, and on the ability of Lightyear, the Affiliated Advisers, the General Partner, a Fund, and/or its portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund bearing additional fees and expenses in the event a Fund is not able to close a transaction (whether due to the inability to draw capital on a subscription facility provided by a Financial Institution experiencing a Distress Event, the inability or unwillingness of investors to make capital contributions, or otherwise), as well as the inability of a Fund to acquire or dispose of investments at prices that a General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to fund working capital needs (e.g., payroll), fulfill obligations, or maintain operations.

While a General Partner could exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful, be permitted under applicable law, or avoid losses or delays. In addition, many Financial Institutions require, as a condition to using their services or otherwise, that its customers maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although a General Partner seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to a Fund and its portfolio companies, a General Partner, with respect to a Fund (and/or its portfolio companies), is under no obligation to use a minimum number of Financial Institutions or to maintain account balances at or below the relevant insured amounts.

Changes in Credit Markets

A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, a Fund's ability to consummate or profit from these transactions. To the extent a Fund acquires debt investments in a portfolio company, the ability of any such portfolio company to finance or refinance its debt could depend on its ability to sell new securities or instruments in the high-yield debt or bank financing markets. Adverse changes in economic or financial market conditions similar to those that occurred in past years, such as the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk, could lead to the deterioration of the global credit markets (particularly the U.S. credit markets) and would make it difficult for sponsors to obtain favorable financing for investments. The recurrence of such marketplace events would significantly reduce investor demand and liquidity for investment grade, high-yield, and senior bank debt, which in turn would lead some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on relatively unfavorable terms. In addition, to the extent such marketplace events reoccur, they would 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.

In addition, the recurrence of an economic downturn could adversely affect the financial resources of a Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, a Fund could lose both invested capital in and anticipated profits from the affected portfolio investment. Such a marketplace would likely impair a Fund's ability to consummate certain transactions or cause a Fund to enter into certain transactions on less attractive terms. The Funds' ability to generate attractive investment returns for its Limited Partners could be adversely affected to the extent its portfolio companies are unable to obtain favorable financing terms for their investments.

Bank Investing Regulatory Factors

The Funds could invest in portfolio companies that are subject to U.S. banking regulation. The U.S. banking industry is highly regulated under federal and state law which could require the Funds to make certain investments in a manner that would not be as advantageous as the manner of making investments that are not subject to such laws and regulations.

The following discussion provides an overview of certain aspects of the U.S. bank regulatory regime. This overview is qualified in its entirety by reference to the applicable statutes or regulatory provisions. This overview is not intended to be an exhaustive description of all applicable statutes and regulations. The Funds and their portfolio companies will be subject to additional laws, regulations, and requirements that are not discussed herein. The discussion below generally refers to the regulation of banks and bank holding companies, but similar requirements apply to savings associations and savings and loan holding companies. While savings and loan holding companies and bank holding companies are generally subject to the same or substantially similar rules, because they are governed by separate statutory schemes, if a Fund becomes a savings and loan holding company, or controlled by a savings and loan holding company, it could be subject to certain additional or different requirements with respect to the scope of its activities or investments.

If a Fund acquires a direct or indirect controlling interest in a depository institution then such Fund (and potentially investors that control such Fund under the Bank Holding Company Act of 1956 (“**BHC Act**”) would generally be required to become registered and regulated as a bank holding company, and various statutory, regulatory and supervisory restrictions and limitations would apply to such Fund, its portfolio companies, and to investors that control the Fund.

Control will exist as a statutory matter under the BHC Act if a Fund: (x) owns, controls, or holds with the power to vote 25% or more of any class of voting securities of a company, (y) has the power to elect a majority of the board of directors or similar governing body of a company, or (z) has the ability to exercise a controlling influence over the management or policies of the company. Under Regulation Y of the U.S. Federal Reserve Board, a Fund will have a controlling influence if a Fund owns more than one-third of the total equity of a company or has certain other combinations of equity ownership, board representation, business relationships, interlocking employees, or other contractual rights restricting discretion of the company.

If a Fund makes a controlling investment in a bank and or a bank holding company, it could do so through an alternative investment vehicle. However, as the BHC Act is currently interpreted by the U.S. Federal Reserve Board, the acquisition of control of a bank or bank holding company by such an alternative investment vehicle would result in not only the alternative investment vehicle, but also the general partner of the alternative investment vehicle and any companies the general partner controls, including the Fund, to be subject to the BHC Act’s limitations. In the absence of a change in such interpretation, a Fund would not use such an alternative investment vehicle to acquire an interest in a U.S. bank or bank holding company.

A Limited Partner that is a bank holding company under the BHC Act, or an affiliate thereof, or a non-U.S. bank subject to the BHC Act, or an affiliate thereof, or a savings and loan holding company under the Home Owners’ Loan Act, or an affiliate thereof, including such a Limited Partner or a limited partner in a parallel fund, will be considered a “**BHC Partner**.” If a BHC Partner controls a Fund (or if the Fund were to acquire direct or indirect control of a depository institution), then that Fund would be subject to a wide range of restrictive banking laws and regulations as a bank holding company or a subsidiary of a bank holding company, as well as the “umbrella” supervision of the U.S. Federal Reserve Board. In particular, bank holding companies and their subsidiaries are limited to engaging only in permissible activities, which are generally limited to the business of banking or other activities determined by the U.S. Federal Reserve Board to be closely related to banking. In the case of a bank holding company that qualifies as, and elects to be, a financial holding company under the BHC Act (an “**FHC**”), it may also engage in activities that are financial in nature, as well as those incidental or complementary to financial activities. Bank holding companies must obtain the prior approval of the U.S. Federal Reserve Board under the BHC Act to acquire, directly or indirectly, 5% or more of any class of voting securities of a U.S. bank or of a non-bank financial company, and bank holding companies are generally prohibited from acquiring 5% or more of any class of voting securities of non-financial companies. An FHC may acquire control of certain non-bank financial companies without such prior approval. As a result, if a BHC Partner controls a Fund, or that Fund itself becomes a bank holding company, its activities and investments would be subject to significant limitations.

In addition, a bank holding company, or in certain cases another entity that controls insured depository institutions, is required to act as a source of financial and managerial strength to the insured depository

institutions that it controls and to commit resources to support such insured depository institutions in circumstances when it might not otherwise consider itself able to do so. Thus, in certain cases, if a Fund were to become a bank holding company or otherwise control an insured depository institution, such Fund will be required to serve as a “source of strength” for an insured depository institution that is controlled by a Fund by standing ready to provide financial assistance to the insured depository institution in the event of the financial distress of the insured depository institution. Further, if a depository institution fails to meet certain capital standards or requirements, then the appropriate federal banking agency would be required by law to take one or more of certain specific actions with respect to such institution. For example, the regulatory agency could require the institution to issue new shares, merge with another depository institution, restrict the interest rates it pays on deposits, restrict its asset growth, terminate certain activities, have a new election for its board of directors, dismiss certain directors or officers, divest of certain subsidiaries and/or take any other action that will better resolve the problems of the institution at the least possible long-term loss to the U.S. Federal Deposit Insurance Corporation (“**FDIC**”).

Under the Federal Deposit Insurance Act, the FDIC could impose “cross-guarantee” liability upon commonly controlled insured depository institutions for deposit insurance losses incurred by the FDIC. This law provides that an insured depository institution will be liable for any loss incurred by the FDIC, or any loss that the FDIC reasonably anticipates incurring, in connection with the default of its commonly controlled insured depository institution or in connection with any assistance provided by the FDIC to a commonly controlled insured depository institution that is in danger of default. For purposes of this law, depository institutions are commonly controlled if (a) such institutions are controlled by the same depository institution holding company or (b) a depository institution is controlled by another depository institution. The FDIC could waive this cross-guarantee requirement. The liability of any insured depository institution under this requirement is subordinated to deposit liabilities, secured obligations (other than those owed to affiliates), and other general or senior liabilities of the non-defaulting commonly controlled insured depository institution, but such liability will have priority with respect to other obligations and liabilities of such depository institution, including any obligations to shareholders arising as a result of their status as shareholders and any obligation or liability owed to an affiliate of the depository institution. Because it is not intended that the Funds would acquire control of a depository institution or a depository institution holding company, such cross-guarantee liability should not apply across different investments made by the Funds. However, where portfolio companies that are insured depository institutions are under common control, such portfolio companies may be subject to such cross-guarantee liability with respect to one another.

The Volcker Rule provisions of the Dodd-Frank Act generally prohibit any “banking entity” from engaging in certain short-term trading activities and from acquiring or retaining any ownership interest in, sponsoring, or having certain relationships with, a hedge fund or private equity fund, (referred to in the regulations implementing the Volcker Rule, as amended, as a “covered fund”). Generally speaking, and among other entities, a covered fund includes any investment vehicle that would be an investment company but for the exclusions contained in Section 3(c)(1) or Section 3(c)(7) under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Because a Fund would be a “covered fund” under the Volcker Rule, a BHC Partner (or Limited Partner that is otherwise a banking entity) should expect to face certain limits and restrictions when investing in a Fund. If a Fund were to become a bank holding company or controlled by a bank holding company,

it would be a banking entity subject to the Volcker Rule, which would significantly limit its activities and investments.

In certain cases, the direct or indirect acquisition by a Fund of less than a controlling interest in an insured depository institution could require prior regulatory notice or approval. For example, if a Fund acquires, directly or indirectly, 10% or more but less than 25% of any class of voting securities of an insured U.S. bank, an insured U.S. savings association or a company that controls such a bank or savings association (assuming (a) such bank, savings association or company has registered securities under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or (b) a Fund is the largest holder of that class of securities after the acquisition), and does not otherwise control such bank, savings association or company, then that Fund and any company that controls or that is acting in concert with the Fund would generally have to file a change in control notice under U.S. banking law with the appropriate federal banking agency prior to such acquisition. If a bank holding company is deemed to control a Fund and that Fund acquires 5% or more of any class of voting securities of a bank (or certain other actions that could cause such Fund to control the bank, including the acquisition of all or substantially all of the assets of a bank), then such bank holding company as well as the Fund would have to obtain the prior approval of such acquisition by the U.S. Federal Reserve Board under the BHC Act. No assurance can be given that an application would be approved by the U.S. Federal Reserve Board. In addition, many states have analogous laws, which could also trigger notice or other regulatory requirements on the state level.

Risks Associated with Bankruptcy or Receivership of Banking Portfolio Companies

Bank holding companies and insured depository institutions are subject to extensive regulation and must, among other requirements, meet minimum capitalization requirements. Failure to meet such capitalization requirements or other applicable regulatory requirements could result in supervisory actions against bank holding companies, savings and loan holding companies or insured depository institutions (“**Banking Portfolio Companies**”) in which the Funds invest or in supervisory actions against the insured depository institutions owned by such Banking Portfolio Companies. Failure to comply with the terms of any supervisory action could result in further regulatory actions by federal and state bank regulatory authorities, including, in the worst case, FDIC receivership of insured depository institutions owned by Banking Portfolio Companies in which the Funds invest. If an insured depository institution is placed into receivership, the FDIC would proceed to, among other things: (a) enter into a purchase and assumption agreement with a third party in which that third party would purchase and assume all or some of the insured depository institution’s assets and deposits and liquidate the remaining assets and liabilities, (b) transfer all or some of the insured depository institution’s assets and deposits to a “bridge bank” until such time as one or more purchasers could be found for all or some of the “bridge bank’s” assets and deposits, and liquidate the remaining assets and liabilities, or (c) liquidate the insured depository institution’s assets and liabilities and pay insured depositors the amount of their deposits up to the insured limits and, to the extent sufficient proceeds from the liquidation are available, pay the remaining claims of insured depositors and the claims of uninsured depositors and other creditors.

In the event of the bankruptcy or liquidation of a Banking Portfolio Company in which a Fund invests or FDIC receivership of an insured depository institution owned by such a Banking Portfolio Company, such Fund would not be entitled to receive any cash or other property or assets from such insured depository institution until the institution paid in full its creditors, including customers of the

institution and the FDIC. Furthermore, in the event of bankruptcy or liquidation of a Banking Portfolio Company, a Fund, as a holder of common stock of such Banking Portfolio Company, would not be entitled to receive any cash or other property or assets until holders of debt securities and other creditors of such Banking Portfolio Company had been paid in full. As a result, the bankruptcy of a Banking Portfolio Company in which a Fund invests, or of FDIC receivership of an insured depository institution owned by such Banking Portfolio Company, would likely result in the loss of the entire value of the Fund's investment in such Banking Portfolio Company. Any such loss could have a material adverse effect on the profitability of such Fund.

Because of various requirements under the applicable regulatory regime to investments in banks and depository institutions, such investments could have to be made as non-control investments. In making such a non-control investment, a Fund (a) would have limited ownership rights and would have limited governance rights with respect to such bank or depository institution and (b) could be required to execute passivity commitments or a rebuttal of control agreement with the applicable regulators. In addition, regulatory guidelines governing investments in banks and depository institutions are changing. The Funds could make investments in banks and depository institutions in a manner that is designed to comply with, or take advantage of, such changes in regulation or structure, which could be less advantageous to a Fund than other investment structures.

Insurance Industry Regulation

The insurance industry is heavily regulated. Such regulation usually includes: (a) regulating premium rates, policy forms and lines of business; (b) setting minimum capital and surplus requirements and prescribing methods of measuring capital and surplus; (c) imposing guaranty fund assessments and requiring residual market participation; (d) licensing insurance companies and insurance agents and brokers; (e) approving accounting methods and methods of setting reserves; (f) setting requirements for and limiting the types and amounts of investments; (g) establishing requirements for the filing of annual statements and other financial reports, corporate governance disclosures and enterprise risk reports; (h) conducting periodic examinations of the affairs of insurance companies; (i) limiting the amount of dividends that could be paid by an insurance company without prior notice and approval; (j) regulating transactions between an insurance company and its affiliates; and (k) regulating trade practices and market conduct of insurance companies, agents and brokers. Such regulation and supervision are primarily for the benefit and protection of policyholders and not for the benefit of Limited Partners.

In the United States and other jurisdictions, the insurance regulatory structure, as well as the regulatory structure applicable to other types of financial institutions, has been subject to increased scrutiny by applicable governmental and regulatory authorities. Adoption of additional legislation, regulations or changes in applicable legislation and regulations already in place could adversely affect insurance companies and their results and therefore the results of a Fund. Further, prior to acquiring significant positions in certain regulated companies, the Funds will be required to obtain various regulatory approvals. There can be no assurance that the Funds will be able to obtain the requisite approvals with respect to any particular investment. In addition, uncertainty regarding future legislation as well as regulatory and other investigations could complicate Lightyear's ability to value potential investments and/or could affect exit opportunities and contingent liabilities upon the disposition of an investment.

Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The Funds' investments will involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks should be expected to have a more pronounced effect on the profitability or survival of such companies. Any rise in interest rates would significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the relevant Fund could suffer a partial or total loss of capital invested in the portfolio company.

The Funds will utilize varying degrees of leverage to finance the Funds' investments (including, without limitation, through the use of a subscription line) and provide guarantees (including of portfolio company debt) or act as applicant on letters of credit in connection with portfolio investments in a manner it believes is appropriate, subject to the limitations under the applicable Governing Fund Documents. The General Partners, for and on behalf of itself or the Funds, or certain affiliates have entered into and could in the future enter into credit facilities, and the General Partners could also cause the Funds to enter into additional credit facilities and guarantees, in each case, secured by an assignment of the applicable Partners' remaining Capital Commitments or a Fund's portfolio investments and assets, or as otherwise described in the applicable Governing Fund Documents. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the investments. The extent to which the Funds use leverage could have important consequences to the Limited Partners, including, but not limited to: (a) greater fluctuations in the net asset value of the Funds; (b) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (c) increased interest expense if interest rate levels were to increase; (d) limitation on the flexibility of the Funds to make distributions to the Limited Partners; (e) affecting the amount and timing of contributions and distributions to the Limited Partners in a manner that may have potentially adverse consequences to the Limited Partners; and (f) lower multiples of cost (but enhanced IRRs). There can be no assurance that the Funds will have sufficient cash flow to meet their debt service obligations. As a result, the Funds' exposure to losses could be increased due to the illiquidity of its investments generally. The Funds and any parallel investment entities, alternative investment vehicles and/or Co-Investment Vehicles could be jointly and severally liable for all credit support obligations in respect of investments or under any other future Fund-related credit facility. Accordingly, in the event that one or more Limited Partners and/or Limited Partners of any parallel fund, alternative investment vehicle and/or a Co-Investment Vehicle fail to satisfy a drawdown or otherwise default on their contribution obligations pursuant to the credit support, such amount would be drawn on a pro rata basis from non-defaulting Limited Partners and Limited Partners of any parallel fund, alternative investment vehicles and/or Co-Investment Vehicles up to the remaining amount of their respective unfunded Capital Commitments.

In connection therewith, each Fund's credit facility is typically secured by an assignment of the Limited Partners' remaining Capital Commitments or a Fund's portfolio investments and assets. In such cases, Limited Partners will be required to acknowledge their obligation to pay their share of such indebtedness up to the amount of their remaining Capital Commitments, to acknowledge the right of such lender to call on such Limited Partners to fund their commitments or to provide other

acknowledgements or information requested by a lender. Each Fund's applicable Governing Fund Documents and/or Subscription Agreements typically provide a lender with the right to receive detailed due diligence and credit related information regarding the Limited Partners. The applicable General Partner reserves the right, in its sole discretion, to waive these requirements for certain Limited Partners, which could have an adverse effect on a Fund's ability to obtain such credit facility or terms thereof.

Although borrowings by a Fund have the potential to enhance overall returns that exceed such Fund's cost of funds, they will further diminish returns (or increase losses on capital) to the extent that overall returns are less than such Fund's cost of funds. If a Fund defaults on secured indebtedness, the lender could foreclose, and such Fund could lose its entire investment in the security for such loan. In addition, tax-exempt Limited Partners should note use of leverage by the Funds may create "unrelated business taxable income."

Subscription Facility and Capital Calls

The use of a subscription facility by a Fund may present conflicts of interest as a result of certain factors, including that interest could accrue on any such outstanding borrowings at a rate lower than the rate of the preferred return, that the preferred return does not begin to accrue upon the incurrence of such borrowings, and that the preferred return only begins to accrue on the date of capital contribution by Limited Partners to such Fund (i.e., the due date specified in the applicable drawdown notice). As a result, the use of a subscription facility with respect to portfolio investments and ongoing capital needs of a Fund may reduce or eliminate the preferred return received by the Limited Partners and accelerate or increase distributions of carried interest to the relevant General Partner, providing such General Partner with an economic incentive to fund portfolio investments and ongoing capital needs of such Fund through subscription facilities in lieu of capital contributions and to make distributions prior to repayment of such outstanding borrowings. Additionally, although leverage will increase investment returns if a Fund earns a greater return on the investments purchased with borrowed funds than it pays for use of those funds, the use of leverage will decrease the returns of a Fund if it fails to earn as much on investments purchased with borrowed funds as it pays for the use of those funds. Subject to the limitations in each Fund's Governing Fund Documents, the use of a subscription facility by the Funds is within the General Partner's discretion.

