

WARBURG PINCUS

Warburg Pincus LLC

450 Lexington Avenue

New York, NY 10017-3911

(212) 878-0600

March 28, 2024

This brochure provides information about the qualifications and business practices of Warburg Pincus LLC (the “Firm”). If you have any questions about the contents of this brochure, please contact us at (212) 878-0600. The information in this brochure has not been verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Although the Firm is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), registration does not imply a certain level of skill or training.

Additional information about Warburg Pincus LLC is available at www.warburgpincus.com and the SEC’s website at www.adviserinfo.sec.gov.

Item 2. Material Changes

The Firm filed its most recent Form ADV Part 2 on March 30, 2023. This annual amendment updates and incorporates additional disclosures regarding the description of the business practices of Warburg Pincus and its affiliates. Additionally, the brochure reflects certain routine updates made throughout the brochure for clarity and consistency, and supplements existing disclosures relating to Warburg Pincus' practices and related potential conflicts of interest, including with respect to Item 4. Advisory Business, Item 5. Fees and Compensation, Item 6. Performance-Based Fees and Side-by-Side Management, Item 7. Types of Clients, Item 8. Methods of Analysis, Investment Strategies and Risk of Loss, Item 10. Other Financial Industry Activities and Affiliations, Item 11. Code of Ethics and Participation or Interest in Client Transactions and Personal Trading, Item 12. Brokerage Practices and Item 16. Investment Discretion.

Item 3. Table of Contents

Item 2. Material Changes	2
Item 4. Advisory Business	3
Item 5. Fees and Compensation	5
Item 6. Performance-Based Fees and Side-By-Side Management	12
Item 7. Types of Clients	13
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss	13
Item 9. Disciplinary Information	60
Item 10. Other Financial Industry Activities and Affiliations	61
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	64
Item 12. Brokerage Practices	74
Item 13. Review of Accounts	75
Item 14. Client Referrals and Other Compensation	75
Item 15. Custody	76
Item 16. Investment Discretion	76
Item 17. Voting Client Securities	76
Item 18. Financial Information	77

Item 4. Advisory Business

Warburg Pincus LLC, a New York limited liability company, together with its affiliates (including its relying advisers) (hereinafter collectively referred to as “Warburg Pincus”, the “Firm”, “we”, “us” or “our”) is a global private equity investment firm. We provide investment advisory services to pooled investment vehicles referred to in this brochure as “Funds” and to certain other institutional accounts as described more fully herein (the “Accounts”) and, together with the Funds, the “Clients”). Disclosures contained herein with respect to Funds are also generally applicable to Accounts except as the context requires otherwise.

Founded in 1966, Warburg Pincus is one of the oldest and most established private equity firms in the world. We are headquartered in New York, with ten additional investing offices around the world in Beijing, Berlin, Hong Kong, Houston, London, Mumbai, San Francisco, São Paulo, Shanghai and Singapore.

The Managing Directors of the Firm are our principal owners. No person owns more than 25% of the Firm.

Warburg Pincus affiliates serve as advisers, sponsors, general partners and/or managers of our Funds. Interests in our Funds are privately offered to qualified investors. Along with our own capital commitments to our Funds, we invest third party investors’ capital contributions to our Funds on a discretionary basis, primarily through growth and other investments made by our Funds into operating businesses.

Our global Funds are generally offered on the basis of a diversified private equity investment strategy rather than to meet individual objectives of investors. The Firm has also offered, and expects to offer in the future, other funds, including sector or geographically focused companion funds to co-invest with a global fund in certain subsets of investment opportunities. The Firm has also offered, and expects to offer in the future other purpose funds such as continuation funds, sponsored secondary funds, capital solutions funds, long-term investment funds and real estate funds. Our Funds’ governing documents establish discretionary authority for us to manage the investment and other day-to-day activities of the Funds, although certain limits on investments such as concentration limits and geographic sub-limits may be established on a Fund-specific basis. Our investment advisory business primarily consists of identifying and selecting investment opportunities for our Clients, and participating in the acquisition, investment management, monitoring and ultimate disposition of our Clients’ investments.

Since its founding, the Firm has followed a growth-oriented investment strategy. We seek to make thesis-driven growth capital transactions, early growth platforms, buyout, recapitalizations and other special situation investments across a variety of business sectors and geographic regions to maximize long-term investment returns for our Clients. Our Senior Leadership Team (“SLT”), including the committees of the Firm’s Investment Management Group (“IMG”), coordinates the investment advisory business of the Firm on a global basis. The Firm’s Operating Management Group (“OMG”) is made up of the senior operating leadership of Warburg Pincus and oversees the operations of the Firm outside its core investing activities. The IMG and OMG are led by the Firm’s Chief Executive Officer, Charles R. Kaye.