Risk of Limited Number of Investments; Dependence on Performance of Certain Investments

The Funds will participate in a limited number of investments and, as a consequence, the unfavorable performance of any single investment could have a substantial adverse effect on the aggregate performance of the Funds. Moreover, since all of the Funds' investments cannot reasonably be expected to perform well or even return capital, one or a few of a Fund's investments must generate strong returns for that Fund to achieve above-average returns. There can be no assurance that this will be the case.

General Economic and Market Conditions

The success of the Funds' activities could be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Funds' investments), trade barriers, currency exchange

controls, and national and international political circumstances (including wars, terrorist acts, or security operations). The Funds could incur material losses even if the General Partners reacts quickly to difficult market conditions, and there can be no assurance that the Funds will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future. Even a disciplined approach may not protect the Funds from significant losses under certain market conditions.

Fluctuations in the market prices of securities could affect the value of the investments held by the Funds. Instability in the securities markets could also increase the risks inherent in the Funds' investments. The ability of portfolio companies to refinance debt securities could depend on their ability to sell new securities in the public high-yield debt market, bank loan market or otherwise. Additionally, investments made by the Funds could be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility and reduce liquidity, both of which could have a material adverse effect on the performance of investments made by the Funds and the Funds' ability to execute its investment strategy. Certain sectors targeted by the Funds are highly cyclical and subject to significant fluctuation due to competition, the high level of government regulation, general economic conditions, the level of interest rates, the state of the public equity markets and other factors. The returns on a Fund's investments could therefore be lower in certain periods.

It is not possible to predict whether there will be continued volatility in the markets or what impact such volatility could have on the Funds. A recession, slowdown or sustained downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets could have a material adverse effect on the Funds' and the portfolio companies' profitability, impede the ability of the portfolio companies to perform under or refinance their existing obligations, and impair the Funds' ability to effectively exit investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain investments.

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

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

Investments Longer than Term

A Fund could make investments which may not be advantageously disposed of prior to the date a Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Lightyear

expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the Funds could have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

Difficulties Upon Exit

The Funds' investments will be subject to various risks, particularly the risk that the Funds will be unable to realize their investment objectives by sale or other disposition at attractive prices or be unable to complete any exit strategy. Dispositions of investments could be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. There can be no assurance that a public market will develop for any of the Funds' investments or that the Funds will otherwise be able to realize such investments. Therefore, there can be no assurance that the Funds will realize net profits or achieve returns commensurate with the risks associated with their investments, or that the Funds will not experience losses in their investments, which could be substantial.

Highly Competitive Market for Investment Opportunities

The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. The Funds expects to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers, and other financial investors investing directly or through affiliates. Competition for appropriate investment opportunities will reduce the number of investment opportunities available to the Funds and adversely affect the terms upon which investments can be made.

Moreover, over the past several years, an ever-increasing number of private equity funds with objectives similar to those of a Fund have been formed. Additional funds with similar investment objectives are likely to be formed in the future by other parties. Some of these competitors could have more relevant experience, greater financial resources, and more personnel than the Funds, the General Partners, Lightyear, and each of their respective affiliates. It is possible that competition for appropriate investment opportunities will increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which portfolio investments can be made.

There can be no assurance that the Funds will be able to locate, complete and exit investments which satisfy the Funds' rate of return objectives, or realize upon their values, or that they will be able to invest fully its committed capital. The success of the Funds will depend on the General Partners' and Lightyear's ability to identify suitable portfolio investments, to negotiate and arrange the closing of appropriate transactions, and to arrange the timely disposition of such portfolio investments. There can be no assurance that the Funds will be able to realize attractive valuations for their portfolio investments or that they will be able to invest their Capital Commitments. To the extent that the Funds encounter competition for investments, returns to Limited Partners are likely to decrease.

Litigation Risks

The General Partners, Lightyear, and each of its affiliates and employees are subject to substantial litigation risks and could face significant liabilities and damage to their professional reputation as a result of litigation allegations and negative publicity. Such risks include, without limitation, potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which often includes employees, designees, or agents of Lightyear), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Funds, the General Partners, the Affiliated Advisers, Lightyear, and each of their affiliates. Lightyear and each its affiliates and employees are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, reputation, financial condition and/or operations of the Funds, Lightyear and each of its affiliates and employees, which would in turn have a substantial adverse effect on potential returns to Limited Partners.

In addition, the expense of litigation relating to the Funds, including paying any amounts pursuant to a settlement or judgment, would, absent certain disabling conduct by such person in connection with such claim, be borne by relevant Funds and would reduce the relevant Funds' returns. The Affiliated Advisers, the General Partners, Lightyear and others are indemnified by the Funds in connection with such litigation, subject to the terms of the relevant Governing Fund Documents as discussed further herein.

Indemnification

As set forth in the relevant Governing Fund Documents, the Funds will be required to indemnify their respective General Partners, Lightyear, each of their respective affiliates, each of the current and former shareholders, officers, directors, employees, partners, members, managers, agents, liquidating trustees, and other third parties for liabilities incurred in connection with the affairs of the Funds. Members of the relevant LP Advisory Committees will also be entitled to the benefit of certain indemnification and exculpation provisions as set forth in the relevant Governing Fund Documents. Such liabilities could be material and could have an adverse effect on the returns to the Partners. For example, in their capacity as directors of portfolio companies, the members, managers or affiliates of Lightyear could be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of a Fund would be payable from the assets of the Fund, including the remaining Capital Commitments of the Limited Partners. If the assets of a Fund are insufficient, the relevant General Partner could recall distributions previously made to the Partners. It should be noted that the General Partners will cause the Funds to purchase insurance for (and allocate a portion of the premium from Lightyear's insurance policy as applicable) the Funds, the General Partners, the Affiliated Advisers, and Lightyear and their affiliates with respect to their fund-related activities. The Funds will bear a material portion of such premium.

Contingent Liabilities Upon Disposition

In connection with the disposition of an investment in a portfolio company, a Fund is likely to be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business and could be responsible for the

content of disclosure documents under applicable securities laws. A Fund will also likely be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements could result in the incurrence of contingent liabilities, which will be borne by the relevant Fund and could ultimately be required to be funded by proceeds, through the return of capital by Partners.

Management Team

The success of each portfolio company depends in substantial part upon the skill and expertise of each portfolio company's management team as each portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Although the relevant General Partner will monitor the performance of each investment made by a Fund, there can be no assurance that the existing management team, or any successor, will be able to generate a return or otherwise limit risk related to a Fund's investment.

Competition for highly qualified personnel is intense. In recent years, recruiting, hiring, and retaining employees with relevant expertise has become increasingly difficult as the so-called "great resignation" has led potential employees to seek alternate forms of employment. The General Partners and Lightyear expect to experience difficulty in hiring and retaining portfolio company employees with appropriate qualifications.

The companies with which the Funds' portfolio companies will compete for experienced personnel could have greater resources than such portfolio companies, the General Partners and Lightyear. If a portfolio company of a Fund hires employees from the portfolio company's competitors or other companies, their former employers may attempt to assert that these employees, the portfolio company, or the General Partners and Lightyear have breached certain legal obligations, resulting in a diversion of the General Partners' and Lightyear's time and resources.

In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. To the extent a portfolio company of a Fund seeks to hire employees from other companies, and the relevant employees would lose or forfeit a substantial amount of their existing equity awards at such other companies as a result of accepting employment with the portfolio company, such employees would be disincentivized to join the portfolio company unless they are compensated for such losses. In such instances, the portfolio company could, in order to attract and retain such employees, grant substantial equity awards or other compensation, which could dilute a Fund's interest in the portfolio company. On the other hand, to the extent any employees of a portfolio company are granted substantial equity awards and become vested in such equity awards, they may achieve a substantial amount of personal wealth. This could make it more difficult for the relevant portfolio company to retain and motivate these employees, and any such personal wealth could affect employees' decisions about whether or not they continue to work for the portfolio company.

Any failure to successfully attract, integrate, or retain qualified personnel to fulfill a portfolio company's current or future needs could adversely affect such portfolio company's business, results of operations, and financial condition, and in turn, could adversely affect a Fund's returns.

Side Letters

The General Partner of each Fund has entered into, and will enter into, side letters or other similar agreements with particular Limited Partners in connection with their admission to a Fund as a Limited Partner therein, without the approval of any other Limited Partner, which have the effect of establishing rights under, or supplementing the terms of, such Fund's Governing Fund Documents with respect to such Limited Partners in a manner more favorable to such Limited Partners than those applicable to other Limited Partners. Such rights or terms in any such side letter or other similar agreement have included, and are expected to include, without limitation, one or more of (a) excuse rights applicable to particular investments (which are expected to increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, such investments), (b) reporting obligations, (c) waiver of certain confidentiality obligations, (d) economic arrangements (including alternative fee or other compensation arrangements), (e) consent to certain transfers by such Limited Partner or consent rights to certain Governing Fund Documents amendments, (f) LP Advisory Committee representation (or participation as an observer), (g) rights to co-invest with a Fund and any terms or arrangements, economic or otherwise, in connection with co-investment opportunities, (h) withdrawal rights due to adverse tax or regulatory events, (i) indemnification arrangements, (j) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of a Limited Partner and (k) any rights granted in consideration of a Limited Partner's investments in Other Sponsored Funds, in each case, to the extent not prohibited by applicable U.S. federal securities laws. Terms granted to Limited Partners in side letters and other similar agreements will be disclosed to all other Limited Partners following a Fund's Final Admission Date, although certain economic terms will be disclosed to prospective Limited Partners during a Fund's offering period, in each case, to the extent required by applicable U.S. federal securities laws.

The types of investors receiving different treatment have included and could include, without limitation, one or more Limited Partners making/having made a significant or first-closing investment in a Fund or Limited Partners subject to specific regulatory obligations or internal policies or Limited Partners that are sovereign entities (or affiliated with sovereign entities). If a side letter is entered into by a Fund entitling a Limited Partner to opt out of a particular investment or withdraw from such Fund, any election to opt out or withdraw by such Limited Partner will likely increase each other Limited Partner's pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal), which could have an adverse effect on such other Limited Partner's investment results. The applicable General Partner has granted (and will continue to grant) rights to Limited Partners in side letters in its sole discretion (but subject to applicable U.S. federal securities laws), including to induce investment in a Fund or other arrangements beneficial to such General Partner and certain rights granted to one or more Limited Partners could be adverse to other Limited Partners. The Limited Partners will have no recourse against the Funds, Lightyear, or any of their affiliates in the event that certain other Limited Partners receive additional or different rights or terms as a result of such side letters.

In connection with the foregoing, the General Partners have provided (or agreed to provide or will provide) certain existing (or prospective) Limited Partners that are U.S. state pension plans with certain withdrawal, exclusion and/or transfer rights due to legal, regulatory or policy matters, including as a result of (a) any violation by the applicable General Partner, Lightyear or the applicable Affiliated Adviser of Rule 206(4)-5 under the Advisers Act and other applicable restrictions on political contributions, (b) any inaccurate representations made by the applicable General Partner with

respect to required placement agent and fee disclosure and (c) any violation by the applicable General Partner of certain private equity policies of such Limited Partner, including a policy which requires that such Limited Partner's Capital Commitment not exceed a certain percentage of a Fund's aggregate Capital Commitments, in each case, to the extent not prohibited by applicable U.S. federal securities laws.

Operating Partners, Third-Party Advisory Committee Members, and Other Consultants

The Funds and each portfolio company is permitted, in each of their sole discretion, to retain the services of one or more business executives or other professionals to serve as consultants, senior advisors, or operating partners (each such person, an **"Operating Partner"**). In addition to Operating Partners, the Funds and each portfolio company is permitted to engage one or more consultants (including, without limitation, members of any third-party advisory committee of a Fund), advisors or other similar professionals (each, a **"Consultant"** and together, the **"Consultants"**) on a consultancy or other basis to provide services to a Fund and/or such portfolio company. The scope of the services to be provided by any Operating Partner or Consultant could include advice with respect to existing investments and/or potential investments of a Fund including, but not limited to, identifying, sourcing, evaluating, investigating, researching, and analyzing prospective transactions, making introductions, and providing strategic and value creation-related insights related to portfolio companies, prospective portfolio companies, management teams, investment themes, industries, sectors, government regulation, market trends, and other matters. The Funds, each portfolio company, and any other party including the General Partners, Lightyear, or any of their affiliates is permitted to engage, retain, or employ Operating Partners and Consultants in any manner it deems reasonable or desirable under the circumstances, including either as independent contractors or employees for U.S. federal income tax, labor, or other purposes, and such engagements, retainers, or employment can be with the Fund, with any portfolio company or with the General Partners, Lightyear, or an affiliate thereof. The nature of the relationship with each Operating Partner and Consultant and the amount of time devoted or required to be devoted by any Operating Partner or Consultant to the activities of a Fund or any portfolio company will vary. There can be no assurance that any Operating Partner or Consultant will continue to serve in any particular role or any role at all throughout the term of a Fund.

Operating Partners and Consultants are not employees or affiliates of Lightyear, but rather independent contractors engaged by or on behalf of a Fund or a portfolio company. Neither Operating Partners nor Consultants are employees, Key Persons, or affiliates of Lightyear for the purposes of applicable Governing Fund Documents and therefore are not subject to the restrictions and conditions imposed on Lightyear's employees, key persons, or affiliates under the applicable Governing Fund Documents. Operating Partners and Consultants may also be simultaneously retained by the Funds' portfolio companies, Prior Lightyear Funds, Other Sponsored Funds, or their portfolio companies, and/or other parties, including the General Partners or Lightyear. Operating Partners and Consultants do not provide exclusive services to a Fund or a portfolio company and may perform similar functions and duties for third parties, which may give rise to conflicts of interest. For example, while performing services for a Fund, Operating Partners or Consultants may also be appointed to the board of directors of a portfolio company of a Fund or serve as employees of, or consultants to, a portfolio company, potentially giving rise to conflicts of interest between a Fund and/or a portfolio company of the Fund.

Unless determined otherwise by Lightyear in its sole discretion, all Operating Partner Compensation and expenses and the compensation (which includes any compensation described in the definition of Operating Partner Compensation) and expenses of Consultants, in each case, of Operating Partners or Consultants engaged by or on behalf of a Fund or Funds, will be borne by such Fund or Funds and (i) not by the portfolio companies of the Funds or Other Sponsored Funds to which such Operating Partner or Consultant provides services and (ii) not by the General Partner, Lightyear, the Affiliated Advisers, or any of their respective affiliates. As a result, even if other parties benefit from the incurrence of such expenses, all such compensation and expenses described above will be borne entirely by the applicable Fund to the fullest extent permitted by applicable U.S. federal securities laws. Operating Partners and Consultants can receive compensation from a Fund in multiple forms, depending on the arrangement and the services provided, including, without limitation, retainer, hourly, periodic, finder's, success-based, and/or performance-based fees, and other compensation whether in cash or in kind. Operating Partners and Consultants can receive Carried Interest in the Funds or in one or more portfolio companies of the Funds. Operating Partners and Consultants can also receive compensation from one or more portfolio companies in multiple forms, depending on the arrangement and the services provided, including, without limitation, retainer, hourly, periodic, finder's, success-based, and/or performance-based fees, director's fees, profits interest, equity, or option grants, and other compensation whether in cash or in kind. Operating Partners and Consultants may retain any such compensation, and such compensation and expense reimbursement will not be deemed to be paid to, or received by, Lightyear and therefore will not offset the management fee payable to Lightyear. Furthermore, Operating Partners and Consultants in certain cases are investors in Other Sponsored Funds and are expected to be invited to make personal investments in a Fund or its affiliates, including, without limitation, on a reduced or no-fee basis, or alongside a Fund as a co-investor in portfolio companies of a Fund or Other Sponsored Funds and will be entitled to retain all of the proceeds generated from all such personal investments. An employee of Lightyear may transition into a role as an Operating Partner or Consultant, and any ongoing expenses incurred in connection with engaging such individuals will consequently cease to be borne by Lightyear or its affiliates and will instead be borne in whole or in part by the applicable Fund or a portfolio company of that Fund. Conversely, an Operating Partner or Consultant may transition into a full-time employee role, and, at such time, any expenses of employing such individuals will cease to be borne by the applicable Fund and/or a portfolio company and will instead be borne by Lightyear or its affiliates.

Lightyear's determination as to whether to engage a professional as an Operating Partner or Consultant instead of as an employee will give rise to conflicts of interest as Lightyear will be incentivized to engage a professional as an Operating Partner or Consultant as such Operating Partner's or Consultant's compensation is borne by the applicable Fund, rather than engaging such Operating Partner or Consultant as an employee of Lightyear. Even in circumstances where, in the sole discretion of Lightyear, such Operating Partner's or Consultant's compensation (as described above) is borne by a portfolio company of a Fund or an Other Sponsored Fund, such a determination will give rise to a similar conflict of interest. This incentive is heightened by the flexibility afforded to the General Partners and Lightyear in connection with how to structure any such engagement, retainer, or employment, which will include permitting such executive to exhibit indicia similar or comparable to that of an employee of Lightyear (by way of example only, but without limitation, by virtue of the possession of business cards containing the name or logo of Lightyear; possession or use of computer hardware, a mobile device, a dedicated telephone number (or extension), or an electronic mail address similar to one used by employees of Lightyear; access to (and use of) any Lightyear office space or office files (including electronic files); access to (and use of) a dedicated workspace

in any Lightyear office; attendance at regular or periodic employee meetings of Lightyear (such as weekly transaction “pipeline” meetings); and attendance before or at Lightyear’s investment committee meetings). Such indicia will have no bearing on such Operating Partner’s or Consultant’s treatment as such for purposes of the applicable Governing Fund Documents.

Although the General Partners and Lightyear intend to make all Operating Partner and Consultant engagement, retainer, or employment decisions in good faith and only to the extent that any such Operating Partner or Consultant possesses substantial, significant, or otherwise relevant experience or expertise to serve in the capacities for which she, he, or it is (or they are) engaged, it will not always be readily apparent that such decisions were necessarily made in such fashion and reasonable minds will disagree.

By entering into a partnership agreement for a Fund, each Limited Partner will be required to acknowledge certain aspects of the involvement of Operating Partners and Consultants, including, but not limited to, the fact that such parties will not be acting in a fiduciary capacity to, among others, a Fund, any Limited Partner or any portfolio company, and that the nature of the engagement, retention, or employment of any such party could exhibit indicia similar or comparable to that of employees of Lightyear. No such indicia will have any bearing on such Operating Partner’s or Consultant’s treatment as such for purposes of the partnership agreement.

Follow-On Investments

The Funds could be called upon to provide follow-on funding for their portfolio companies or could have the opportunity to increase their investment in such portfolio companies pursuant to the applicable Governing Fund Documents. There can be no assurance that the Funds will wish to make follow-on investments or that they will have sufficient funds to do so. Any decision by a Fund not to make follow-on investments, or its inability to make such investments, could have a substantial negative impact on a portfolio company in need of such an investment or could diminish such Fund’s ability to influence the portfolio company’s future development.

Dependence on Technology

The financial services industry is highly dependent on technology, communications and information systems and is exposed to many types of operational risk, including the risk of fraud by employees or other parties, record keeping error, data breaches resulting from the unauthorized access by third-parties (i.e., hacking), errors resulting from faulty computer or telecommunications systems, computer failures and damage to computer and telecommunications systems caused by internal or external events. The occurrence of any of these failures, errors or breaches could result in a loss of information, business or regulatory scrutiny or other events, any of which could have a material adverse effect on the Funds.

Majority Investments; Control Person Liability

Although non-control investments could also be made, the Funds typically intend to make investments that allow the Funds to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a portfolio company could impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws) or other types of

liability in which the limited liability generally characteristic of business ownership could be ignored. If these liabilities were to arise, the Funds might suffer significant losses. While the General Partners intends to manage the Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Minority Investments; Investments with Third Parties

The Funds have made and could make minority investments where a Fund does not control or influence the business or affairs of the relevant portfolio company. Although the Funds could seek board representation in connection with their investments or negotiate minority shareholder or supervisory rights, there is no assurance that such representation or such rights, if sought, will be obtained or, if obtained, will provide the Funds with the influence they need to protect their investments. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which could include representation of other financial investors with whom the Funds are not affiliated and whose interests could conflict with the interests of the Funds. In addition, the Funds may not be in a position to limit or otherwise protect the value of the Funds' investments or determine the timing or occurrence of any sale of such investments and the terms and conditions thereunder. Moreover, the Funds could incur fees, costs, and expenses in connection with asserting or enforcing any minority shareholder or supervisory rights.

The Funds have and will co-invest with third parties including through partnerships, joint ventures, or other entities. Such investments involve risks in connection with such third-party involvement, any of which could negatively affect potential returns to the Funds, including the possibility that such third parties could have financial difficulties, economic or business interests or goals which are inconsistent with those of the Funds or could be in a position to take (or block) action in a manner contrary to the Funds' investment objectives.

Such third parties could also receive compensation relating to such investments, including incentive compensation arrangements, directors' fees, break-up and topping fees, fees in relation to guarantees, advisory fees, monitoring fees, commitment fees, financing fees, acquisition fees, divestment fees, transaction fees, management fees, success fees, and other similar fees (whether in cash or in kind), which would reduce a Fund's returns with respect to such investment. In addition, the Funds could be subject to litigation risks and in certain circumstances be liable for the actions of such third parties. While the General Partners, Lightyear or their affiliates will review the qualifications and previous experience of such third parties, it does not expect to obtain financial information from, or to undertake private investigations with respect to, such third parties.

Lightyear, the General Partners, and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies or other third parties) to bear their share of expenses related to a minority investment or an investment with third parties; therefore even if such parties could benefit from the incurrence of such expenses, such amounts will be borne in their entirety by the applicable Fund or Funds, any related parallel funds, and any related Employee Co-Investment Funds.

Investments in Less Established Companies

A Fund is not restricted from investing a portion of its assets in the securities of less established companies, early-stage companies or start-up companies with little or no operating history, unproven

technology, untested management and unknown future capital requirements. Investments in such early-stage companies involve greater risks than investments in, and could face intense competition from, more established companies with greater financial and technical resources, more marketing and service capabilities and a greater number of qualified personnel. To the extent there is any public market for the securities held by a Fund, such securities could be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and therefore, often are more vulnerable to financial failure. Such companies are also likely to have shorter operating histories on which to judge future performance and in many cases, negative cash flow. Portfolio companies could have substantial variations in operating results from period to period and/or experience failures or substantial declines in value at any stage. At the time of a Fund's investment, an early-stage or start-up company could lack one or more key attributes (e.g., proven technology, appropriate patent protection, marketable products, complete management team, regulatory approvals or strategic alliances) necessary for growth. Start-up enterprises may not have significant or any operating revenues, and any such investment should be considered highly speculative and could result in the loss of a Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Investments in Non-U.S. Companies

While the Funds will accept subscriptions and will maintain its books and records in U.S. dollars, the Funds could invest a portion of their aggregate Capital Commitments outside of the United States, pursuant to any investment restrictions set forth in the applicable Governing Fund Documents. Non-U.S. securities have exposure to certain risks not typically associated with investing in U.S. securities, including risks relating to: (a) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which the Fund's non-U.S. investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some non-U.S. securities markets; (c) differing or nonexistent uniform accounting, auditing and financial reporting standards, practices and disclosure requirements, which could affect the evaluation of potential investments and the ability to perform due diligence and less government supervision and regulation; (d) certain economic, social and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital, the risks of political, economic, or social instability, and the possibility of expropriation or confiscatory taxation; (e) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities; (f) laws and regulations in certain jurisdictions, particularly those relating to foreign investment and taxation, being subject to change or evolving interpretation which could cause legal action to be pursued in multiple jurisdictions; (g) requirements of significant government approvals under corporate, securities, exchange control, non-U.S. investment and other similar laws and regulations; and (h) possible financing and structuring alternatives and exit strategies that differ substantially from those commonly used in the United States. While Lightyear and the Affiliated Advisers intend to manage the Funds in a manner that will minimize their exposure to the foregoing risks, there can be no assurance that adverse developments with respect to such risks will not adversely affect the assets of the Funds that are held in certain countries.

In addition, if the Funds were to invest in companies domiciled outside of the United States or in U.S. companies with significant business interests outside the United States, the scope and nature of the Funds' due diligence activities in connection with portfolio investments outside of the United States could be more limited than due diligence reviews conducted in the United States because reliable information is often unavailable or prohibitively costly to obtain in certain non-U.S. countries. The lower standards of due diligence and financial controls in investments in certain countries increase the likelihood of material losses on such investments.

The Funds currently do not intend to obtain political risk insurance. Actions in the future of one or more of the governments in the countries in which the Funds invest could have a significant effect on the various economies of such countries, which could affect market conditions, prices and yields of securities in the Funds' portfolios. Political and economic instability in any of the countries in which the Funds invest could adversely affect the Funds' investments.

Economic reforms that lead to more open markets and encourage foreign investment may be curtailed or stalled by political opposition. Political opposition could lead to restrictions on foreign direct investment, including limitations on investment returns, which could have an adverse effect on the Funds' investments.

Investments in Europe

There is often a high degree of government regulation in European economies, and action by European governments could have a significant effect on market conditions and the value of securities held by the Funds. Action by such governments could directly affect foreign investment in securities of European companies, including through changes in policy with regard to taxation, fiscal and monetary policies, repatriation of profits, and other economic and trade regulations. The European economies could differ favorably or unfavorably from the other economies with regard to the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments. The economies of certain countries depend heavily on international trade and can be adversely affected by the enactment of trade barriers or changes in the economic conditions of their trading partners.

Changing political environments, regulatory restrictions and changes in government institutions and policies in Europe could adversely affect private investments and the performance of the Funds' investments.

No Market for Limited Partnership Interests/Transferability Restrictions

The limited partnership interests in the Funds (the "**Interests**") have not been registered under the Securities Act or applicable securities laws of any state or non-U.S. jurisdiction. Therefore, the Interests cannot be resold unless subsequently registered under the Securities Act and other applicable laws or an exemption from such registration is available. It is not contemplated that registration under the Securities Act or other securities laws will ever be effected. There is no public market for the Interests and none is expected to develop. In addition, a Limited Partner will not be permitted to sell, exchange, or directly or indirectly transfer in any form (including, without limitation, any mortgage, hypothecation or pledge), assign, securitize or otherwise dispose of any of its Interest without the prior written consent of the applicable Fund's General Partner, which it may withhold in its sole

discretion and is subject to the terms and conditions of the applicable Fund's Governing Fund Documents. Limited Partners could be unable to withdraw capital from the Funds, except in certain limited circumstances. Consequently, Limited Partners could be unable to liquidate their investments prior to the end of a Fund's term. Each purchaser of an Interest is required to represent that the Interest is being acquired for its own account, for investment, and not with a view to resale or distribution.

Accordingly, prospective investors should be aware that they will be required to bear the financial risks of an investment in the interests of a Fund for an indefinite period of time. There will be no public market for the interests, and there is no obligation on the part of any person to register the interests under the Securities Act or any state or other jurisdiction's securities laws.

Management Fee and Carried Interest

As a result of fixed investment periods and the fact that the Management Fee thereafter is based upon capital invested by a Fund (or committed by a Fund to be invested) in portfolio investments and amounts borrowed by a Fund and secured by the Partners; Capital Commitments to make such portfolio investments as set forth in the applicable Governing Fund Documents, there is an incentive to deploy capital when Lightyear or an Affiliated Adviser may not have otherwise so advised a Fund in the absence of such fee structure. In addition, the fact that the General Partners' compensation is based on the performance of their respective Funds creates an incentive for the General Partners to cause their respective Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive should be reduced by the commitment by the General Partner and its related parties to invest in portfolio investments and the fact that losses will reduce a Fund's performance and thus a General Partner's compensation.

Non-corporate U.S. persons (including the owners of the General Partner) are subject to U.S. federal income tax on long-term capital gain at rates that are substantially lower than the rates applicable to ordinary income or short-term capital gain. In general, gain from the disposition of an investment of a Fund held for more than one year will be treated as long-term capital gain. However, gain that is allocated to the General Partner in respect of Carried Interest and the Incentive Capital Contributions will be treated as short-term capital gain unless the Fund's holding period in the relevant investment is more than three years. This special rule does not apply to allocations to the General Partner of qualified dividend income in respect of Carried Interest or Incentive Capital Contributions, and therefore these allocations will continue to qualify for the preferential tax rate for non-corporate persons. As a consequence, conflicts of interest will arise between the interests of the General Partner and the interests of the Limited Partners in connection with the General Partner's investment-related determinations. Such determinations include, but are not limited to, decisions with respect to identifying, sourcing, developing, evaluating, investigating, analyzing, researching, negotiating, structuring, and acquiring potential investments and portfolio companies and holding, monitoring, maintaining, exercising voting rights, advising as to disposition opportunities, and taking other appropriate action with respect to a Fund's investments.

In other words, even if faced with an opportunity to dispose of an investment before the expiration of the applicable three-year holding period, and notwithstanding that such disposition opportunity may be in the best interest of a Fund, all things being equal, the General Partner will be incentivized to cause a Fund to hold the investment at least until the three-year holding period has expired. Prospective investors should consider these potential conflicts in making their investment decisions

and expect that the General Partner's determinations will be influenced, in part, by the tax treatment of capital gain in respect of the Carried Interest and Incentive Capital Contributions.

Cybersecurity

Cybersecurity incidents, cyber-attacks, and other breaches have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency and severity in the future, including due to the growing use of artificial intelligence ("AI") by bad actors. Cybersecurity risks for investment funds have increased significantly in recent years because of, among other things: the proliferation of the internet and telecommunications technologies to conduct financial transactions; the ability and degree to which investment managers collect and maintain confidential, proprietary, sensitive, personal, and other non-public information and data, as well as publicly available data that may be organized in a manner that is not publicly available; and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state and state-supported actors, any of which may see the scale and effectiveness of their efforts enhanced in the future by the use of AI. Accordingly, the Funds, the General Partners, Lightyear, and the Fund's portfolio companies will face cybersecurity threats to gain unauthorized access to confidential, proprietary, sensitive, personal, and other non-public information, including, without limitation, information regarding the Limited Partners', Lightyear's, the Funds', and their respective affiliates' investment activities, or to render data or systems unusable, which could result in significant losses. The use of internet- or cloud-based programs, technologies, and data storage applications generally heightens these risks.

Losses of confidential, proprietary, sensitive, personal and other non-public information, or capabilities essential to the operations of the Funds, the General Partners, Lightyear, or any portfolio company of the Funds could have a material adverse effect on their reputations, financial positions, results of operations, or cash flows, and could lead to financial losses from remedial actions, loss of business, regulatory penalties or investigations, legal claims, reputational damage, or potential liability, or the disclosure of Limited Partners' personal information. Although Lightyear, the Funds, and the Funds' portfolio companies seek to implement various measures designed to manage risks relating to these types of events, Lightyear, the Funds, or the Funds' portfolio companies may have to make a significant investment to fix or replace any inoperable or compromised systems or to modify or enhance their cybersecurity controls, procedures, or measures, and each of these measures are likely to be time-consuming. Remediation costs could also include incentives offered to portfolio company customers or other business partners in an effort to maintain business relationships after a security breach. Similarly, the public perception that the Funds, the General Partners, Lightyear, or a portfolio company of a Fund had been the target of a cybersecurity threat, whether successful or not, could have a material adverse effect on their reputations and could lead to financial losses from loss of business, depending on the nature and severity of the threat.

Cybersecurity attacks are evolving and may be difficult to detect for long periods of time, and include, but are not limited to, computer viruses, malicious or destructive code, phishing attacks, malware, ransomware, social engineering, denial of service or information, attempts to gain unauthorized access to data, improper access by employees or Service Providers, or other electronic security breaches or other similar events, including those perpetrated by criminals or nation-state actors, that could, among other things, lead to: disruptions in critical systems, network access, or business

operations; unauthorized collection, monitoring, use, or release of confidential, proprietary, sensitive, personal, or other non-public or otherwise protected information, including personal information relating to the Limited Partners of a Fund (and the beneficial owners of such Limited Partners); or obstruction, deletion, loss, destruction, or corruption of information or data. Third parties, including activist, criminal, nation-state, or terrorist actors, may also, among other things, attempt fraudulently to induce a Fund's portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to information, data, accounts, funds, or other assets, or otherwise to inflict harm. Furthermore, Lightyear and the Funds' portfolio companies could be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages, and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. The controls and procedures, business continuity systems, and data security systems of Lightyear or a portfolio company of the Funds could prove to be inadequate. These problems could arise in both Lightyear's or a portfolio company of the Funds' internally developed systems and the systems of third-party Service Providers, upon which Lightyear or a portfolio company of a Fund rely, which systems may be inadequate to prevent, detect, or recover from a cybersecurity attack. While Lightyear and the Funds' portfolio companies perform cybersecurity diligence on their key Service Providers, it is important to note that if a Service Provider fails to adopt or adhere to adequate cybersecurity procedures, or if despite such procedures its networks or systems are breached, information relating to client transactions or personal information of the Limited Partners of a Fund (and the beneficial owners of such Limited Partners) may be lost or improperly accessed, used, or disclosed. Given the variety and potential severity of cybersecurity threats, the Funds, the General Partners, Lightyear, the Funds' portfolio companies, and the third-party Service Providers upon which they rely may not have adequate insurance coverage to compensate against all losses.

Artificial Intelligence

Lightyear and the Funds' portfolio companies may incorporate novel uses of AI, including generative AI, into their businesses and operations. However, there are significant risks involved in utilizing AI, and no assurance can be provided that such use will enhance the businesses or operations, or result in such businesses or operations being more efficient or profitable. For example, AI algorithms could be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable. AI has also been known to produce false or "hallucinatory" inferences or outputs, and AI can present ethical issues and subject users to new or heightened legal, regulatory, ethical, or other challenges. Inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions. If the AI solutions that Lightyear or the Funds' portfolio companies create or use are deficient, inaccurate, or controversial, Lightyear, the Funds, or their portfolio companies could suffer operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on their businesses and financial results. If the party using AI does not have sufficient rights to use the data or other material or content on which its AI solutions or other AI tools rely, such party could also incur liability through the violation of applicable laws, third-party intellectual property, privacy or other rights, or contracts to which they are a party.

In addition, regulation of AI is rapidly evolving worldwide as legislators and regulators are increasingly focused on this emerging technology. The technologies underlying AI and its uses are

already subject to a variety of laws, including intellectual property, privacy, data protection, and cybersecurity, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws. AI is the subject of ongoing review by various U.S. governmental and regulatory agencies, and various U.S. states and other foreign jurisdictions are applying, or are considering applying, their platform moderation, cybersecurity, and data protection laws to AI or are considering general legal frameworks for AI, such as the AI Act currently being considered in the EU. It is possible that Lightyear and/or the Funds' portfolio companies will not be able to anticipate how to respond to these rapidly evolving frameworks, and any such party could be required to expend resources to adjust their offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational, or technological risks that may arise relating to the use of AI.

Privacy, Data Protection, and Cybersecurity Laws and Regulations

Compliance with current and future laws and regulations related to privacy, data protection, and cybersecurity may require a significant expenditure of time and money, could significantly impact current and planned privacy, data protection, and cybersecurity related practices of the Funds, the General Partners, Lightyear, and/or the Funds' portfolio companies and their affiliates, their respective collection, use, sharing, retention, safeguarding, and other processing of personal information, and certain of their respective current and planned business activities. Any failure or perceived failure to comply with such laws and regulations could result in fines, sanctions, or other penalties, which could materially and adversely affect their results of operations and overall business, as well as cause significant reputational harm.

The Funds, the General Partners, Lightyear, and the Funds' portfolio companies are subject to laws and regulations related to privacy, data protection, and cybersecurity in the jurisdictions in which they do business. As privacy, data protection, and cybersecurity laws and regulations are implemented, interpreted, and applied, compliance costs could increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, the European Union General Data Protection Regulation (EU 2016/679) (the “**GDPR**”) is binding on data controllers and data processors in all EU member states, without the need for implementation in each member state. The GDPR notably has extraterritorial reach, such that it applies to data controllers and data processors either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The GDPR imposes stringent operational privacy, data protection, and cybersecurity requirements on both data controllers and data processors (including a requirement for data controllers to provide certain disclosures to EU residents about their data processing practices), provides EU residents with certain individual privacy rights, and imposes significant penalties for noncompliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the violation. In addition, following Brexit, the United Kingdom (“**UK**”) General Data Protection Regulation (i.e., a version of the GDPR as implemented into UK law) (the “**UK GDPR**”) went into effect. Although the substantive requirements of the UK GDPR are largely aligned with

those of the GDPR, exposing the Funds, the General Partners, Lightyear, and the Funds' portfolio companies to burdens and risks comparable to those of the GDPR, that may change over time.