We select companies for investment after conducting due diligence and developing a detailed investment thesis. As a fundamental aspect of our private equity investment advisory strategy, we typically take an active role on the boards of directors of the Firm’s portfolio companies – either by designating our employees to such boards of directors or, as deemed appropriate, through non-employee designees – providing assistance in developing and executing their strategic plans and realizing our investment theses. We invest in privately held and publicly traded companies. The Firm’s investment professionals focus primarily on growth investing in the following industry sectors: Business Services, Energy Transition & Sustainability, Financial Services, Healthcare, Industrials and Technology. In addition to the Firm’s core industry sectors, Consumer and Real Estate investment opportunities are pursued in Asia.

Our primary existing private equity, capital solutions, long-term investment and real estate funds are:

Warburg Pincus Private Equity Funds¹

Warburg Pincus Global Growth 14, L.P., a global private equity fund established in 2022.

Warburg Pincus Financial Sector II, L.P., a financial sector-focused companion fund established in 2021.

Warburg Pincus China-Southeast Asia II, L.P., a China and Southeast Asia-focused private equity fund established in 2019.

Warburg Pincus Global Growth, L.P., a global private equity fund established in 2018.

Warburg Pincus Financial Sector, L.P., a financial sector-focused companion fund established in 2017.

Warburg Pincus China, L.P., a China-focused companion fund established in 2016.

Warburg Pincus Private Equity XII, L.P., a global private equity fund established in 2015.

Warburg Pincus Energy, L.P., an energy-focused-companion fund established in 2014.

Warburg Pincus Private Equity XI, L.P., a global private equity fund established in 2012.

Warburg Pincus Private Equity X, L.P., a global private equity fund established in 2007.

Warburg Pincus Capital Solutions Funds

Warburg Pincus Capital Solutions Founders Fund, L.P., a capital solutions-focused private investment fund established in 2023 (together with its parallel funds and alternative investment vehicles, “WPCS FF”).

Warburg Pincus Long-Term Investment Funds

WP Dynasty Holdings I, L.P., a long-term investment vehicle established in 2023 primarily to acquire “new economy” real estate companies across Asia-Pacific (together with its parallel funds and alternative investment vehicles, “WP Dynasty”).

Warburg Pincus Real Estate Funds

Warburg Pincus Asia Real Estate, L.P., a Pan Asia-focused asset-level real estate fund established in 2021 (together with its parallel funds and alternative investment vehicles, “WPARE”).

The Firm has established and generally has discretion to establish other investment vehicles, including managed partnerships and co-investments vehicles for current or prospective investors, subject to the provisions of the applicable Fund governing documents (see Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading, Co-Investments for more information).

In addition, Warburg Pincus has established other investment vehicles, including (i) continuation and sponsored secondary funds which were utilized in part to generate liquidity for certain Funds or assets and (ii) investment vehicles established to provide certain investors with access to certain investments through or alongside the Funds.²

¹ The following funds, together with their respective parallel funds and alternative investment vehicles, the “Private Equity Funds” and each, a “Private Equity Fund.”

² Warburg Pincus also manages: Warburg Pincus XI (Asia), L.P.; WP AUSA, L.P.; WP AUSA I-A, L.P.; and WP DVT, L.P., private investment funds established in 2017, 2019, 2020 and 2022, respectively. Warburg Pincus XI (Asia), L.P. was formed primarily to acquire a fixed percentage of the ownership interests in certain Asia portfolio investments of Warburg Pincus Private Equity XI, L.P. WP AUSA, L.P. was formed primarily to acquire ownership interests in a single portfolio company which was owned partially by Warburg Pincus Private Equity XI, L.P. WP AUSA I-A, L.P. was formed primarily to make follow-on investments in the same portfolio company as WP AUSA, L.P. WP DVT, L.P. was formed primarily to acquire ownership interests in a single portfolio

Warburg Pincus has also entered into a sub-advisory agreement (the “Sub-Advisory Agreement”) with, and serves as the sub-adviser to, accounts benefiting a reinsurance company, whereby the Firm provides investment sub-advisory services in respect of the reinsurance company’s private fund investments.

As of December 31, 2023, Warburg Pincus manages approximately \$62.3 billion of net assets (excluding approximately \$21.4 billion of uncalled capital commitments) on behalf of its Clients on a discretionary basis, and no assets on a non-discretionary basis.

Item 5. Fees and Compensation

Management Fees, Carried Interest

We receive management fees – deducted in computing Fund profits – paid to us by the Funds’ quarterly in advance. As is customary in the private equity industry, our affiliates that act as general partners of our Funds receive an allocation of net profits, or “carried interest”.