In the United States, at the federal level, the Funds, the General Partners, Lightyear, and the Funds' portfolio companies are subject to various rules and regulations, including those promulgated under the authority of the Federal Trade Commission, which regulates unfair or deceptive acts or practices (including with respect to privacy, data protection, and cybersecurity). The SEC also has proposed new cybersecurity rules applicable to registered investment advisers and funds, to which the Funds, the General Partners, and/or the Lightyear may become subject if finalized. Additionally, the Gramm-Leach-Bliley Act of 1999 (along with its implementing regulations) restricts certain collection, storage, use, disclosure, and other processing of personal information, requires notice to individuals of privacy practices and provides individuals with certain rights to prevent the use and disclosure of certain non-public or otherwise legally protected information. These rules also impose requirements for the safeguarding and proper destruction of personal information through the issuance of data security standards or guidelines. The United States Congress also is considering, and may in the future consider, various proposals for privacy, data protection, and cybersecurity legislation.

At the state level, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the "CCPA") provides California residents with certain individual privacy rights and imposes privacy, data protection, and cybersecurity obligations on covered companies. The CCPA requires covered companies to provide certain disclosures to California residents about such companies' data collection, use, sharing, and other processing practices and to provide California residents with ways to opt-out of certain sales or transfers of their personal information, and provides California residents with certain additional causes of action. As currently written, the CCPA may impact the policies of Lightyear, the Funds, and the Funds' portfolio companies with respect to the processing of personal information. A number of other states have enacted, or are considering enacting, their own comprehensive data privacy laws. In addition, the Funds, the General Partners, Lightyear, and the Funds' portfolio companies are subject to privacy, data protection, and cybersecurity laws and regulations passed by many states, and by certain countries outside the United States, that require enhanced levels of cybersecurity and notification to users and/or regulators when there is a security breach of personal information, including the New York SHIELD Act.

The cumulative effects of the GDPR, the UK GDPR, the CCPA, and other recently adopted privacy, data protection, and cybersecurity laws and regulations include an increased ability of individuals, relative to companies, to control the use of their personal information; increased obligations of companies to maintain the privacy and security of personal information; and increased exposure to regulatory action, litigation, fines, damages, or reputational harm for companies that do not afford individuals their specified privacy rights, that experience data breaches, or that do not maintain cybersecurity practices at certain required levels. The global data protection landscape continues to be in flux, resulting in possible significant operational costs for internal compliance and risk to our business. The Funds, the General Partners, Lightyear, and the Funds' portfolio companies will endeavor to implement and maintain systems designed to promote compliance with the GDPR, the UK GDPR, the CCPA, and these other laws and regulations, both those adopted to date and those that may be adopted in the future, but there can be no assurance that these systems will be effective in mitigating the business impact of individuals' increased privacy rights or in ensuring compliance with

the GDPR, the UK GDPR, the CCPA, and such other laws. In the event of regulatory action, litigation, fines, damages, or reputational harm due to noncompliance with such privacy, data protection, and cybersecurity laws and regulations or a data breach, there may be a business impact on the Funds, the General Partners, Lightyear, the Funds' portfolio companies, or their affiliates.

Developments with Respect to Social Networks, Message Boards, and Other Means of Mass Communication

The use of social networks such as Facebook, X (formerly called Twitter), LinkedIn, and Instagram, message boards such as Reddit, and other internet channels 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 relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding the Funds, the General Partners, Lightyear, and their portfolio companies or their respective affiliates could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites, and other internet outlets have taken actions to ban, block, verify, or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect the Funds, the General Partners, Lightyear, and their portfolio companies or their respective affiliates (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the subject of such a ban). In addition, the debt or equity securities of the Fund's portfolio companies or their affiliates could become the subject of speculation, including speculation stemming from posts on websites, applications, widely followed social networks, or message boards such as Reddit. Such speculation could result in volatility in the prices of such securities, disruptions in capital availability for, or of the operations of, such portfolio companies, and/or short-term or long-term losses for such portfolio companies, their affiliates and a Fund.

Possibility of Misconduct by employees and Service Providers. Misconduct by the General Partners, Lightyear, Service Providers to the Funds, and/or their respective affiliates could cause significant losses to the Funds

Misconduct can include entering into transactions without authorization, the failure to comply with operational and risk policies and procedures, including due diligence procedures or operational or risk procedures, misrepresentations as to investments being considered by the Fund, the improper use or disclosure of confidential, proprietary, sensitive, personal, or other non-public information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities, and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities would likely result in reputational damage, litigation, business disruption, and/or financial losses to the Funds.

Terrorism

The threats of terrorist strikes and the fear of prolonged global conflict have exacerbated volatility in the financial markets and caused consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn, which could have an adverse effect upon the

portfolio companies in which the Funds make investments. Economic and political uncertainty also increase the difficulty of modeling market conditions, which could reduce the accuracy of the Fund's financial projections. The performance of the Funds' portfolio companies could be affected by additional catastrophic events.

Hedging Policies/Risks

In connection with the financing of certain investments, a Fund will employ hedging techniques designed to reduce the risks of adverse movements in interest rates, credit, securities prices and currency exchange. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge could be greater, or gains smaller, than losses or gains, as the case may be, in the value of the underlying position. While a Fund can benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, credit defaults, securities prices or currency exchange rates could result in a worse overall performance for a Fund than if that Fund had not entered into such hedging transactions. In situations in which a Fund is required to post margin or other collateral with a counterparty, the counterparty could fail to segregate the collateral or could commingle the collateral with the counterparty's own assets. As a result, in the event of the counterparty's bankruptcy or insolvency, a Fund's collateral could be subject to the conflicting claims of the counterparty's creditors, and that Fund could be exposed to the risk of a court's treating the Fund as a general unsecured creditor of the counterparty, rather than as the owner of the collateral. Additionally, such hedging transactions will add to the cost of the investment, could require ongoing cash payments to counterparties, could subject a Fund to the risk that the counterparty defaults on its obligations, and could produce different tax consequences to a Fund's Limited Partners than would apply if the Fund had not entered into such hedging transactions. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when a Fund wishes to use them. In addition, the successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Role of and Dependence on Private Equity Professionals

The success of the Funds will depend substantially on the skill and knowledge of Lightyear's private equity professionals. There can be no assurance that such professionals will continue to be associated with Lightyear throughout the life of a Fund or that a General Partner or its affiliates will be able to attract and retain replacements or additional professionals when needed. The loss of key personnel could have a material adverse effect on the Funds. Additionally, certain of the investment professionals involved in one Fund may not be involved in the affairs of another Fund.

Business with Portfolio Companies and Limited Partners

A Fund or a portfolio company of a Fund or any Other Sponsored Fund, on the one hand, may from time to time enter into contracts and transactions with an Other Sponsored Fund, a portfolio company of a Fund, or a General Partner or its affiliates, on the other hand, subject to certain restrictions set forth in the applicable Fund's Governing Fund Documents. A Fund's portfolio companies may be counterparties or participants in agreements, transactions, or other arrangements with that Fund or an Other Sponsored Fund or any of their respective portfolio companies. Although Lightyear could determine such arrangement to be consistent with the governing documents of a Fund, such

agreement, transaction, or arrangement may not have otherwise been entered into but for the affiliation with Lightyear.

In addition, Lightyear may cause a Fund's portfolio companies to enter into agreements regarding group procurement, benefits management, data management and/or mining, technology development, purchase of title and/or other insurance policies (which may be pooled across portfolio companies and discounted due to scale), and other similar operational initiatives that may result in fees, commissions, or similar payments and/or discounts being paid to Lightyear or its affiliates or to a portfolio company, including related to a portion of the savings achieved by the portfolio company.

In addition, portfolio companies of Other Sponsored Funds may do business with, support, or have other relationships with competitors of a Fund's portfolio companies, and in that regard prospective investors should not assume that a company related to or otherwise affiliated with Lightyear will only take actions that are beneficial to or not opposed to the interests of a Fund and its portfolio companies. For example, it is possible that certain portfolio companies of the Other Sponsored Funds will compete with a Fund for one or more investment opportunities. In addition, it is possible that one or more portfolio companies of a Fund may look to buy or sell a business or asset from or to a portfolio company of an Other Sponsored Fund (or to or from the Other Sponsored Fund itself).

With respect to transactions or agreements with portfolio companies, if unrelated officers of a portfolio company have not yet been appointed, Lightyear may be negotiating and executing agreements between Lightyear and/or a Fund, on the one hand, and the portfolio company or its affiliates, on the other hand, which could entail a conflict of interest in relation to efforts to enter into terms that are arm's length.

In addition, General Partners or their respective affiliates may from time to time utilize the services of one or more Limited Partners and their affiliates, as the parties deem appropriate. Such arrangements will not be deemed to be conflicts of interest under the terms of the applicable Governing Fund Documents and may not be presented to the relevant LP Advisory Committee for review.

Allocation of Personnel

Lightyear personnel will work on other projects, including projects in respect of multiple Funds and their portfolio companies, and possibly other vehicles as contemplated in the applicable Governing Fund Documents. Such personnel may have in the past and may in the future also serve as members of the boards of directors or managers of various companies other than the Funds' portfolio companies in accordance with the applicable Governing Fund Documents. Conflicts may arise as a result of such other activities. The relevant General Partners and Affiliated Advisers shall, and shall cause each of the Key Persons (as defined in the relevant Governing Fund Documents) for so long as such Key Person (as defined in the relevant Governing Fund Documents) is affiliated with Lightyear to devote such time to the Funds as is reasonably required to conduct the investment and other activities of the Funds and their related investment funds.

Material, Non-Public Information

By reason of their responsibilities in connection with their Lightyear-related or other activities, certain personnel of Lightyear or its affiliates will acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Lightyear does not intend to operate the investment activities of the Funds with ethical screens or information barriers to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In the event that Lightyear personnel obtain such material non-public information, Lightyear could be restricted in acquiring or disposing of investments on behalf of the Funds, which could impact the returns generated therefor. Furthermore, the General Partners are permitted to keep confidential from any Limited Partner any material non-public technical information, the disclosure to the Limited Partner of which would be reasonably likely to subject a Fund or any prospective or potential portfolio investment to the jurisdiction or review of the Committee on Foreign Investment in the United States.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Lightyear, or one of its personnel, buying, or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on Lightyear's reputation, result in the imposition of regulatory or financial sanctions, and, as a consequence, negatively impact Lightyear's ability to provide its investment management services to the Funds. In addition, while Lightyear currently intends to operate without information barriers, it could be required by certain regulations, or decide that it is advisable, to establish information barriers. The establishment of such information barriers, and the related operational and compliance framework, could be costly and require Lightyear personnel to devote significant time and resources that would otherwise have been spent on the management of the Funds.

Diverse Membership

The Limited Partners are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such Limited Partners may have conflicting investment, tax and other interests with respect to their investments in a particular Fund. The conflicting interests of individual Limited Partners may relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of portfolio investments, the purchase by a Fund of assets from a portfolio company where certain Limited Partners did not participate in the investment in such portfolio company, and the timing of disposition of investments. Such structuring of investments and other factors may result in different returns being realized by different Limited Partners. As a consequence, conflicts of interest may arise in connection with decisions made by the General Partners, including in respect of the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially in respect of Limited Partners' individual tax situations. In selecting and structuring investments appropriate for a Fund, the applicable General Partner will consider the investment and tax objectives of such Fund and the Partners as a whole, rather than the investment, tax or other objectives of any Limited Partner individually.

Other Sponsored Funds

In connection with prior investments by the Funds, Lightyear, its affiliates and/or portfolio companies are subject to certain restrictions that may limit the ability of other Funds to pursue an investment in one or more companies, including, but not limited to, restrictions arising out of confidentiality, exclusivity, noncompetition or similar agreements entered into by Lightyear, its affiliates or such portfolio companies. As a result of existing investments and activities, Lightyear, its affiliates and its investment team may from time to time acquire confidential information that they will not be able to use for the benefit of the Funds.

Lightyear may form, sponsor, manage or advise other funds or investment vehicles with different investment strategies (each, an “**Other Sponsored Fund**” or, collectively, the “**Other Sponsored Funds**”).

In addition to responsibilities with respect to the management and investment activities of the Funds, the General Partners, Lightyear, the Affiliated Advisers, their respective Key Persons (if any) (as defined in the relevant Governing Fund Documents) and their affiliates are and will be investors in, and will have similar responsibilities with respect to various Other Sponsored Funds. Lightyear personnel also reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and pay and receive compensation relating to those arrangements. The existence of such multiple vehicles and accounts necessarily creates a number of potential conflicts of interest arising from the allocation of management time, services or functions of Lightyear, the Affiliated Advisers and their investment personnel among the Funds and the Other Sponsored Funds. The performance and operation of companies with which one or more Other Sponsored Funds or Lightyear personnel is involved could conflict with and adversely affect the performance and operation of the Funds or their portfolio companies and could adversely affect the prices and availability of business opportunities or transactions available to a Fund or such portfolio companies.

Other Sponsored Funds may have principal investment objectives different from those of the Funds but in some cases the investment objectives will overlap with those of the Funds or may be focused on a subset of the investments that a Fund is targeting (or vice versa). It is possible that a particular opportunity would be suitable for both a Fund and Other Sponsored Funds and thereby limit the presentation of such opportunity to the Funds results in a situation where a Fund and Other Sponsored Funds co-invest in a particular investment which gives rise to additional conflicts (including in respect of the timing, structuring and terms of such investments and disposition thereof).

Co-Investment and Competition with Other Sponsored Funds

A Fund will, from time to time, invest in portfolio companies in which Other Sponsored Funds invest, either concurrently with a Fund or subsequent or prior to the investment by such Fund, and a Fund could take different positions in companies in which an Other Sponsored Fund has invested (i.e., a Fund may purchase equity in a company in which an Other Sponsored Fund holds debt). In such event, it should be assumed that such Fund and such Other Sponsored Fund will have conflicting interests because they are investing in different parts of the capital structure of the same portfolio company. If, for example, the portfolio company in which a Fund has an equity investment and in which such Other Sponsored Fund has a debt investment becomes distressed or defaults on its

obligations, Lightyear or its affiliates, as the case may be, will have conflicting loyalties between its duties to the Other Sponsored Fund, the Fund, certain of its other affiliates and the portfolio company. In that regard, actions may be taken for such Other Sponsored Fund that are adverse to a Fund, or actions may or may not be taken by a Fund due to such Other Sponsored Fund's investment, and it should be assumed that such action or failure to act will be adverse to that Fund. In addition, it is possible that in a bankruptcy proceeding a Fund's interest will be subordinated or otherwise adversely affected by virtue of such Other Sponsored Fund's involvement and actions relating to its investment.

A Fund may invest in portfolio companies with similar businesses and business models as other portfolio companies in Other Sponsored Funds. In such case, such Fund could compete for follow-on investments or add-on acquisitions with Other Sponsored Funds. Lightyear could be incentivized to deploy capital for a follow-on investment to an Other Sponsored Fund in lieu of such Fund or a portfolio company of an Other Sponsored Fund could make an add-on acquisition in lieu of a portfolio company of a Fund making such acquisition. In each case, a Fund could miss out on a valuable opportunity for its portfolio company for the benefit of an Other Sponsored Fund's portfolio company.

Allocation of Deal Flow

Lightyear may conduct the investment programs of certain Funds in a manner that is similar to the investment program of one or more other Funds. There may be a conflict of interest in determining whether to allocate an investment opportunity to a Fund, on the one hand, or another Fund, a successor fund, an Other Sponsored Fund or a General Partner and/or its affiliates, on the other hand. The General Partners will make allocation decisions with respect to investment opportunities suitable for the Funds, consistent with the applicable Governing Fund Documents and contractual commitments and any other factors it may deem relevant. In making allocation determinations, the General Partners may consider any or all of the following factors and any other factors it may deem relevant with respect to the Funds: (a) the risk-return and target return profile of the proposed investment relative to a Fund's current risk profile; (b) a Fund's current portfolio, investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the Fund's overall holdings; (c) diversification and risk; (d) available Capital Commitments and/or liquidity considerations of a Fund, including during a ramp-up or wind-down of a Fund, proximity to the end of a Fund's term or investment period, any redemption/withdrawal requests and anticipated future contributions to a Fund; (e) tax consequences; (f) regulatory or contractual restrictions or consequences; (g) avoiding a de minimis or odd lot allocation; and (h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities.

If a General Partner determines that any investment opportunity to invest in a potential control position (including through an acquisition of debt securities) or a significant minority position in a financial services company is not suitable or appropriate for a Fund, then any person, including the General Partner or its affiliates and their respective equity holders, officers, directors and employees or affiliates, may participate in all or any portion of such investment opportunity.

Conflicts with Portfolio Companies

Officers and employees of Lightyear, the General Partners, the Affiliated Advisers, or their affiliates will serve as directors or in similar governance roles of certain portfolio companies and, in that capacity, will be required to make decisions regarding the relevant portfolio company. In those instances where a Fund is not the sole equity holder of the relevant portfolio company, in addition to any duties such persons owe to that Fund, if any, as directors of or in similar governance roles for portfolio companies, such persons could owe fiduciary duties to the other equity holders of the portfolio companies, which could be Other Sponsored Funds, and to persons other than a Fund and Other Sponsored Funds. 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 a portfolio company may not be in the best interest of a Fund, and vice versa. Accordingly, in these situations, there may be conflicts of interests between such individual's duties as an officer or employee of Lightyear, a General Partner, an Affiliated Adviser or their affiliates and such individual's duties as a director of a portfolio company. Should such personnel make a decision that is not in the best interests of the shareholders of a portfolio company, such decision could subject the General Partners, Lightyear, and the Funds to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims, and other director-related claims.

General Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes could occur during the term of the Funds that could adversely affect the Funds, their portfolio companies or Partners. The legal, tax and regulatory environment for funds that invest in alternative investments is evolving, and changes in the regulation and market perception of such funds, including changes to existing laws and regulations and increased criticism of the private equity and alternative asset industry by some politicians, government representatives, regulators and market commentators, could adversely affect the ability of the Funds to pursue their respective investment strategies, their ability to obtain leverage and financing, and the value of investments held by the Funds. In recent years, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies have led to increased governmental as well as self regulatory scrutiny of the alternative investment fund industry in general, and certain legislation proposing greater regulation of the industry periodically has been and is being considered by the governing bodies of both U.S. and non-U.S. jurisdictions. It is impossible to predict what, if any, changes could be instituted with respect to the regulations applicable to the Funds, the General Partners, the Affiliated Advisers, their respective affiliates, the markets in which they trade and invest, the Limited Partners in the Funds or the counterparties with which they do business, or what effect such legislation or regulations might have. There can be no assurance that the Funds, the General Partners, the Affiliated Advisers or their respective affiliates will be able, for financial reasons or otherwise, to comply with future laws and regulations, and any regulations that restrict the ability of the Funds to implement their investment strategies could have a material adverse impact on the Funds' portfolios. To the extent that the Funds or the Funds' investments are or could become subject to regulation by various agencies in the United States or other non-U.S. jurisdictions, the costs of compliance will be borne by the Funds.

Fund, General Partner, and Manager Registration

The Funds are not registered under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on registered investment companies (including, for example, limitations on the ability of registered investment companies to incur leverage), none of which will be applicable to the Funds. Neither the General Partners nor Lightyear is registered as a broker-dealer under the Exchange Act, or with FINRA and, consequently, they are not subject to the recordkeeping and specific business practice provisions of the Exchange Act or the rules of FINRA.

Lightyear is registered as an investment adviser under the Advisers Act. Registered advisers are subject to substantial regulatory reporting and recordkeeping requirements regarding their investment advisory businesses. Compliance with these reporting and recordkeeping requirements will require the expenditure of Lightyear's resources and the attention of certain of its personnel who also have responsibilities on behalf of the Funds.

In addition to the foregoing, as a registered investment adviser under the Advisers Act, Lightyear will be obligated to periodically file Form PF with the SEC. Form PF requires Lightyear to report on matters such as exposures by asset class, geographical concentration, turnover, and, in certain cases, leverage, risk profile, and liquidity. Form PF filing requirements can be burdensome and can consume significant time and resources from both Lightyear and the Funds. Furthermore, Lightyear expects that the Funds will be treated as "private equity funds" as defined under, and for purposes of, Form PF. Accordingly, in the event that the Funds engage in certain transactions such as borrowing arrangements and short sales, Lightyear intends for any such activities to be conducted by the Funds in a manner that is consistent with their treatment as "private equity funds" for purposes of Form PF.

The Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**"), also provides certain protection to investors by imposing certain disclosure, reporting, and recordkeeping obligations on Commodity Pool Operators ("**CPOs**") and Commodity Trading Advisors ("**CTAs**"). However, pursuant to an exemption from the Commodity Futures Trading Commission (the "**CFTC**") regulations, the General Partners do not expect to be required to register, and will not be registered, with the CFTC as a CPO. Specifically, the General Partners currently intend to rely on the limited trading exemption provided by CFTC regulation 4.13(a)(3). Among other things, CFTC regulation 4.13(a)(3) requires the filing of a claim of exemption with the U.S. National Futures Association. It will also be required that at all times either: (a) the aggregate initial margin and premiums required to establish commodity interest positions (including both hedging and speculative positions, and positions in security futures) do not exceed 5% of the liquidation value of the Fund's portfolio; or (b) the aggregate net notional value of the Fund's commodity interest positions do not exceed 100% of the liquidation value of the Fund's portfolio. CFTC regulation 4.13(a)(3) also requires that the interests in the commodity pool ("**pool**") are exempt from registration under the Securities Act and offered and sold without marketing to the public in the United States. Accordingly, all pool participants are required to be accredited investors or certain other qualified investors. As a result, unlike a registered CPO, the General Partners will not be required to provide prospective pool participants with a disclosure document containing certain CFTC-prescribed disclosures or to provide periodic account statements or certified annual reports that satisfy the requirements of the CFTC regulations applicable to registered CPOs to participate in the pool. In addition, Lightyear relies on an exemption from registration as a CTA pursuant to Section 4m(3) of the Commodity Exchange Act.

If the General Partners and/or Lightyear are not able to meet the requirements with respect to the exemptions from registration described above, and if there are no other exemptions available, the General Partners and/or Lightyear could be required to register with the CFTC as a CPO or CTA.

Enhanced Scrutiny and Regulations of the Private Funds and Financial Services Industries; SEC Private Funds Regulations

The growth of the private funds industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private funds industry and its practices over the past fifteen years. In particular, the Dodd-Frank Act, which was signed into law in 2010, requires registration with the SEC of advisers to private funds whose assets under management exceed \$150 million (with certain limited exceptions) and imposes reporting and recordkeeping obligations with respect to the private funds they advise. The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with private equity and hedge funds and other provisions that affect the private funds industry, either directly or indirectly.

In addition, as alternative asset managers have become influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators, and market commentators. In certain European countries, private equity firms are perceived by some as having been responsible for certain high-profile bankruptcies as well as high levels of domestic unemployment. Various federal, state, and local agencies have examined the role of placement agents, finders, and other similar private funds service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. Furthermore, elements of organized labor and other representatives of labor unions have targeted private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on the Funds, the General Partners, Lightyear, Lightyear personnel, or any of their respective affiliates, or otherwise impede a Fund's activities.

In addition to legislation described above, certain jurisdictions have proposed modernizing financial regulations that call for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. There is a risk that regulatory agencies in the United States, Europe, or elsewhere could continue to adopt burdensome laws (including tax laws) or regulations, or could implement changes in law or regulation, or could pursue interpretation or the enforcement thereof, which are specifically targeted at the private funds industry.

With respect to interpretation and enforcement in the United States, the SEC stated publicly in recent years that its Division of Examinations (formerly known as the Office of Compliance Inspections and Examinations) intensified efforts to examine private fund advisers, with a focus on issues of concern identified in the course of presence exams of newly registered advisers that occurred shortly after the enactment of the Dodd-Frank Act. Such issues included, among others, the disclosure and allocation of fees, costs, and expenses; marketing practices; portfolio management; conflicts of interest; safety of client assets; and valuation. Consistent with such efforts, the SEC dramatically increased its pursuit of enforcement actions against private fund managers. Such actions alleged a variety of conduct, including undisclosed or unapproved related-party and affiliate transactions, as well as undisclosed

fees, costs, and expenses, and other undisclosed conflicts of interest. Industry observers generally agree that the enforcement trend is likely to continue.

On August 23, 2023, the SEC adopted a number of new rules and amendments to existing rules under the Advisers Act (the “**Private Funds Rules**”), including new requirements related to quarterly statements, financial statement audits, restricted activities, and the preferential treatment of certain investors. Specifically, the Private Funds Rules include (i) a requirement for detailed quarterly disclosure to investors of private fund performance, fees, and expenses (including disclosure of the compensation paid to the investment adviser and its affiliates), and additional portfolio investment-level disclosure, (ii) limitations and conditions on the ability of advisers to charge certain types of fees and expenses to private funds, (iii) a prohibition on the allocation of fees or expenses related to a portfolio investment on a non-pro rata basis among multiple private funds invested in the same portfolio investment unless the allocation is fair and equitable and the adviser provides a prior written notice of the non-pro rata allocation and a description of how such allocation is fair and equitable, (iv) subject to certain limited exceptions, limitations on an adviser’s ability to grant certain types of preferential terms regarding redemptions or information about portfolio holdings or exposures to only certain investors (e.g., through side letters), (v) a requirement to provide written notice to current and prospective investors of certain preferential terms granted to only certain investors in the same fund, and (vi) a requirement for the adviser to document an annual compliance review.

Furthermore, on May 3, 2023, the SEC also approved amendments to Form PF (the “**Form PF Amendments**” and, together with the Private Funds Rules, the “**Adopted Rules**”) which, among other things, require advisers to private equity funds to gather and report more information regarding fund strategies, use of leverage, fund investments in different levels of a single portfolio company’s capital structure, and portfolio company restructurings or recapitalizations. The Form PF Amendments also require that advisers report certain events to the SEC within 72 hours of their occurrence.

A separate cybersecurity rule proposal (the “**Proposed Cybersecurity Rules**”) would require advisers and funds to adopt and implement formal cybersecurity policies, report significant cybersecurity incidents to the SEC, and provide enhanced disclosure of cybersecurity risks and incidents to investors.

The SEC has also proposed amendments to ESG-related rules and disclosure forms (the “**Proposed ESG Rules and Forms**”) to increase disclosure obligations regarding certain funds’ and advisers’ incorporation of ESG factors in their investment process and a new oversight rule and rule amendments under the Advisers Act (the “**Proposed Outsourcing Rules**”) that would prohibit registered investment advisers from outsourcing certain services and functions without conducting due diligence and monitoring of the service providers. Finally, the SEC has also proposed new rules and amendments to Rule 206(4)-2 under the Advisers Act (the “**Proposed Custody Rule Changes**” and, together with the Proposed Cybersecurity Rules, the Proposed ESG Rules and Forms, and the Proposed Outsourcing Rules, the “**Proposed Rules**”), which would expand the current custody rule to cover a broader array of client assets and advisory activities and impose new custodial protections on client assets held under the Advisers Act.

The final versions of the Proposed Rules could (but are not expected to) differ significantly from the Proposed Rules. There can be no guarantee as to the enforcement in practice of the Adopted Rules or

as to the content of the final versions of the Proposed Rules. In particular, certain trade associations have filed suit challenging the Private Funds Rules, and the outcome of that litigation and its effect on enforcement is uncertain. The Adopted Rules, and if adopted as proposed, the Proposed Rules, are expected to increase the cost of operating the Funds (including those costs ultimately allocated to the Funds) and the time and resources that the Funds, the General Partners, Lightyear, and Lightyear personnel will be required to devote to reporting and compliance matters. The effect of the Adopted Rules and the Proposed Rules on the Funds, the General Partners, Lightyear, or any of their respective affiliates could be substantial and adverse.

There can be no assurance that the Fund, the General Partners, Lightyear, or any of their respective affiliates will avoid regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including undisclosed fee sharing arrangements with co-investors; the undisclosed disproportionate allocations of fees, costs, and expenses to managed funds for services that benefited the applicable adviser but without cost to the adviser; the undisclosed allocation of transaction fees to co-investors to reduce the magnitude of management fee offsets; engagement in unregistered broker-dealer activities; the undisclosed allocation of the fees, costs, and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses); undisclosed legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser; the undisclosed acceleration of monitoring fees; and undisclosed conflicts relating to determinations of permanent impairment. Although Lightyear believes that the foregoing practices were or have been common historically among private fund advisers within the U.S. private funds industry, if the SEC or any other governmental authority, regulatory agency, or similar body takes issue with the practices of the Funds, the General Partners, Lightyear, or any of their respective affiliates as they pertain to any of the foregoing or any other activities, the Funds, the General Partners, Lightyear, or any of their respective affiliates will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or if the sanction imposed against Lightyear was small in monetary amount, the Funds, the General Partners, Lightyear, or any of their respective affiliates could be subject to adverse publicity relating to the investigation, proceeding, or imposition of any such sanction.

In summary, regulation generally as well as regulation more specifically addressed to the private funds industry, including tax laws and regulation, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting a Fund's portfolio investments, the profitability of such enterprises and the cost of operating a Fund. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of a Fund exposes such Fund, the relevant General Partner, Lightyear, or any of their respective affiliates generally to the risks of third-party litigation.

Future Legal, Tax and Regulatory Risks for Private Equity Funds

Future legal, tax and regulatory changes could occur that may adversely affect the Funds. The regulatory environment for private equity funds is evolving, and changes in regulations that impact private equity funds may adversely affect the value of investments held by the Funds and the ability of the Funds to pursue their respective investment strategies. The SEC, other regulators and self-regulatory organizations and exchanges have taken various extraordinary actions in connection with market events and may take additional actions. The Funds may also be adversely affected by changes

in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators.

Recently proposed legislation in the United States would impose a number of highly significant restrictions and burdens on private fund managers and the funds that they sponsor, as well as their Limited Partners. These proposals would, among other things (a) remove the limited liability status of Limited Partners in a private fund that acquires 20% or more of the voting securities of a portfolio company (a “**Controlling Interest**”) and hold the Limited Partners jointly and severally liable for debts and obligations of such portfolio company, (b) prohibit indemnification by a portfolio company of a private fund that holds a Controlling Interest in the portfolio company, as well as indemnification of the private fund’s manager, its affiliates and their respective employees, (c) prohibit any dividend recapitalization within 24 months of the date that a private fund acquires a Controlling Interest in a portfolio company, (d) impose a 100% tax on fees paid by a portfolio company to an asset manager that controls or is in a control group with a private fund that holds a Controlling Interest in such portfolio company, (e) eliminate the tax deductibility of some or all indebtedness incurred in connection with the acquisition of a portfolio company and (f) subject carried interest to taxation as ordinary income rather than as capital gains for U.S. federal income tax purposes. If these proposals were to be enacted, even if only in part, they would materially and adversely affect the ability of the Funds, the General Partners, the Affiliated Advisers and their respective affiliates to engage in the investment activities and other operations that they are intended and expected to engage in. This could result in the Funds being unable to meet their respective investment objectives, or could require the Funds to make, hold, manage and exit investments and otherwise operate in a manner that involves greater potential liability, risk and expense with lower potential returns for Limited Partners, including due to the use of alternative investment vehicles and/or parallel funds.

The effect of any future regulatory changes on the Funds, the Affiliated Advisers, Lightyear or their affiliates could be substantial and potentially adverse.

Anti-Money Laundering Regulations

Many jurisdictions are in the process of changing or creating anti-money laundering, embargo and trade sanctions, or similar laws, regulations, requirements (whether or not with force of law), or regulatory policies and many financial intermediaries are in the process of changing or creating responsive disclosure and compliance policies. The Funds could be requested or required to obtain certain assurances from current Limited Partners or prospective investors subscribing for Interests to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. Limited Partners and prospective investors are required to agree to provide additional information or take such other actions as could be necessary or advisable for the Funds to comply with any applicable requirements (as noted above), related legal process or appropriate requests (whether formal or informal, including, without limitation, in connection with making investments). Failure to honor any such request could result, in the discretion of the applicable General Partner, in required withdrawal from a Fund or a forced sale to another Limited Partner of such Limited Partner’s Interests. In addition, the Funds will disclose any information required in connection with the Bank Secrecy Act, as amended (the “**Bank Secrecy Act**”), the USA PATRIOT Act of 2001, as amended, the Corporate Transparency Act, and other anti-money laundering, anti-terrorism and similar laws, rules and regulations, to the extent applicable. For example, pursuant to the Corporate Transparency Act, as of January 1, 2024, certain

reporting companies will be required to identify and report to FinCEN their beneficial owners, which would include individuals who own or control a 25% or more interest in and/or exercise substantial control of the reporting company.

In addition, economic sanctions, laws, and regulations in the United States and other jurisdictions could prohibit the Funds and the General Partners from transacting with or in certain countries and/or with certain individuals and entities. In the event a General Partner determines that a Limited Partner is an individual or entity with which a General Partner or the relevant Fund is prohibited from dealing pursuant to applicable economic sanctions, or determines, in its discretion, that a Limited Partner's identity or source of funds could cause a Fund or the relevant General Partner to violate any applicable laws or regulations, a General Partner can, in its discretion, undertake appropriate actions to ensure compliance with applicable laws and regulations, including freezing, segregating, or redeeming a Limited Partner's interest. The General Partners could also be obligated to withhold distributions of any funds otherwise owing to such Limited Partner.

Economic and Trade Sanctions and Anti-Bribery Considerations

Economic and trade sanctions laws in the United States and other jurisdictions could prohibit Lightyear, the Affiliated Advisers, their affiliates and respective employees, the Funds and their portfolio companies from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions could significantly restrict or inhibit certain of the Funds' investment activities in certain countries and, in particular, certain emerging market countries. At the same time, Lightyear, the Affiliated Advisers, their affiliates and their respective employees could be obligated to comply with certain anti-boycott laws and regulations, which prevent such parties from engaging in certain discriminatory practices that could be allowed or required in certain jurisdictions. The inability to discriminate in this manner could make it more difficult for the Funds to pursue certain investments and engage in certain business activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. Lightyear, the Affiliated Advisers, their affiliates and respective employees and the Funds are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations. As a result, the Funds could be adversely affected because of its inability to participate in transactions that violate such laws or regulations. Such laws and regulations could make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. While Lightyear has developed and implemented related policies and procedures, such policies and procedures may not be effective to prevent violations. In addition, in spite of Lightyear's policies and procedures, affiliates of the companies in which the Funds invest could engage in activities that could result in FCPA or other violations of law. Any determination that Lightyear or the Affiliated Advisers (or their affiliates or related employees) has or have violated the FCPA or other applicable anti-corruption laws or anti-bribery laws or sanctions requirements could subject the relevant Funds to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, disclosure obligations and a general loss of investor confidence, any one of which could adversely affect Lightyear's and the Affiliated Advisers' business prospects or financial position, as well as the Funds' ability to achieve their investment objectives or conduct their operations.

Accordingly, each Limited Partner of a Fund is expected to represent and warrant, on a continuing basis, that to the best of its knowledge, none of: (a) it, (b) any person controlling or controlled by it, (c) if it is a privately held entity, any person having a beneficial interest in it, or (d) any person for whom it is acting as a nominee is (i) a country, territory, individual, or entity named on a list maintained by OFAC or named on a list of prohibited entities and individuals maintained under EU or UK regulations (as extended to the Cayman Islands by statutory instrument), and is not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, the EU, or the UK, (ii) a person prohibited under the OFAC Programs or EU sanctions regimes, (iii) unless otherwise notified to the relevant General Partner in writing, a politically exposed person, or any family member or close associate of a politically exposed person, (iv) a "foreign shell bank" within the meaning of the Bank Secrecy Act and the regulations promulgated thereunder by the U.S. Department of the Treasury, or (v) a person with any relationship with "Anti-Social Forces" in Japan (such persons described in clauses (i) through (v), collectively, "**Prohibited Persons**").

Where a Limited Partner or a related person is or becomes a Prohibited Person, a Fund could be required immediately and without notice to the subscriber to cease any further dealings with the Limited Partner and/or the Limited Partner's interest in such Fund until the Limited Partner ceases to be a Prohibited Person, or a license is obtained under applicable law to continue such dealings (a "**Prohibited Persons Event**"). The Funds, Lightyear, the Affiliated Advisers, each of their affiliates and employees, and their administrator will have no liability whatsoever for any liabilities, costs, expenses, damages, and/or losses (including, but not limited to, any direct, indirect, or consequential losses, loss of profit, loss of revenue, loss of reputation, and all interest, penalties, and legal costs, and all other professional costs and expenses) incurred by any Limited Partner as a result of a Prohibited Persons Event.