The management fees and carried interest that we or our affiliates receive from our Funds are predetermined in written agreements among Warburg Pincus, our affiliates and our Funds. Generally, management fees are a percentage of a Fund’s capital commitments, converting after a designated investment period to a percentage of the cost of the remaining assets and decreasing in the later years of the Fund. Management fee percentages for the Private Equity Funds, WPCS FF and WPARE generally range from 1.0 % to 1.5% per annum. As a general matter, management fees will be payable during term extensions unless otherwise agreed with investors. Typically, the affiliated general partner of our Funds will receive carried interest equal to 20% of the net profits of a Fund.³

As is typically the case in private equity funds, management fees will be calculated and charged on a basis that generally is not based on the respective Fund’s then-current net asset value. Subject to the Funds’ governing documents and related management agreements, from the effective date of the relevant Fund until a date specified (the “Stepdown Date”), management fees generally will be charged based on a percentage of the relevant Fund’s aggregate commitments. Following the Stepdown Date, management fees generally will be charged and calculated in part based on the average cost basis of all remaining portfolio investments (including, where applicable, a Fund borrowing component), less any write offs. Where the fair market value of an investment exceeds the cost basis relating to such investment, management fees will not be calculated based upon such appreciated value and will instead continue to be calculated based on the cost basis of the investment. Conversely, the relevant Funds’ governing documents do not require management fees to be reduced or refunded following the occurrence of a write down, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments that have been written off pursuant to the relevant governing documents. As a result, the amount of management fees typically will not correspond with fluctuations in the net asset value of individual investments or of a Fund, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of investments written off.

company which was owned partially by Warburg Pincus Private Equity XII, L.P. Warburg Pincus also manages: WPARE N Co-Invest, L.P.; WPARE S Co-Invest, L.P.; Verdite Gem Co-Invest, L.P.; Stannite Gem Co-Invest, L.P. and Wulfenite Gem Co-Invest, L.P. as vehicles formed to co-invest with certain investments of Warburg Pincus Asia Real Estate, L.P., and WPGG 14 Co-Invest-C, L.P.; WPGG 14 Co-Invest-H, L.P.; WPGG 14 Co-Invest-K, L.P.; and WPGG 14 Co-Invest-N, L.P., four vehicles formed to co-invest with certain investments of Warburg Pincus Global Growth 14, L.P. Warburg Pincus also manages Warburg Pincus Prosvasi 2023, L.P. in connection with certain investors’ access to investments of Warburg Pincus Global Growth 14, L.P.

³ Certain continuation Funds and other Funds formed by Warburg Pincus, including WPCS FF and WP Dynasty charge reduced management fees.

The cost basis component of the management fee will include capitalized transaction-specific expenses of unrealized investments. Warburg Pincus will evaluate multiple investments in a portfolio company, on an aggregated basis, to determine whether a Private Equity Fund's investment in such portfolio company, collectively, should be written off. However, the basis by which management fee is calculated is described in the relevant Fund's governing documents, and certain Funds, such as WPARE, WPCS FF and WP Dynasty, or future Funds, provide for a different methodology for calculating management fees.

Each Fund's governing documents and related management agreements set forth the full list of terms under which management fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified management fee rate in the governing documents and related management agreements until they are reduced in the circumstances and on the date(s) specified therein.

In addition, Warburg Pincus calls capital from limited partners into Funds as needed to fund investments, cover expenses and other obligations and pay management fees. Management fees payable and other obligations will also be deducted from proceeds from investment realizations. In the event an investment management agreement or a Fund itself would be terminated, any pre-paid fees would be reimbursed to the Fund pro rata based on the portion of the quarter (or other period) for which fees were paid but for which services were not rendered.

Warburg Pincus generally does not charge transaction fees, such as sponsor, advisory or monitoring fees, nor does it charge fees for any other services that its employees provide to portfolio companies. In the limited circumstances in which the Firm receives such a fee – such as when a co-investor in the transaction receives a fee or when the payment of fees is to one or more entities required to support or advise in respect of certain investments for the benefit of a Fund or arranger fees in the case of WPCS FF – a Fund's pro rata share of any such fee received by Warburg Pincus from a portfolio company is applied 100% to offset the management fee payable by the relevant Fund or is otherwise allocated to the relevant Fund. Fees paid to our employees for service as directors of portfolio companies are also applied 100% to offset the management fee or are otherwise allocated to the relevant Fund. Additionally, in the event that certain Warburg Pincus employees and/or investment professionals are specifically allocated fees or carried interest in respect of one or more investment structures utilized for legal, tax, structuring and/or other reasons in one or more non-U.S. jurisdictions, such amounts generally offset the management fee or the carried interest of the relevant Fund and it is generally intended that such amounts would offset other economic entitlements, as described in the applicable Fund's governing documents. A portion of such directors' fees are typically paid in non-cash form (such as stock or options issued by a portfolio company). The Firm seeks to take commercially reasonable steps to realize the value of non-cash directors' fees and will apply a Fund's pro rata share of any net realized value to reduce management fees. Such securities are subject to fluctuations in value over time, and may lose some or all value pending any realization, including due to the Firm's determination as to the timing of such realization (often subsequent to a full exit from the corresponding Fund investment) in which case any management fee offset or other allocation to the relevant Fund would be a lesser value when received. For the avoidance of doubt, fees received in respect of a co-investor or other parties (which could include co-investment vehicles managed by Warburg Pincus, third parties, portfolio company management or employees and/or others) in connection with a transaction will not offset the management fee payable by the relevant Fund or otherwise be allocated to the relevant Fund.