In addition, should any investment made on behalf of the Funds subsequently become subject to applicable sanctions, the Funds could immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a license is obtained under applicable law to continue such dealings.

Risks Arising from Provision of Managerial Assistance

Generally, it is expected that the General Partners of the Funds will use their commercially reasonable efforts to avoid having the assets of any Fund constitute “plan assets” of any plan subject to Title I of ERISA or Section 4975 of the Code and could, in this regard, elect to operate a Fund as a “venture capital operating company” (“VCOC”) within the meaning of regulations promulgated under ERISA. Operating a Fund as a VCOC would require that such Fund to obtain rights to substantially participate in or influence the conduct of the management of a number of the Fund’s portfolio companies. Regardless of whether a Fund operates as a VCOC, a Fund will seek to designate a director to serve on the board of directors of one or more portfolio companies as to which it obtains such rights. The designation of directors and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders, creditors and regulators, including claims that a Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company; could result in claims against a Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal or regulatory principles or regimes; and could expose a Fund to claims that it has interfered in management to the detriment of a portfolio company. If these liabilities were to occur, then a Fund could suffer significant losses in its investments. While the General Partners intend to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

If a Fund is operated to qualify as a VCOC in order to avoid holding “plan assets” within the meaning of ERISA, such Fund could be restricted or precluded from making certain investments; in addition, operating a Fund in such a manner could require for the applicable General Partner to liquidate Fund investments at a disadvantageous time, resulting in lower proceeds to such Fund than might have been the case without the need to qualify as a VCOC.

Controlled Group Risks

Under ERISA and the Code, all members of a group of commonly controlled trades or businesses can be jointly and severally liable for each other’s obligations in respect of ERISA-regulated defined benefit pension plans and certain other benefit plans, including the obligation to make required contributions, the obligation to pay any actuarial deficit upon pension plan termination, and the obligation to pay so-called “withdrawal liability” upon an employer’s complete or partial withdrawal from an underfunded multiemployer (union-sponsored) pension plan. In July 2013, the United States Federal Court of Appeals for the First Circuit held that the supervisory and portfolio management activities of a private equity fund could cause the fund to be regarded for ERISA controlled group purposes as engaging in a “trade or business.” *Sun Capital Partners III, LP v. New England Teamsters & Trucking Industry Pension Fund*, 724 F.3d 129 (1st Cir. 2013). On remand in March 2016, the United States District Court for the District of Massachusetts granted summary judgment to the pension fund, holding two Sun Capital investment funds jointly and severally liable for the pension obligations of their bankrupt portfolio company. The funds’ liability was established on a novel theory, which aggregated the ownership and management activities of parallel and otherwise related funds (the so-called “partnership-in-fact”). Sun Capital then appealed the District Court’s decision and, in November 2019, the First Circuit Court of Appeals reversed the District Court’s decision by finding that the two Sun Capital funds did not form a “partnership-in-fact.” While the First Circuit

decided in favor of the Sun Capital funds on the “partnership-in-fact” issue and, on that basis, granted summary judgment to the Sun Capital funds, the decision was based on the particular facts and circumstances of the Sun Capital funds; the court did not categorically reject the theory of “partnership-in-fact” and did not rule on the “trade or business” issue. Therefore, even though many practitioners question the holdings of the 2013 and 2016 Sun Capital decisions, and even though the 2019 Sun Capital decision was a victory for Sun Capital, the possibility of trade or business characterization and fund aggregation remains a risk for the Funds and private equity funds generally, especially in the First Circuit.

If a Fund were likewise found to be engaged in a “trade or business” for ERISA purposes, that Fund and its portfolio companies could be held jointly and severally responsible for the ERISA pension and certain other benefit plan liabilities of those portfolio companies in which the Fund’s ownership interest is so substantial as to create a controlled group relationship (and, even if the Fund were not found to be engaged in a “trade or business” for ERISA purposes, there is a risk that its portfolio companies might be regarded as members of a controlled group with each other and hence liable for one another’s pension liabilities). The law in this area has been subject to uncertainty, including with respect to the Sun Capital decision and related risks. A Fund’s ownership interest in some or all of its portfolio companies could be so substantial as to create a controlled group relationship, especially if the ownership interests of such Fund and any other related funds are aggregated when applying the controlled group ownership tests. Although many practitioners believe that such aggregation should not be required and the First Circuit found that such aggregation did not apply to the Sun Capital funds, there is some risk that a court might find otherwise, as the Sun Capital trial court so found on remand. The Funds currently intend to take the positions that the Funds are not engaged in a trade or business for ERISA purposes, and that ownership interests of the Funds, any parallel funds, and any other related funds are not to be aggregated when applying the controlled group ownership tests.

Alternative Investment Fund Managers Directive

The AIFMD regulates, and imposes regulatory obligations in respect of, the marketing in the EEA and the UK by alternative investment fund managers (each, an “**AIFM**”) (whether established in the EEA, UK, or elsewhere) of alternative investment funds (each, an “**AIF**”) (whether established in the EEA, UK, or elsewhere). The AIFMD may restrict Lightyear and the Funds from engaging in certain activities and impose certain other requirements that may restrict their operations and increase the operating expenses of the Funds if the interests are offered to investors in the EEA or the UK. The requirements under the AIFMD may vary from jurisdiction to jurisdiction within the EEA and the UK depending on local implementation and interpretation. For example, the AIFMD imposes disclosure, reporting, and ongoing compliance requirements on Lightyear as the manager of the Funds for AIFMD purposes. The Funds and Lightyear may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions or the UK, which would result in a Fund incurring additional costs and expenses or may otherwise affect the management and operation of the Funds; Lightyear will be required to make detailed information relating to the Funds and its investments available to regulators and third parties; and the AIFMD will also restrict certain activities of the Funds in relation to EEA or UK portfolio companies, including, in some circumstances, the Funds’ ability to recapitalize, refinance, or potentially restructure a portfolio company within the first two years of ownership, which may in turn affect operations of the Funds generally. In addition, it is possible that some jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in EEA jurisdictions, which may make it more

difficult for the Funds to raise their targeted amount of Commitments. Depending on the EEA jurisdiction in which the interests are being marketed, Lightyear may be required under the local implementation of the AIFMD to appoint a so-called depositary-lite on behalf of the Funds, which could result in increased Fund expenses.

The European Commission published proposals for a Directive to amend AIFMD (“**AIFMD II**”) in November 2021. AIFMD II will impose obligations including: (i) minimum substance considerations that EU regulators will need to take into account during the AIFM authorization process; (ii) enhanced requirements around delegation, including additional reporting requirements in relation to delegation arrangements; (iii) new requirements applying to AIFMs managing funds that originate loans; (iv) increased investor pre-contractual disclosure requirements, notably around fees and charges; and (v) a prohibition on non-EU AIFMs and AIFs established in jurisdictions identified as “high risk” countries under the European Anti-Money Laundering Directive (as amended) or the revised EU list of non-cooperative tax jurisdictions. Technical negotiations have completed, and the final text is expected to be published in 2024, with AIFMD II due to be implemented by EU Member States in 2026. It is possible that AIFMD II may require additional costs, expenses and/or resources, as well as restricting or prohibiting certain activities, including in relation to loan-originating funds and managers or funds established in jurisdictions outside the EU identified as having AML and/or tax failings.

United Kingdom Exit from the European Union

On January 31, 2020, the UK formally withdrew from the European Union (“**Brexit**”). After this, the UK entered into a transition period during which the majority of the existing EU rules continued to apply in the UK. Following the end of the transition period 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 signed on December 30, 2020, this did not include an agreement on financial services. In the absence of a formal agreement on this issue, 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 substantially 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 a 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).

The legal, political, and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU- and UK-based businesses. 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 result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

FOIA

Some of the Interests in the Funds are and will be held by Limited Partners that are subject to public disclosure requirements, such as public pension plans and listed investment vehicles. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend is expected to continue. As a result of the U.S. Freedom of Information Act (“**FOIA**”), any governmental public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, a Limited Partner or any of its affiliates could be required to disclose information relating to a Fund, its affiliates, and/or any entity in which an investment is made (other than as set forth in the Governing Fund Documents). To the extent that disclosure of confidential information relating to a Fund or its investments results from Interests being held by such Limited Partners, such Fund could be adversely affected.

Counterparty Risk

Some of the markets in which a Fund could effect transactions are “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to the same credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes the applicable Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the applicable Fund to suffer a loss.

Bridge Investments

Certain Funds have the ability to provide interim financing to, or make investments that are intended to be of a temporary nature, in the securities of any portfolio company or any subsidiary thereof in connection with or subsequent to a portfolio investment (including a follow-on investment) by such Fund in such portfolio company (any such investment, a “**Bridge Investment**”). Such Bridge Investments may be convertible into a more permanent, long-term security or refinanced or sold down; however, for reasons not always in a Fund’s control, such long-term securities could not be issued or any contemplated refinancing or sell down may not occur and such bridge loans could remain outstanding. To the extent a Bridge Investment is not repaid, refinanced or otherwise disposed of within a certain period of time (as defined in the applicable Fund’s Governing Fund Documents), the Bridge Investment may be treated as a portfolio investment of such Fund from the date of the original investment. In the event of any such failure to dispose of a Bridge Investment, a Fund’s exposure to such portfolio investment could exceed the exposure the applicable General Partner would otherwise deem appropriate for a Fund’s portfolio construction or diversification. If a Bridge Investment is not repaid, refinanced or otherwise disposed of within a certain period of time (as defined in the applicable Fund’s Governing Fund Documents), as a result, the Fund’s interest in a portfolio company would exceed the investment limitations set forth in the relevant Governing Fund

Documents had the Bridge Investment been treated as a portfolio investment on the date of the original investment, the General Partner of the Fund will not be deemed to have breached the investment limitations set forth in the Governing Fund Documents and will not have any requirement to sell down the Fund's interest in such portfolio company.

Local Intermediary Risk

Certain of the Funds' transactions could be undertaken through local brokers, banks or other organizations outside the United States, and the Funds will be subject to the risk of default, insolvency or fraud of such organizations. There can be no assurance that any money advanced to such organizations will be repaid or that the Funds would have any recourse in the event of default. The collection, transfer and deposit of bearer securities and cash expose the Funds to a variety of risks, including theft, loss and destruction. The Funds will also be dependent upon the general soundness of the banking systems of the countries in which it invests.

Clearance, Settlement, and Custody Risks

From time to time, certain securities markets have experienced operational clearance, settlement and custody problems that have resulted in failed trades. To the extent that such problems recur, the Funds could miss attractive investment opportunities if it were unable to consummate securities purchases or, in the event that a Fund was a seller in a trade situation, the market price of the security that was the subject of the failed trade could decline after the time that the trade was entered into and, if a Fund had entered into a contract with the purchaser of the security, such Fund would have the liability to that purchaser.

Compliance Failures

Lightyear, its Affiliated Advisers, and certain of their affiliates are regulated entities, and any compliance failures by them are likely to have a material adverse effect on the Funds. The provision of investment management services is regulated in most relevant jurisdictions, and Lightyear must maintain its regulatory authorizations to continue to be involved both in the management of the Funds' investments and to continue Lightyear's businesses generally. Lightyear's ability to source and execute investment transactions for the Funds, and investor sentiment with respect to the Funds, will be adversely affected by negative publicity arising from any regulatory compliance failures by any Lightyear affiliate or Lightyear personnel.

Risks Associated with Environmental, Social, and Governance Considerations

Lightyear maintains an environmental, social, and governance policy (the "ESG Policy") and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory, or contractual requirements. There is no guarantee that Lightyear will be able to successfully implement its ESG Policy or to make investments in companies that create a positive ESG impact while achieving its investment strategy. In addition, applying ESG factors to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Lightyear or third-party diligence consultants hired by Lightyear, or any judgment exercised by Lightyear, will reflect the beliefs or values of any particular investor. There are also significant differences in interpretations of what positive ESG characteristics mean by region, industry, and topic. Lightyear's interpretations and decisions are expected to differ

from others' views and could also evolve over time. In addition, in evaluating an investment, Lightyear expects to depend upon information and data provided by a number of sources, including the relevant investments, third-party service providers, and/or various reporting sources, which could be incomplete, inaccurate, or unavailable, and which could cause Lightyear to incorrectly assess a company's ESG practices and/or related risks and opportunities. Lightyear does not intend to independently verify all ESG information reported by investments or third parties. Further, considering ESG qualities when evaluating an investment could result in the selection or exclusion of certain investments based on Lightyear's view of certain ESG-related and other factors and could cause the relevant Funds not to make an investment that they would have made or to make a management decision with respect to an investment differently than they would have made in the absence of the ESG Policy, which could negatively impact the Fund's performance.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Lightyear'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 the definition, measurement, and disclosure of ESG factors. Lightyear's ESG Policy could become subject to additional regulation in the future, and Lightyear cannot guarantee that its current approach will meet future regulatory requirements.

There is also growing regulatory interest, particularly in the United States, the UK, and the European Economic Area (the "EEA") (which could be looked to as models in growth markets), in improving transparency around how asset managers, among others, define, measure, and disclose the impact of ESG factors on the performance of their clients and accounts. If ESG policies become subject to additional regulation in the future, the General Partners cannot guarantee that its current approach will meet future regulatory requirements. ESG practices and the statements made by investment advisers with respect to those practices are also areas of increasing regulatory scrutiny, particularly in the United States, and the General Partners face regulatory risk with respect to perceived discrepancies between its disclosures to prospective investors regarding ESG and its actual practices.

Climate Change-Related Risks

Lightyear and one or more Funds could be exposed to potential physical risks from possible future changes in climate. One or more Fund's portfolio companies could be exposed to rare catastrophic weather events, such as severe storms or floods. If the frequency of extreme weather events increases due to climate change, Lightyear's and such Funds' exposure to these events could increase. In addition, Lightyear and one or more Funds could be adversely impacted by regulatory changes related to climate change as a result of potential impacts of such changes on the supply chain or stricter energy efficiency standards for buildings. Lightyear cannot provide any assurance that any existing or future regulatory changes will not materially and adversely impact Lightyear, its Funds, and their portfolio companies' operations and business in the future.

Epidemics and Other Health Risks

Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola, and the outbreak of COVID-19 (as defined below), have resulted in market volatility and disruption, and future such emergencies have the

potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which could cause a significant or total loss of a Fund's portfolio investments' value. In particular, the outbreak of diseases or similar public health threats, or even the fear of such an event, affects travel demand, travel behavior, and gives rise to travel restrictions, each of which could have a material adverse impact on a Fund, the Funds' portfolio companies, and their businesses, financial conditions, and operating results.

The 2019–2022 outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”) caused a worldwide public health emergency, straining healthcare resources and resulting in extensive numbers of infections, hospitalizations, and deaths. COVID-19 has significantly diminished global economic production and activity of all kinds and has contributed to both volatility and, at times, the decline in financial markets. Among other things, these developments have, at various times, resulted in reductions in demand across certain categories of consumers and businesses, dislocation (or in some cases a complete halt) in the credit and capital markets, labor force and operational disruptions, including office, business, and school closures, slowing or complete idling of certain supply chains and manufacturing activity, steep increases in unemployment levels in the United States and several other countries, political protests, discourse and turmoil over mitigation efforts, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as transportation, hospitality, tourism, retail, sports, and entertainment. Certain of these issues are ongoing, and it is unknown whether those that appear to have been remediated will resurface.

Pandemics, other public health emergencies, or similar public health threats could have a significant adverse impact and cause a significant or total loss of the value of a Fund's portfolio investments. The extent of any loss will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact could 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 could limit the ability of a Fund to source, diligence, and execute new investments and to manage, finance, and exit investments in the future, and governmental mitigation actions could constrain or alter existing financial, legal, and regulatory frameworks in ways that are adverse to the investment strategy a Fund intends to pursue, all of which could adversely affect a Fund's ability to fulfill its investment objectives. They could also impair the ability of a Fund's 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, including partial or total loss of a Fund's portfolio investments' value. With respect to any delayed draw or revolving loans made by a Fund to a portfolio company, the portfolio company could be incentivized for liquidity or other reasons to draw on most, if not all, of the unfunded portion of such loan and a Fund may not have the ability under the applicable credit agreement to refuse to fund such draw without being in default and/or suffering financial penalties. In addition, the operations of a Fund, its portfolio companies, the General Partner, Lightyear, and the parties to debt instruments and commercial agreements underlying a Fund's portfolio investments generally could be significantly impacted, or even temporarily or permanently halted, as a result of any future public health emergencies or any measures, restrictions on travel and movement, remote-working requirements, and other factors related thereto, including their potential adverse impact on the health of any such entity's personnel. These measures could 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.

Committee on Foreign Investment in the United States

A number of jurisdictions have restrictions on foreign direct investment pursuant to which their respective heads of state and/or regulatory bodies have the authority to block or impose conditions with respect to certain transactions, such as investments, acquisitions, and divestitures, if such transactions threaten to impair national security. In addition, many jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel.

These U.S. and foreign laws could limit the Fund's ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions, or delays in pursuing and consummating transactions. For example, the actions of the Committee on Foreign Investment in the United States ("**CFIUS**"), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person and certain "other investments" by a foreign person in a U.S. business, including those that do not convey potential control, could adversely impact the prospects of the Fund's portfolio companies in the context of mergers with, or acquisitions by, a foreign person. CFIUS could recommend that the President block such transactions or request a divestiture, or CFIUS could impose conditions on such transactions, including restrictions on the ownership, management, and operation of assets or companies by non-U.S. persons, certain of which could materially and adversely affect a Fund's ability to execute its investment strategy. In addition, the CFIUS process will continue to evolve in accordance with U.S. foreign policy. For example, a set of reform measures known as the Foreign Investment Risk Review Modernization Act ("**FIRRMA**") was enacted in 2018, which broadened the jurisdiction of CFIUS with respect to certain investments. Such legislation could impact the ability of non-U.S. investors to participate in a Fund's investments, and could impair such Fund's ability to execute its investment strategy.

Under FIRRMA, CFIUS has the authority to review a Fund's acquisition or disposition of certain investments, including certain noncontrolling investments by foreign persons over certain U.S. businesses. In particular, CFIUS also has the authority to review certain investments if the U.S. business (i) owns, operates, manufactures, supplies, or services critical infrastructure; (ii) produces, designs, tests, manufactures, fabricates, or develops one or more critical technologies; (iii) maintains or collects sensitive personal data of U.S. citizens that could be exploited in a manner that threatens national security; and (iv) acquires real estate and leaseholds near U.S. military or other sensitive government facilities. Pursuant to FIRRMA, CFIUS implemented a mandatory filing requirement (the "**Mandatory Regime**") that expanded CFIUS's jurisdiction by granting the Committee the authority to review controlling and noncontrolling "investments" made by foreign persons. Parties to transactions subject to the Mandatory Regime are required to submit mandatory declarations 30 days prior to the completion of the transaction. Although the CFIUS regulations include certain exceptions for U.S. national-managed investment funds, FIRRMA has impacted the number of transactions involving a Fund that could be subject to CFIUS review and investigation and the timing and substantive risks described above. The outcome of CFIUS's process could be difficult to predict, and there is no guarantee that, if applicable to a portfolio company, the decisions of CFIUS would not adversely impact a Fund's investment in such company. The Funds' Governing Fund Documents

could include certain provisions that could require investors that are, or are instrumentalities of, a non-U.S. government to be excluded from participating in an investment that could be deemed sensitive from a national security perspective.