When determining directors of portfolio companies, the Firm in some situations designates a non-Warburg Pincus employee, including a consultant, who has specific skills and experience that would benefit the portfolio company. In such situations, the non-Warburg Pincus employee is generally entitled to retain any consideration received as a director of the portfolio company and such amounts are generally not applied to offset management fee or otherwise allocated to the applicable Fund. As such, when determining directors for portfolio companies, the Firm seeks to maximize the long-term value of the investment, not the amount of the management fee offset. In addition, we are permitted to retain certain

former partners of the Firm – designated at times as Special Limited Partners – on behalf of a portfolio company, a prospective portfolio company or group of portfolio companies (or portfolio companies may retain such persons directly) and we also engage certain personnel to perform jurisdiction-specific administrative functions at one or more registered or administrative offices in a non-U.S. jurisdiction in connection with one or more investments in such jurisdiction. Such persons or personnel, including the Special Limited Partners, could receive compensation, including fees, incentive equity or other stock awards (which, for the avoidance of doubt, may be structured through loans, profit interests or similar arrangements provided by the applicable Fund) from any portfolio company and, in the case of Special Limited Partners may receive fees directly from Warburg Pincus for services that Warburg Pincus believes are performed in order to benefit Warburg Pincus as a whole. Any such amounts received by such Special Limited Partners and such personnel will not offset the management fee.

Management fees pay for our overhead, including certain expenses relating to investments that we pursue for our Funds that are not consummated. The Funds are responsible for their organizational expenses (typically subject to a cap) and most other administrative and transaction expenses associated with their operations and investment activities, as described below. Some of these types of expenses will be incurred by the Funds for investments that we pursue for our Funds but are not consummated.

The Firm’s management fees and carried interest are generally not negotiable, although Warburg Pincus may, in its sole discretion, reduce or waive management fees and/or carried interest with respect to a particular Fund, investor or co-investor. Additionally, limited partners in certain Funds who have made or subscribed for capital commitments above certain thresholds or prior to certain specific dates pay a reduced management fee and/or bear a reduced carried interest.

The existence of carried interest creates an incentive for Warburg Pincus to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise be the case in the absence of such carried interest, although Warburg Pincus generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where a Fund’s governing documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund’s life or at certain interim intervals.

Warburg Pincus or its affiliates will provide (i) services with respect to WPARE investments (including property management, leasing, development and construction management services, mortgage servicing, brokerage, loan servicing, property, title and/or other types of insurance and other similar operational matters) (“Property Management Services”), and (ii) functions or services that would otherwise be performed for WPARE investments by third parties, including accounting, fund administration, legal, reporting and other similar functions (“Legal and Accounting Services”), including reimbursement of “employment costs” and related overhead expenses allocated thereto as determined by the general partner; provided that any fees payable shall not exceed the amount that would be otherwise payable by the WPARE if such functions or services were provided by unaffiliated third parties, unless otherwise consented to by WPARE’s Advisory Committee. Any such compensation or reimbursement of expenses in relation to Legal and Accounting Services or Property Management Services will not offset the management fee payable by WPARE.

Additionally, given the nature of investment opportunities pursued by WPCS FF, the Firm expects to charge arranger fees in respect of certain of such investment opportunities; however, any such amounts will offset the management fee payable by limited partners of WPCS FF as described in the governing agreements of WPCS FF.

Fund Expenses

Subject to each Fund’s governing documents, to the extent not borne by portfolio investments, a Fund will bear all of its own professional and direct operating expenses, typically including, without limitation, (i) the management fee, (ii)

reasonable fees and expenses of attorneys, advisors, accountants, auditors, consultants, appraisers, administrators (including fund administrators), finders, experts and other professionals retained by a Fund or by the Firm or the applicable general partner (or their affiliates) on behalf of a Fund, including fees or other compensation (whether in the form of cash or equity in the applicable portfolio company) and fees for certain personnel to perform jurisdiction-specific administrative functions at one or more registered or administrative offices in a non-U.S. jurisdiction in connection with one or more investments in such jurisdiction, (iii) expenses for depositary, trustee, record keeping, banking, safekeeping, custodial and other bank or similar services, (iv) expenses associated with the preparation of a Fund's financial statements, tax returns, tax estimates, Schedules K-1 and similar forms, (v) principal, interest and any fees and expenses in connection with any borrowing or guarantee or other credit support or hedging activity permitted pursuant to a Fund's governing documents, (vi) expenses of any Advisory Committee, any Valuation Committee and any technical advisory board established by a Fund, including meetings thereof and any travel or out-of-pocket expenses related to such meetings, expenses incurred in connection with the engagement of third-party advisors and any other expenses incurred by any Advisory Committee, any Valuation Committee or any technical advisory board and their respective members in connection with the Advisory Committee's, the Valuation Committee's or such technical advisory board's activities, as applicable, as contemplated in a Fund's governing documents, (vii) taxes and other governmental charges, fees and duties payable by a Fund to federal, state, local and other governmental agencies other than with respect to taxes on investments, (viii) fees, costs and expenses incurred by a Fund, the general partner of such Fund or any other Warburg Pincus professional in connection with the annual meetings and any other meetings of the Fund investors including via webcast or other video conference (and any subscription costs related thereto), including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs attributable to the Fund investors, portfolio company management or personnel and/or other Fund constituents in connection with any such meetings, (ix) fees, costs and expenses of reporting to investors on Fund or portfolio investment-related matters and any other Fund-specific reporting, notification or other filing obligations (including the preparation and filing of Form PF, filings required under the Securities Exchange Act of 1934, as amended (including, without limitation, Form 13F, Form 13H, Section 16 filings, Schedule 13D filings and Schedule 13G filings), U.S. Treasury TIC and BEA filings, any forms, schedules, reports, filings, information or other documents prepared with respect to the U.S. Foreign Account Tax Compliance Act and any comparable non-U.S. filings, and reports to be filed with the Commodities Futures Trading Commission), as well as software, hardware, technology and systems development and implementation, developing, acquiring and maintenance costs related to each of the foregoing to the extent attributable to the activities undertaken for the benefit of a Fund or the Fund investors (but not the Firm), (x) legal, regulatory and compliance expenses of a Fund and its activities (but not of the Firm), including a Fund's (but not the Firm's) compliance with the United Kingdom Alternative Investment Fund Managers Regulations 2013 and the E.U. Alternative Investment Fund Managers Directive, the cost of complying with side letter arrangements ("Side Letters"), including any "most favored nations" provisions and elections, and all fees, costs and expenses incurred in connection with the organization, management, operation, dissolution, liquidation and final winding up of any alternative investment vehicles or special purpose vehicles, (xi) actual, potential, contemplated and/or threatened litigation, mediation, arbitration, or other dispute resolution process-related expenses, including damages, settlements, and/or reimbursement obligations, (xii) indemnification and advancement payments and expenses, (xiii) premiums for insurance protecting a Fund and any indemnified persons in connection with the affairs of a Fund, (xiv) organizational expenses in connection with establishing a Fund (subject to any cap), (xv) expenses incurred in connection with winding up and liquidating a Fund, (xvi) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer or any investor's name change, internal restructuring, or change in trustee, registered agent or custodian, (xvii) costs and expenses of developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, "know-your-client", ledger systems, financial management, communication and cybersecurity) or other administrator tools (including subscription-based services), (xviii) costs and expenses involving amendments to, and waivers, consents or approvals pursuant to a Fund's governing documents, including the preparation, distribution or implementation thereof, (xix) costs and expenses (including legal, financing and

litigation fees and expenses) incurred in connection with a defaulting limited partner, (xx) expenses incurred in connection with any activities with respect to protecting the confidential or non-public nature of any information or data, (xxi) any costs and expenses arising from any foreign exchange or other currency transaction, (xxii) fees, costs and expenses relating to any audit, investigation, regulatory or governmental inquiry or public relations undertaking and (xxiii) any other fees, costs, expenses, liabilities and obligations approved by a Fund's Advisory Committee. To the extent not included in the foregoing, a Fund will also bear all reasonable out-of-pocket expenses directly related to all proposed or prospective or consummated investments and the investigating, structuring, holding, monitoring, assistance, maintenance and disposition thereof (whether or not consummated and including any such expenses incurred by any acquisition, holding or alternative investment vehicle formed to facilitate or finance Fund investments) including, without limitation, (a) all reasonable professional fees and expenses, such as those for attorneys, advisors, accountants, auditors, Executives/Entrepreneurs-in-Residence, consultants, appraisers, experts, finders, investment bankers, underwriters, loan and other servicers, valuation agents, collection and administrative agents, pricing service providers and other professionals or custodians, (b) due diligence expenses, (c) research expenses related to specific portfolio companies or prospective portfolio companies, including expenses related to third-parties' research or obtaining investment activity related market data and reporting, (d) brokerage, transaction finders and other intermediaries' commissions and similar fees and other investment costs incurred by or on behalf of a Fund, (e) travel and related (such as food and lodging) and entertainment expenses (which includes travel expenses for the use of private aircraft, first class or business travel) but excluding certain travel and entertainment expenses for transactions not consummated as set forth in a Fund's governing documents, (f) transfer taxes and costs related to the registration or qualification for sale of securities, (g) insurance expenses, (h) expenses incurred in respect of safekeeping, custodial and other bank services, (i) any reverse break up or similar fees or expenses, or liabilities incurred by a Fund or any acquisition vehicle on behalf of a Fund in connection with investments not consummated by a Fund, (j) any other out-of-pocket expenses in connection with the investigation, acquisition, monitoring, holding, assistance, maintenance or disposition of investments, including the costs incurred by any intermediate entity utilized to hold or facilitate investments (including, in certain cases, salary and benefits of any personnel and related overhead for persons that are not full-time employees of Warburg Pincus and which employees are deemed in good faith to be necessary for maintaining such investment and operating any holding vehicles for such assets) or other non-U.S. structures that facilitate investments in certain non-U.S. geographies, including salary and benefits of any personnel and related overhead for persons that are not full-time employees of the Firm and which employees are deemed necessary for maintaining such investments and operating any holding vehicles for such assets, in each case, to the extent not paid for by a portfolio company or prospective portfolio company, (k) fees, costs, expenses and liabilities relating to derivatives and hedging transactions, (l) information technology expenses, including licensing and maintenance fees, (m) expenses incurred in connection with any tax audit, inquiry, investigation, settlement or review of a Fund and any costs of or related to the "partnership representative" of a Fund, (n) fees and expenses relating to or attributable to filing, title, transfer, survey, registration and other similar activities and (o) costs and expenses of the type described in (ix)-(xxiii) above, to the extent not borne by a portfolio company or prospective portfolio company. Fund expenses will be deducted in computing net profits. Except where the relevant governing documents or Side Letter(s) expressly provide to the contrary, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

The Funds bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Warburg Pincus and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred.