The Funds' investments outside the United States could also face delays, limitations, or restrictions as a result of notifications made under and/or compliance with these legal regimes and rapidly changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, which could have a corresponding effect of limiting a Fund's ability to make investments in such countries. Heightened scrutiny of foreign direct investment worldwide could also make it more difficult for a Fund to identify suitable buyers for investments upon exit and could constrain the universe of exit opportunities for an investment in a portfolio company. As a result of such regimes, a Fund could incur significant delays and costs, be altogether prohibited from making a particular investment, or impede or restrict syndication or sale of certain assets to certain buyers, all of which could adversely affect the performance of a Fund and, in turn, materially reduce such Fund's revenues and cash flow.

Antitrust Rules and Guidance

In 2020, the Federal Trade Commission ("FTC") proposed certain changes to rules enacted under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR") that require parties to certain transactions to provide the FTC and the Antitrust Division of the Department of Justice (the "DOJ") prior notice and observe a waiting period before consummation of such transactions. The proposals (which, as of December 1, 2023, have not been adopted) would: (1) require that investors aggregate holdings in an issuer across all associated funds when assessing HSR filing and exemption thresholds and (2) create a new exemption for acquisitions resulting in aggregate holdings of up to 10% of an issuer, which would be unavailable to investors holding interests of more than 1% in competing firms. In June 2023, the FTC proposed certain additional changes to the HSR rules, which, as of December 1, 2023, have not been adopted. These proposals would require, among other things, identification of (A) minority investors in the acquiring fund, (B) officers, directors, or board observers (or individuals exercising similar functions) of all entities within the acquiring fund, as well as the identifying other entities for which these individuals currently serve, or within the two years prior to filing had served, as an officer, director, or board observer, (C) all agreements between any entity within the acquiring fund group and any entity within the target group in effect at the time of filing or within the year prior to the date of filing, (D) prior acquisitions in the overlap area during the past 10 years, and (E) foreign subsidies received or that are anticipated to be received by any entity within the fund group.

In 2021, the FTC voted to withdraw its approval of the Vertical Merger Guidelines, previously issued jointly with the DOJ. In 2022 the FTC and DOJ jointly released a request for public comment on modernizing the agencies' approach to the merger guidelines, and in July 2023, the DOJ and FTC released a draft overhaul of the merger guidelines for public comment, replacing the 2010 horizontal and 2020 vertical guidelines. If enacted as drafted, the most significant proposals for Lightyear and the Funds would (i) heighten scrutiny of serial acquisitions, (ii) lower structural presumptions against horizontal transactions, including those involving firms with so-called "dominant" (30%+) positions, (iii) include a new structural presumption for vertical mergers and define a "foreclosure share" of 50%+ in a related market to which rivals need access to compete, and (iv) heighten scrutiny of transactions that eliminate potential entrants or perceived potential entrants.

If enacted as drafted, either the 2020 or 2023 proposed changes to the HSR Act and rules could, absent applicable exemptions, substantially increase Lightyear’s pre-merger notification obligations, which may be costly, require implementation of monitoring tools and introduce additional compliance burdens for both Lightyear and the portfolio companies in which it invests.

Banking Crisis

The U.S. financial services industry has recently entered into a new period of uncertainty following a number of regional bank closures and receiverships. The actual and potential consequences of these closures and receiverships include limited liquidity, defaults, non-performance and other adverse developments amongst these financial institutions, giving rise to similar liquidity constraints and adverse developments among their transactional counterparties and customers. Concerns generally about these institutions, counterparties and customers — actual or perceived — have lead and may continue in the future to lead to market-wide liquidity problems.

Specifically, on March 8, 2023, Silvergate Capital Corporation announced its intent to wind down the operations of and voluntarily liquidate Silvergate Bank. On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the U.S. Federal Deposit Insurance Corporation (“FDIC”) as receiver. On March 12, 2023, Signature Bank was also put into receivership. On March 16, 2023, a syndicate of 11 of the largest U.S. banks deposited approximately \$30 billion into First Republic Bank, which had also been experiencing liquidity constraints, due in part to a significant outflow of deposits. Although all depositors of SVB regained access to their deposits after only one business day of closure and depositors of Signature Bank generally maintained access to their deposits, including in each case funds held in uninsured deposit accounts, depositors of another financial institution that is placed into receivership may experience longer delays in accessing their funds and may suffer losses with respect to uninsured deposits. In addition, borrowers under credit agreements, letters of credit and certain other financial instruments with respect to a financial institution that is placed into receivership by the FDIC may be unable to or may be delayed in accessing undrawn amounts thereunder.

Accordingly, an investment into a Fund is subject to the risk that one or more banks, investment banks, brokers, hedging counterparties, lenders or other custodians of cash and other assets with whom such Fund (or one or more of its portfolio companies) does business (each, a “**Financial Institution**”) fail to perform their obligations or experience closure, receivership, bankruptcy or any other form of financial distress or difficulty, including insolvency (each, a “**Distress Event**”). Distress Events can be caused by a variety of factors, including eroding market sentiment, significant deposit withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, a Fund and/or such Fund’s portfolio companies may not be able to access deposits, draw upon borrowing facilities or have access to other services for an extended period of time or ever. For example, if any of the Funds’ lenders were to be placed into receivership or bankruptcy, such Fund could be unable to access existing committed credit lines. In addition, if any of the Funds’ investors or other parties with whom such Fund conducts business are unable to access funds or credit lines with a Financial Institution, such parties’ ability to meet their obligations to such Fund or to enter into new arrangements requiring additional capital or payments to such Fund could be adversely affected. In this regard, counterparties to SVB credit agreements and arrangements, and third parties such as beneficiaries of letters of credit (among

others), could experience direct impacts from the closure of SVB. Therefore, uncertainty remains over liquidity concerns in the broader financial services industry.

Although deposits with an FDIC-insured bank are insured to applicable limits, which are generally \$250,000 per depositor and per ownership category, and securities and cash held by certain broker-dealers are insured by Securities Investor Protection Corporation (“SIPC”), amounts in excess of the relevant insurance limit are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be attempted, and if it is, there can be no assurance that it will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. It is also possible that there will be further involvement of governmental and other regulatory authorities in financial markets in the United States and/or around the world. The economic circumstances described above could continue or worsen in the future, and changes in general economic conditions are likely to affect the Funds’ activities, as well as those of their portfolio companies. For example, a Distress Event could have a potentially adverse effect on the ability of Lightyear to manage a Fund and its investments, and on the ability of Lightyear, such Fund and/or such Fund’s portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include such Fund bearing additional fees and expenses in the event such Fund is not able to close a transaction (whether due to the inability to draw capital on a subscription facility provided by a Financial Institution experiencing a Distress Event, the inability or unwillingness of investors to make capital contributions or otherwise), as well the inability of such Fund to acquire or dispose of investments at prices that the General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to fund working capital needs (e.g., payroll), fulfill obligations or maintain operations.

Lightyear expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, however, there can be no assurance that such remedies will be successful, permitted under applicable law or avoid losses or delays. In addition, some Financial Institutions require, as a condition to using their services or otherwise, that their customers maintain all or a set amount or percentage of their respective accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although Lightyear seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds and their portfolio companies, Lightyear is under no obligation to use a minimum number of Financial Institutions with respect to the Funds (and/or their portfolio companies), or to maintain account balances at or below the relevant insured amounts.

Inflation

Inflation risk is the risk that the value of certain investments or income thereon will be worth less in the future, as inflation decreases the value of money. As inflation increases, the real value of a Fund’s portfolio companies can decline. Deflation risk is the risk that prices decline over time – the opposite of inflation. Deflation could have an adverse effect on the creditworthiness of portfolio companies and could make defaults more likely, which would result in a decline in the value of the portfolio investments.

Each Fund and the companies in which that Fund invests could be sensitive to general downward swings in the global economy, including periods of sustained elevated inflation. Inflation in the United States, Europe, and other geographies has risen to levels not experienced in recent decades. The General Partner and Lightyear are unable to determine whether these inflationary factors are transitory or should be expected to continue over the medium or long term. Inflation and rapid fluctuations in inflation rates have had and could continue to have very negative effects on the economies and securities markets (both public and private) of certain countries in which the investment opportunities could exist. There can be no assurance that high rates of inflation would not have a material adverse effect on the portfolio investments of a Fund.

In addition, many world governments, as well as inter-governmental institutions, have undertaken and in many cases are still undertaking various (and in some cases unprecedented) forms of fiscal stimulus, including raising interest rate benchmarks that had been (in some cases, for extended periods) at historic lows. The Board of Governors of the U.S. Federal Reserve has indicated an intention to continue to raise certain benchmark interest rates in an effort to combat inflation. It cannot be predicted with certainty when, or how, these policies will change, but actions by the U.S. Federal Reserve and other central bankers should be expected to have a significant effect on interest rates and on the U.S. and world economies generally, which in turn could affect the performance of the Fund's investments. Such stimuli, unless successfully managed and scaled back and wound down at the appropriate time and in the appropriate amounts, together with the passing of U.S. legislation calling for historically significant amounts of government spending, run a severe risk of being inflationary. In addition, there is significant concern in macroeconomic terms about the general levels of indebtedness carried by certain governments. While bringing with it a range of issues, one of the consequences of an extended period of a higher-than-desired level of inflation is often an erosion in real terms of the value of government debt in a manner that reduces the economic cost in real terms of their payment obligations on such debt. This element of debt erosion will create an incentive for governments to be less robust in seeking to deal with inflation than might otherwise have been the case had the relevant government not suffered from a high level of indebtedness. If such extended period of inflation occurs, it would have the negative consequences for a Fund's portfolio investments as described above.

Further financial crises could result in additional governmental intervention in the markets, the nature and substance of which are difficult to predict. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

Global Conflicts

There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade, and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. In addition, as of December 2023, there is currently an ongoing military conflict between Israel and Hamas. However, the ultimate impact of these conflicts and the effect of each 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.

Either or both of these military conflicts or any other conflict could have a significant adverse impact and result in significant losses to the Funds. This impact could include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of the Funds 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) could cause additional disruption and constrain or alter existing financial, legal, and regulatory frameworks and systems 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.

Political tensions between the United States and the People's Republic of China ("PRC") have escalated since the COVID-19 outbreak, the PRC National People's Congress' passage of Hong Kong national security legislation and certain executive orders issued by former U.S. President Trump.

Tensions continued to rise when, in 2022, U.S. President Biden said that the United States would intervene militarily to defend Taiwan if China invades Taiwan by force and announced a \$1.09 billion arms sale to Taiwan, and when, in February 2023, the U.S. Air Force neutralized several high-altitude balloons owned by the PRC that had entered U.S. and Canadian airspace and territorial waters. Rising political tensions could reduce levels of trade, investments, technological exchanges, and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. Any of these factors could have a material adverse effect on securities prices and the liquidity and value of a Fund's portfolio investments.

Pay to Play Laws, Regulations, and Policies

A number of states and municipal pension plans have adopted so-called "pay-to-play" laws, rules, regulations, or policies that prohibit, restrict, or require disclosure of payments, gifts, or benefits to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees makes a contribution to certain elected officials or candidates. If Lightyear, the General Partners, or any of their respective affiliates or employees, or any other "covered associate" acting on their behalf, fails to comply with such laws, regulations, or policies, such noncompliance could have an adverse effect on the Fund.

GP-Led Secondary Transactions

Over the life of a Fund, a General Partner could seek to sponsor a transaction in which Limited Partners are provided the opportunity to sell all or a portion of their Interests in the Fund and/or their indirect interests in one or more assets of the Fund (the "**Transaction Assets**") to one or more secondary buyers (any such transaction, a "**GP-Led Secondary Transaction**").

A GP-Led Secondary Transaction could be structured in a variety of different ways. The structures of GP-Led Secondary Transactions are continuously evolving, and a General Partner could seek to sponsor a GP-Led Secondary Transaction. GP-Led Secondary Transactions also give rise to various

conflicts of interest, some of which are described further below (although the following discussion does not purport to enumerate all potential or actual conflicts of interest that arise in connection with GP-Led Secondary Transactions).

There can be no assurance that Limited Partners will be offered the opportunity to participate in a GP-Led Secondary Transaction or that, in connection with any GP-Led Secondary Transaction, all Limited Partners would receive (or have access to) the same amount of information about the GP-Led Secondary Transaction as other Limited Partners, or as the secondary buyers. Furthermore, if a GP-Led Secondary Transaction is not consummated for any reason, unless otherwise agreed to with the secondary buyers, the applicable Fund will typically bear 100% of the out-of-pocket Broken Deal Expenses incurred in connection with the GP-Led Secondary Transaction (which expenses can be expected to be substantial) to the extent not prohibited by applicable U.S. federal securities laws and in accordance with such Fund's applicable Governing Fund Documents.

It is expected that a General Partner would seek to mitigate any conflicts through one or more of the following (or other actions appropriate based on the facts and circumstances): (i) retaining an independent advisor to identify potential institutional investors that have experience in investing in such transactions and would be arm's-length buyers of the Transaction Assets; (ii) engaging such independent advisor to conduct a price discovery process designed to maximize the purchase price received directly or indirectly by the selling Limited Partners; (iii) structuring the GP-Led Secondary Transaction in a manner such that those Limited Partners interested in achieving liquidity for their investment in a Fund could receive cash and those Limited Partners interested in continuing their participation in the Transaction Assets could remain invested in the Transaction Assets; (iv) keeping the LP Advisory Committee apprised of the progress of the sale process managed by the independent advisor and/or consulting with or seeking the approval of the LP Advisory Committee with respect to the conflicts of interest associated with the GP-Led Secondary Transaction; (v) obtaining a fairness opinion or similar opinion or independent valuation from a third-party valuation firm or investment banker; and/or (vi) making available to Limited Partners substantially the same information made available to secondary buyers interested in participating in the bidding process for the GP-Led Secondary Transaction (although the amount of time to be afforded to the Limited Partners is expected to be significantly less than those afforded to secondary buyers participating in such process). Notwithstanding the foregoing, there is no guarantee that the General Partner will undertake any of the foregoing actions in connection with a GP-Led Secondary Transaction (or, even if taken, that such actions will sufficiently mitigate the relevant conflicts of interest) except to the extent required by applicable U.S. federal securities laws.

Notwithstanding the foregoing, each General Partner will retain sole and absolute discretion as to whether to (i) exclude all (or only certain individual) Limited Partners from participating in any GP-Led Secondary Transaction and/or (ii) provide access to any information about any GP-Led Secondary Transaction to all (or only certain individual) Limited Partners.

Transactions between and amongst Other Sponsored Funds

From time to time, one or more Other Sponsored Funds will acquire or sell or otherwise transact with investments or portfolio companies held by Other Sponsored Funds. To the extent any such acquisition, sale, or other transaction is not exposed to market forces, such transactions create conflicts of interest because there is no assurance that either Other Sponsored Fund will receive the

best price otherwise possible, or that the applicable general partner, manager, or any of their respective affiliates will not have an incentive to improve the performance of one Other Sponsored Fund even if it is at the expense of another Other Sponsored Fund, including by selling underperforming assets to such Other Sponsored Fund in order to, for example, avoid losses in the selling Other Sponsored Fund or to increase the fees payable by the acquiring Other Sponsored Fund. Additionally, in connection with such transactions, the General Partners, Lightyear, the Key Persons, and each of their respective officers, directors, managers, partners, members, shareholders, employees, agents, advisors, and personnel will, from time to time, have significant investments, or intentions to invest, in the Other Sponsored Fund that is selling and/or acquiring such investments or otherwise have a direct or indirect interest in any such investment (such as through certain other participations in the investment). The General Partners, Lightyear, or one or more Key Persons could receive management fees or other fees in connection with their management of the relevant Other Sponsored Fund involved in such transaction, and could also be entitled to share in the investment profits of (i.e., carried interest from) the relevant Other Sponsored Funds. For purposes of this section, "Other Sponsored Funds" are deemed to include all Funds.

Accordingly, as they relate to a specific Fund, such transactions can result in conflicts of interest for the General Partner, Lightyear, and the Key Persons by giving rise to conflicting economic or other incentives or interests on different sides of such transactions. However, such transactions generally will be permitted where the applicable General Partner determines in good faith that their terms are arm's-length and in the best interest of all the Other Sponsored Funds involved. Such determination could be reached in a number of ways, including, but not limited to, (i) pricing transactions based on Lightyear's valuation policies and procedures, (ii) the presence of or participation by unaffiliated third parties to help validate the terms thereof, (iii) obtaining a fairness opinion or similar opinion or independent valuation from a third-party valuation firm or investment banker, (iv) running an auction process or relying on one or more third-party bids, and/or (v) reviewing and consulting with (but not necessarily in all cases, seeking approval by) their respective limited partner advisory committees.

For the avoidance of doubt, in light of the foregoing disclosure, no sale, acquisition, provision, transaction, or other relationship described above will require the vote, consent, or approval of the applicable LP Advisory Committee or any Limited Partner. In addition, each Fund will be permitted to sell investments to an Other Sponsored Fund or acquire investments from an Other Sponsored Fund in transactions that do not involve a third-party buyer so long as the applicable General Partner determines in good faith that the terms are arm's-length and in the best interest of all the Other Sponsored Funds (including the Fund) involved. Accordingly, prospective investors should not expect such transactions to be subject to the vote, consent, or approval of the applicable LP Advisory Committee or any Limited Partner.

Item 9: Disciplinary Information

Except as described below, there are no other legal or disciplinary events required to be disclosed pursuant to this Item 9.