To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Funds’ governing documents, such interests are permitted to be issued to Warburg Pincus and its personnel. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant general partner has committed in making investments on behalf of the Fund. Additionally, subject to the applicable governing documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

The relevant general partner of each Fund reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund’s investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial.

Detailed information regarding all the fees to be paid by each Fund is contained in the relevant Fund’s governing documents. Fund investors should review the applicable Funds’ governing documents to understand the expenses borne by each Fund.

Consultants

The Firm utilizes a group of individuals as consultants and advisors (including third-party consultants who are not employees of the Firm but are paid fees for services provided to the Firm, the Funds and/or the Funds’ portfolio companies (each, a “Consultant”). This includes advisors engaged by deal teams to assist in specific sub-sectors or geographies of their relevant expertise. A Fund will bear its share of fees and expenses for services provided by Consultants, including those engaged with respect to certain industry sector- or geography-specific considerations more broadly. The terms of engagement, including the compensation arrangements for Consultants are generally agreed between the Consultant and the Firm (or one of its affiliates or portfolio companies) at the time of engagement. Each such engagement is negotiated individually, depends upon anticipated advisory services, and will differ as between different individuals and mandates. In addition to periodic fees and reimbursement of fees and expenses, Consultants receive compensation arrangements from portfolio companies or the Funds composed of a discretionary performance-related bonus (whether or not based on pre-determined milestones), grants of equity, stock awards (which, for the avoidance of doubt, may be structured through loans, profit interests, or similar arrangements provided by the applicable Fund) and/or co-investment opportunities in the portfolio companies in which Consultants play a significant role. Certain Consultants will be permitted to participate in equity interests in the applicable portfolio companies, including through structured interests, loans or similar arrangements provided by the applicable Funds. Consultants are permitted to serve on the boards of directors of portfolio companies or otherwise serve directly as consultants or advisors to portfolio companies and receive directors’ fees, consulting fees and other compensation from portfolio companies. These fees and expenses are generally allocated to the Fund (or Funds, to the extent applicable), that benefit from the services and are not paid by the Firm out of management fees. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund’s investment, and the relevant Fund will bear the costs of all such compensation of Consultants, as well as fees, costs and expenses of structuring Consultant arrangements. To the extent that Consultants are paid retainers

or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Consultants' services at a time when fewer portfolio companies or Funds make use of such Consultants. Consultants are not employees, however, and some are permitted to use titles that relate to the Firm such as Executive/Entrepreneur-in-Residence, Industry Advisor or Senior Advisor for reasons relating to business objectives, market and cultural perceptions and social considerations. Such titles are not intended to be prescriptive for purposes of allocating expenses as between the Firm and the Funds. The Firm has adopted policies and procedures addressing internal approvals, whether particular Consultants should be subject to the Firm's Code of Ethics, restrictions on access to information regarding the Firm, the Funds, or portfolio companies, and allocation of fees and expenses related to Consultants.

Consultants are expected to include former employees of Warburg Pincus or certain portfolio companies, and in some circumstances former Consultants are expected to become Warburg Pincus employees or employees of portfolio companies. Consequently, the determination of whether individuals are Consultants is expected to vary and/or be revisited.

Special Limited Partners

The Firm has created a special designation – Special Limited Partner – for certain former partners of the Firm who are expected to continue to have a relationship with the Firm. Special Limited Partners are designated by the Chief Executive Officer. These individuals are not partners or employees of Warburg Pincus, nor are they Consultants (in the context described above). Special Limited Partners do not accrue carried interest. A Special Limited Partner will receive certain perquisites and privileges from the Firm in recognition of their special contribution made to the Firm during their tenure as a partner of the Firm and during their continuing relationship with the Firm. A Special Limited Partner is eligible to co-invest in a specific portfolio company in which the Special Limited Partner has been significantly involved or demonstrated significant value-add to the investment. Further, a Special Limited Partner is generally eligible to invest in a Warburg Pincus sponsored fund on a no fee, no carry basis.