On December 26, 2018, without admitting or denying the SEC's findings, Lightyear consented to the entry of an order (the "**Order**") to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. According to the Order, Lightyear failed to properly allocate certain expenses (i) to certain Employee Co-Investment Funds, which invest side-by-side on a proportional basis with certain private equity funds advised by Lightyear (the "**Flagship Funds**") and (ii) to certain co-investors that were permitted at times to invest in particular portfolio companies of the Flagship Funds. According to the Order, Lightyear failed to properly offset management fees in connection with undisclosed fee-sharing agreements with certain co-investors. The Order states that Lightyear failed to adopt written policies and procedures reasonably designed to prevent these violations of the Advisers Act and also failed to adopt and implement written policies and procedures related to a representation made in each of the limited partnership agreements of its Flagship Funds which stated that Lightyear would seek to have prospective portfolio companies bear the cost of broken deal expenses. The Order states that, in determining to accept Lightyear's settlement offer, the SEC considered the full reimbursements going back to 2001, with interest, that Lightyear proactively made for the benefit of the Flagship Funds during the pendency of, and just after the exam, and before being contacted by the Division of Enforcement staff. The SEC also considered the cooperation Lightyear afforded the staff throughout the investigation. Lightyear paid a civil monetary penalty of \$400,000.

Item 10: Other Financial Industry Activities and Affiliations

Lightyear and the Affiliated Advisers provide investment advisory services to the Funds.

Each of the General Partners is a sponsor of its related Fund and is affiliated with Lightyear.

Certain of the financial services companies owned by the Funds are, or may become, during the course of the Funds' investment, broker-dealers, investment companies or other pooled investment vehicles, investment advisers, banking or thrift institutions, insurance companies or agencies, or sponsors or syndicators of limited partnerships, among other things. Such financial services companies are operated by management teams that are independent of Lightyear. Lightyear does not believe these relationships pose a material conflict of interest because Lightyear does not use such companies' services.

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

Code of Ethics

Lightyear has adopted a written Code of Ethics to help ensure that Lightyear fulfills its role as a fiduciary to the Funds. The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to all employees. The Code of Ethics requires employees to pre-clear certain personal securities transactions, report certain personal securities transactions on at least a quarterly basis, provide a detailed summary of certain holdings over which such employees have direct or indirect beneficial ownership upon commencement of employment and annually thereafter, internally report violations of the Code of Ethics to the Chief Compliance Officer, and certify their compliance with the Code of Ethics on an annual basis.

A copy of Lightyear's Code of Ethics is available upon request by any Limited Partner or prospective investor from the Chief Compliance Officer.

The General Partner of each Fund typically has a material investment in its related Fund. The foregoing relationships and any actual or potential conflicts of interest arising from these types of relationships are disclosed in the respective Governing Fund Documents.

Employee Co-Investment

Employees may be permitted to invest in certain Funds that are organized as Employee Co-Investment Funds. As disclosed in the relevant Governing Fund Documents, each Employee Co-Investment Fund typically invests alongside its related Fund, and investment by such Employee Co-Investment Fund is limited to a specific percentage of the amount available for investment by the related Fund. The Employee Co-Investment Funds are allocated their share of certain expenses, such as legal, organizational, consultant, insurance expenses, and Broken Deal Expenses. Such Employee Co-Investment Funds will pay no Management Fee and no carried interest. To the extent Lightyear or a related person invests in the same securities as a Fund, Lightyear would take appropriate steps to address potential conflicts of interest based on the specific facts and circumstances in accordance with the relevant Governing Fund Documents.

Co-Investment

A General Partner or an affiliate thereof will in its sole discretion provide one or more Limited Partners or third-party co-investors with the opportunity to co-invest (other than in such Limited Partners' capacity as Partners) with a Fund pursuant to the terms of the applicable Fund's Governing Fund Documents either as a direct co-investor or through a Co-Investment Vehicle formed to facilitate such co-investment. Each Co-Investment Vehicle will be controlled by a General Partner or an affiliate thereof and managed by Lightyear or an affiliate thereof. A General Partner or an affiliate thereof may allocate any co-investment opportunities and the relative size of such opportunities among interested parties in their sole discretion, including for example (and without limitation), on the basis of such factors as it determines appropriate based on the relevant facts and circumstances, which may include one or more of the following: (a) the investor's stated desire to participate in co-investments; (b) the ability of an investor to commit to invest and execute on such investment in a

time period acceptable to the relevant General Partner or such affiliate thereof; (c) the ability of an investor to commit to a significant portion of such opportunity; (d) the economic terms or commercial considerations on which an investor may agree to participate; (e) whether an investor provides strategic value in respect of such investment, such as by having relevant experience in the sector or existing relationships with management or other relevant parties; (f) the size of an investor's commitment to Lightyear-managed funds, vehicles and other accounts; (g) whether and to what extent an investor has accepted prior co-investment opportunities offered to it; (h) the ability of an investor to provide debt or other financing in connection with such investment; (i) the ability of an investor to enter into an equity commitment letter or similar agreement with respect to such investment in a timely fashion and on terms acceptable to a General Partner or an affiliate thereof; or (j) any other legal, regulatory or tax consideration or any such other factors as the relevant General Partner or its affiliates deem relevant, which may include subjective determinations such as working relationships and strategic benefits to one or more Funds. There can be no assurances with respect to the existence or amount of any co-investment opportunity that will be made available and Lightyear provides no guarantee, prediction, or projection of the availability or size of future co-investment opportunities. No Limited Partner has a right to any such co-investment opportunities that may be made available, and the General Partner will offer any such opportunities in such proportions in its sole discretion to one or more Limited Partners to the exclusion of all other Limited Partners or to one or more third-party co-investors in addition to, or to the exclusion of, any Limited Partners. There will be circumstances where an amount that could have otherwise been invested by a Fund is instead offered to co-investors, even though the full diversification limitation under such Fund's Governing Fund Documents has not been reached. While such an offer of co-investment opportunity may be in a Fund's interest, for instance in order to increase diversification, such allocation could also involve a benefit to Lightyear including, without limitation, incentivizing such prospective co-investor to make a capital commitment to a Fund or any Other Sponsored Funds (or to make a capital commitment of a certain size), conditioning such co-investment opportunity on such co-investor making a capital commitment to a Fund or any Other Sponsored Fund (or making a capital commitment of a certain size), and generating additional fees and carried interest by such co-investors with respect to co-investment opportunities, as further described herein.

A General Partner or an affiliate thereof may offer co-investment opportunities, in their sole discretion, to Limited Partners that have made Capital Commitments to a Fund or Funds in an amount that is greater or less than amounts committed by other Limited Partners. Limited Partners are, absent separate agreement, not required to participate in co-investments offered by the General Partner or an affiliate thereof. A General Partner or an affiliate thereof may also offer co-investment opportunities to predecessor funds, successor funds, affiliates of Lightyear, and other co-investors that are not Limited Partners (e.g., third parties), as described in the applicable Governing Fund Documents, including affiliates of Limited Partners, strategic and other investors, lenders, former employees, consultants (including, without limitation, Operating Partners and Consultants), and former limited partners of Other Sponsored Funds.

Certain Funds have the ability to provide interim financing for the purpose of bridging a potential co-investment (but only to the extent that the Fund is permitted to make such investment pursuant to the Governing Fund Documents). If a General Partner or an affiliate thereof is unsuccessful in syndicating a portion of its investment to co-investors as planned, such Fund may end up investing a larger amount in an investment than it would otherwise have invested in the absence of a co-investment, which could make the Fund less diversified and more susceptible to fluctuations in value resulting from adverse

economic and/or business conditions with respect thereto. Moreover, an investment by a Fund that is not syndicated to co-investors as originally anticipated could materially reduce such Fund's overall investment returns as a result of that Fund being less diversified.

The performance of co-investments is not aggregated with that of the Funds for purposes of determining the General Partners' carried interest under the applicable Governing Fund Documents. The Affiliated Advisers, Lightyear or their affiliates could determine not to charge co-investors management fees, administrative fees, other fees, carried interest, or expenses (including, without limitation, Broken Deal Expenses and all fees, costs and expenses of Service Providers), in each case prior to or in connection with the acquisition, holding or disposition of any such investment, including in connection with any follow-on investment, as it determines in its sole discretion and to the extent not prohibited by applicable U.S. federal securities laws. To the extent that, for any reason, a co-investor does not bear its pro rata share of post-closing expenses for consummated investments, such amounts will be borne in their entirety by either (i) the applicable Fund (together with any related parallel fund, Employee Co-Investment Fund, and Co-Investment Vehicle) or (ii) by Lightyear, in each case, pursuant to the terms of each Fund's applicable Governing Fund Documents and, in each case, only to the extent not prohibited by applicable U.S. federal securities laws. The allocation of any co-investment opportunities will directly or indirectly benefit Lightyear as a result of, among other things, the receipt of any such fees or carried interest, Capital Commitments to the Funds, and capital commitments to other funds managed by Lightyear. For the avoidance of doubt, such fees will not reduce the Management Fee paid to a Fund.

The applicable General Partner will structure any co-investment opportunity so that any potential co-investors (other than any Employee Co-Investment Funds) do not bear any expenses in connection with unconsummated investments, including the fees, costs, and expenses incurred in administering co-investment vehicles for unconsummated investments. As a result, all such Broken Deal Expenses incurred will be borne entirely by the applicable Fund (together with any parallel fund and any Employee Co-Investment Fund) and not by the General Partner, Lightyear, the Affiliated Advisers, or any of their respective affiliates, in each case, to the fullest extent permitted by applicable U.S. federal securities laws.

The applicable General Partner may grant a co-investor rights (including, but not limited to, preemptive rights), or might otherwise offer a co-investor the opportunity to acquire additional equity or debt securities or instruments of a portfolio company that are made available in the context of an existing co-investment. Such rights or opportunities could also come in the form of the right or opportunity to provide financing to a portfolio company. A General Partner may also grant a co-investor "over-allotment" rights in connection with the exercise of such rights, which may be exercised in instances where other direct or indirect investors in the portfolio company (including the Fund) fail or elect not to exercise their rights and which could result in such co-investor owning securities or instruments in different proportions as compared to an applicable Fund, or result in such co-investor owning securities or instruments in different parts of the capital structure of the applicable portfolio company as compared to such Fund. If all or a portion of such securities or instruments, particularly those in a different part of the capital structure as compared to a Fund, are held by such co-investor through a Co-Investment Vehicle or Employee Co-Investment Vehicle (or through aggregators or similar vehicles formed to facilitate co-investment) alongside the Fund, then conflicts of interest will arise as a result. A co-investor (including a co-investor who is also a Limited Partner) will generally have access to information that Limited Partners typically do not otherwise have access

to, including by way of portfolio company-level reporting or portfolio company board membership or observer rights. A co-investor (including a co-investor who is also a Limited Partner) could also be granted liquidity rights similar to or different from those granted to a Fund, including but not limited to tag-along rights, drag-along rights, registration rights, redemption rights (by way of example, if a sale of a portfolio investment does not take place by an agreed-upon date), put or call rights, rights of first refusal, and rights of first offer, each of which may be exercised by the co-investor in a manner different from that of a Fund and also could be granted governance rights similar to or different from those of the Fund, in each case, to the fullest extent permitted by applicable U.S. federal securities laws. The foregoing list is not intended to be exhaustive and, as such, the possibility of complex conflicts of interest cannot be foreclosed.

With respect to each consummated investment in which a Co-Investment Vehicle or Employee Co-Investment Fund co-invests with a Fund, any expenses or indemnification or repayment obligations related to such investments will generally be borne by the applicable Fund and any parallel fund and such Co-Investment Vehicle or Employee Co-Investment Fund in proportion to capital invested or committed by each in such investment. Lightyear, the General Partners and/or their affiliates are not typically able to cause certain parties (e.g., co-investors, portfolio companies, or other third parties) to bear their share of these expenses; therefore, even if such parties benefit from the incurrence of such expenses, such amounts will be borne in their entirety by the applicable Fund, any related parallel fund, any related Employee Co-Investment Fund, and any related Co-Investment Vehicle, pursuant to the terms of applicable Governing Fund Documents.

One or more investors in a Co-Investment Vehicle could be Limited Partners of a Fund (or affiliates thereof) and therefore such Limited Partners benefit from certain expenses incurred by that Fund (e.g., costs of attendance at annual or other informational meetings) even though such costs will not be allocated to such Co-Investment Vehicle if such expenses are not permitted to be incurred under the Governing Fund Documents of such Co-Investment Vehicle.

For the avoidance of doubt, any fees paid to Lightyear or an affiliate in connection with (and proportionate to the amount of) a co-investment, including, but not limited to, management, administration, structuring, transaction, advisory or other services, and carried interest, will belong to Lightyear or such affiliate and will not be for the benefit of a Fund or offset applicable Management Fees. Lightyear's retention of such fees allocable to the Co-Investment Vehicle or Employee Co-Investment Vehicle will incentivize Lightyear, the General Partner, or an affiliate to offer more co-investment opportunities.

In connection with a disposition of a portion of a portfolio investment by a Fund (including through a Bridge Investment) to one or more co-investor(s), a General Partner is permitted, but will not be obligated, to charge the applicable co-investor(s) an amount calculated as notional interest on the portion of the portfolio investment acquired thereby. The calculation of such notional interest will be determined in a General Partner's sole discretion and could, without limitation, be calculated (i) on the same basis as the preferred return, (ii) based on such co-investor's pro rata share (based on the portion of the applicable portfolio investment acquired by such co-investor) of the interest on and any related fees, costs, and expenses incurred in connection with any indebtedness incurred by the applicable Fund to finance its acquisition of the portion of the portfolio investment subject to acquisition by such co-investor (which, to the extent charged, could be paid by such Fund to the applicable lender), or (iii) a combination thereof.

Committed Co-Investment Vehicles

In addition, Lightyear advises one or more committed co-investment vehicles (the “**Committed Co-Investment Vehicles**”), which may participate in available co-investment opportunities as determined by the applicable General Partner in its discretion. Committed Co-Investment Vehicles will not be allocated any expenses with respect to proposed investments that are ultimately not made, and as a result, all Broken Deal Expenses will be borne entirely by the Funds (including any related parallel funds and/or Employee Co-Investment Funds) alongside which the Committed Co-Investment Vehicles invest, in each case, to the extent not prohibited by applicable U.S. federal securities laws.

Item 12: Brokerage Practices

The Funds typically invest in private securities and do not ordinarily transact with financial intermediaries such as broker-dealers. To the extent a Fund transacts in public securities (e.g., on exit or partial exit), or transacts in other non-private equity investments (e.g., currency hedging), Lightyear will seek to obtain best execution. Lightyear does not consider, in selecting broker-dealers, the receipt of Limited Partner referrals or research from broker-dealers. Lightyear will consider qualitative factors including, but not limited to, the broker's reliability and execution capabilities for the transaction, the commissions charged by the broker, the broker's ability to execute large block transactions, the broker's ability to keep information confidential, the value of the broker's proprietary research, and the broker's reputation and responsiveness to requests for trade data and other financial information. Lightyear does not participate in any soft dollar arrangements.

The Funds may invest in the same portfolio companies from time to time. Lightyear will aggregate the purchase and sale of securities for multiple Funds as it deems appropriate and in accordance with each Fund's Governing Fund Documents.

Item 13: Review of Accounts

Each Fund's portfolio companies are reviewed on a periodic basis, but at least annually, by Lightyear's Investment Committee (the "**Investment Committee**"). The Investment Committee is composed of the Managing Partner and other Managing Directors of Lightyear. Lightyear's investment professionals meet regularly to monitor portfolio company activities and discuss other issues related to current portfolio company holdings such as market outlook and company fundamentals.

In accordance with the terms of the applicable Governing Fund Documents, Lightyear generally provides the Limited Partners in certain Funds with the following written reports, among others: (i) audited annual financial statements of the relevant Fund, (ii) unaudited quarterly financial statements of the relevant Fund, (iii) a quarterly statement of capital account related to its investment in the relevant Fund, (iv) a quarterly report containing an overview of the investment activity of the relevant Fund, including valuations, and (v) on an annual basis, such other information as is necessary for the preparation of tax returns. Certain Limited Partners may receive some (but not all) of such written reports while other Limited Partners may receive additional written reports pursuant to relevant provisions within the applicable Governing Fund Documents and any side letters.

Item 14: Client Referrals and Other Compensation

Lightyear typically engages one or more third-party placement agents in respect of the offering of Interests in its Funds to certain prospective investors. To the extent Lightyear engages one or more placement agents on behalf of a Fund, potential investors should be aware that each placement agent will be paid a placement fee, which may be based upon the amount of Capital Commitments to a Fund by Limited Partners. Placement agent fees and expenses will be paid by the applicable Fund and borne by the relevant Limited Partners. Such relevant Limited Partners' share of any Management Fees are reduced on a dollar-for-dollar basis. See Item 5 for additional information regarding placement agents.

Item 15: Custody

Since Lightyear does not advise separate account clients, Limited Partners will not receive statements from any 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 are prepared in accordance with U.S. GAAP and, in accordance with Rule 206(4)-2 under the Advisers Act, will be distributed within 120 days of each Fund's fiscal year-end.

Item 16: Investment Discretion

Lightyear performs the day-to-day investment operations of the Funds and has discretionary authority to determine, without obtaining specific consent from the Funds or their Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds pursuant to the applicable Governing Fund Documents.

The General Partners may agree with Limited Partners in the Funds to waive or modify the application of certain provisions of the Governing Fund Documents via a side letter, without obtaining the consent of any other Limited Partner in such Fund. Please see Item 8 for additional disclosures related to side letters.

Item 17: Voting Client Securities

Lightyear has authority to vote proxies on behalf of the Funds relating to the portfolio companies in which they invest. In accordance with its fiduciary duty to the Funds and Rule 206(4)-6 under the Advisers Act, Lightyear has adopted and implemented written policies and procedures governing the voting of Fund securities.

The Funds invest primarily in privately-held portfolio companies and may be required to exercise a vote for such companies. Lightyear may also receive proxies in connection with its publicly-traded portfolio companies. In both cases, it is Lightyear's policy to exercise the vote in the best interest of its Funds in accordance with the relevant Governing Fund Documents. If Lightyear believes that a particular vote presents a material conflict of interest, it will determine how to vote, taking into consideration various factors, including the investment objectives and strategies of the relevant Fund, and any procedures set forth in the Governing Fund Documents. In casting votes, Lightyear believes that a material conflict of interest between the Funds and Lightyear does not arise solely as a result of a representative of Lightyear serving as a director of a particular portfolio company. Lightyear will document the factors considered in determining how to vote on a proposal that presents a material conflict of interest.

All proxies that Lightyear receives will be treated in accordance with these policies and procedures. A copy of Lightyear's written proxy voting policies and procedures, as well as a record of how Lightyear has voted, will be maintained and available for review by clients upon written request to the Chief Compliance Officer.

Item 18: Financial Information

Lightyear has not been the subject of a bankruptcy petition at any time during the past ten years and is not aware of any financial condition that is reasonably likely to impair the ability of the Funds to meet their contractual commitments.