Specifically, the Firm is permitted to designate, and has designated, a Special Limited Partner to the board of directors of a portfolio company when the Special Limited Partner has specific skills or experience that would benefit the portfolio company. Special Limited Partners generally will receive compensation, including fees, incentive equity or other stock awards (which, for the avoidance of doubt, may be structured through loans, profit interests or similar arrangements provided by the applicable Fund), from or in respect of any portfolio company or holding company for these and other services, and would, in certain or all of such situations, receive fees directly from the Firm for services that the Firm believes are performed in order to benefit the Firm as a whole. Any such amounts received by a Special Limited Partner will be retained by the Special Limited Partner and generally would not be applied to offset the management fees due from the respective Fund. Special Limited Partners would, in certain or all of such situations, also receive reimbursement of expenses from the portfolio company, the Firm, or the applicable Fund or Funds.

Senior Strategic Partner

The Firm has created a category of Senior Strategic Partner (an "SSP") and may designate additional SSPs in the future. As is the case with Special Limited Partners, an SSP will not be a partner or employee of Warburg Pincus, or a Consultant. An SSP is eligible to have a passive equity interest (or other economic interest) in one or more affiliates of the Firm and as a limited partner in Funds managed by the Firm (which may include investing, directly or indirectly, in or alongside such Funds on a no-fee, no-carried interest basis) and be permitted to co-invest in specific co-investment opportunities, subject to and in accordance with the Firm's co-investment policies (see Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Co-Investments for more information). An SSP or its affiliated may also provide broad services, including strategic assistance to the Firm in one or more aspects of the Firm's business and/or Funds.

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

As discussed in Item 5. Fees and Compensation, Warburg Pincus, through its general partner affiliates, generally receives a carried interest equal to 20% of the net profits of most Funds it manages, although the carried interest in respect of certain Funds and investment vehicles is a lower amount, and, in limited circumstances, could be higher or lower based on the performance of the Fund. The Firm will form parallel or co-investment vehicles to facilitate investments in or alongside the Funds, with or without fees or carried interest (including reduced fees or carried interest), by its partners and employees as well as by other individuals (including their related estate and tax planning vehicles). The Firm will also, in its sole discretion, provide co-investment opportunities, with or without fees or carried interest, to current and prospective limited partners or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, or other third parties for a variety of reasons including strategic reasons relating to our investment advisory business (see Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading, Co-Investments for more information).

The Firm has also offered, and may offer in the future, other Funds, including industry-sector or geographically focused companion Funds to co-invest with a global Fund in certain subsets of investment opportunities. The allocation of investment opportunities as between a global Fund and such other Fund, if applicable, would be subject to guidelines and restrictions set forth in each Fund's governing documents and as determined by Warburg Pincus in good faith is appropriate after taking into account such considerations as the allocation guidelines applicable to the Funds, the capital available to a companion Fund and a global Fund, the size of the transaction, portfolio diversification, investment guidelines, risk allocation, contractual prohibitions, the amount of the potential follow-on investing that may be required for such investment and the other portfolio investments of such other Fund and such global Fund and the relation to the investment strategies of the vehicles, as well as portfolio balance.

In addition, as described above in Item 4. Advisory Business, Warburg Pincus has established other investment vehicles, including continuation, co-investment and sponsored secondary funds which were utilized in part to generate liquidity for certain Funds.

Funds generally pay varying management fees and carried interest at different stages in their timeline and, in the context of carried interest, based on the outcome of the investments they have made. The Firm has an incentive to allocate more time, resources or investment opportunities to Funds that pay higher management fees and/or carried interest or for other reasons that will present conflicts of interest. The Firm's practice is generally to make investment decisions with respect to a particular portfolio company concurrently for all applicable Funds and co-investment vehicles. The Firm, however, will only be required to do this pursuant to the terms of the applicable Funds' governing documents. Potential conflicts of interest associated with the allocation of investment opportunities are mitigated in that the Firm generally makes new investments for one Fund and, as applicable, one or more companion Funds at a given time and does not make investments for another Fund with similar investment objectives until the predecessor Fund is substantially fully invested or committed. A follow-on investment opportunity in a portfolio company is generally reserved for the Fund or Funds that originally invested in the portfolio company, subject to the guidelines and restrictions of the Fund's governing documents and/or approval of the applicable Fund Advisory Committees and various factors including the availability of capital in a Fund. During the transition period from a predecessor Fund to a successor Fund, investment opportunities are permitted to be allocated between the two Funds (in addition to companion Funds) pursuant to guidelines and restrictions of the respective Fund's governing documents and/or as approved by the relevant Fund Advisory Committees and allocations of investments and fees and expenses associated with such investments may be appropriately made and adjusted based on such governing documents and/or approvals (see Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Allocation of Investment Opportunities with Other Entities for additional information regarding the allocation of investment opportunities).

Item 7. Types of Clients

We and our affiliates serve as advisers, sponsors, general partners and/or managers of the Funds and as investment sub-advisers to a reinsurance entity. Our Funds are generally pooled investment vehicles offered on the basis of a predetermined investment strategy rather than to meet the individual objectives of its investors. In addition, as described above in Item 4. Advisory Business, Warburg Pincus has established other investment vehicles, including continuation, co-investment and sponsored secondary funds. Interests in our Funds are privately offered from time to time to qualified investors. Investors in our Funds generally include state, city and corporate pension plans, financial and insurance institutions, sovereign wealth funds, foundations, endowments, executives of portfolio companies, certain of our employees and other individuals. Our Funds are not registered or required to be registered under the Investment Company Act of 1940.

When offered, the Funds typically require a minimum commitment from investors, which may differ by type of investor, and which may differ from Fund to Fund depending on our view of the prevailing market terms at the time of the offering; however, we have discretion to accept a lower commitment amount.

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

Warburg Pincus' team of approximately 270 investment professionals is one of the largest private equity-focused investment teams in our industry.

The Firm focuses on thesis-driven investments in companies with accomplished management teams. Given the global nature of the Firm's investment activities and broad spectrum of stages in which we invest, the Firm will employ one or more of a broad variety of fundamental investment and market analyses, as appropriate, depending on the prospective opportunity.

Growth-Oriented Investing⁴

We emphasize growth-oriented investing and seek to build companies at all stages, from conceiving and creating early stage and venture capital opportunities, to providing growth capital to meet the needs of existing businesses, to investing in later-stage and buyout transactions, to special situations with unique characteristics.

Across the range of the Firm's investments, our aim is to build lasting companies that will perform well in growing industries. We seek to generate profits primarily from increasing operating earnings at our portfolio companies, rather than exclusively through financial engineering or multiple expansions, positioning the Fund for attractive long-term investment returns throughout economic and capital markets cycles. Warburg Pincus is typically the largest or lead investor in its Private Equity Fund transactions, allowing for a focus on overall return with appropriate oversight of a portfolio company's business plan and strategy. The Firm typically plays an active role with the Private Equity Funds' portfolio companies and generally seeks the right to designate Warburg Pincus employees, or other non-Warburg Pincus representatives with relevant skills or experience, to its portfolio companies' boards of directors.

⁴ While the Firm's Private Equity Funds emphasize growth-oriented investing, the Firm established (i) WPARE (2021), a real estate fund, primarily to make opportunistic investments in certain asset-level real estate opportunities in the Pan Asia region; (ii) WP Dynasty (2023), a long-term investment vehicle, primarily to acquire "new economy" real estate companies across Asia-Pacific; and (iii) WPCS FF (2023), a private investment fund with a hybrid capital strategy targeting a different return profile with more structural downside protection, and narrower dispersion of returns, than the firm's Private Equity Funds.

Our view of growth investing also extends to a selective, disciplined approach to leveraged buyout situations, focusing on high-quality companies and management teams presenting opportunities for attractive returns, relative to risk, and unique platforms for organic growth, expansion or add-on acquisitions.

Industry Specialization

Our Firm takes a specialized “sector” approach to investing in industries and companies. The Firm’s investment professionals focus primarily on growth investing in the following industry sectors: Business Services, Energy Transition & Sustainability, Financial Services, Healthcare, Industrials and Technology. In addition to the Firm’s core industry sectors, Consumer and Real Estate investment opportunities are pursued in Asia. We believe that this sector approach and the knowledge of our Firm’s professionals in these sectors often provides us with advantages in sourcing, selecting or conceiving investment opportunities and realizing investments.

A Global Investor

Warburg Pincus has a long tradition of investing internationally. The Firm is headquartered in New York with ten additional investment offices around the world in Beijing, Berlin, Hong Kong, Houston, London, Mumbai, San Francisco, São Paulo, Shanghai and Singapore. The Firm also has administrative offices in New York, Amsterdam, Luxembourg and Mauritius.

Our global approach includes a focus on investing in emerging markets, including China and Southeast Asia, India, Brazil and Central and Eastern Europe, as well as certain frontier markets. We believe these regions are well-suited to the Firm’s growth-oriented investing style and sector expertise.

Investment Process & Monitoring

Warburg Pincus’ investment decision-making process involves iterative discussions and conviction-building about potential investments in portfolio companies. The decision-making process begins early in the investment due diligence phase and involves significant discussions and deliberation within the relevant groups (either geographies or industry sectors) considering the applicable investment, other areas of the Firm that have a point of view and can add to the process, and the SLT of the Firm (i.e., the Chief Executive Officer, President, Chairman and Chief Financial Officer/Chief Operating Officer). The decision-making process draws heavily on the collaborative and partnership-oriented culture of the Firm and aims to ensure that discussions among the various decisionmakers are well-informed, transparent and candid. The investment decision-making process is organized around the Firm’s SLT. All investment decisions at Warburg Pincus are made by the Firm’s SLT with the recommendation of and input from the committees of the Firm’s IMG. The Chief Executive Officer serves as the chair of such committees.

Our investment professionals perform appropriate due diligence in evaluating potential investments. Our processes and sector specialization also enable us to react quickly to special situations that may develop.

Beyond the due diligence process, we believe that much of the investment value is created by working with a portfolio company through the life of an investment. Because of the Firm’s substantial experience with the issues faced by management teams of growth companies, its industry sector knowledge and its advisory network, professionals of the Firm are routinely involved with portfolio companies in broad strategic matters, assisting with finding key management personnel, identifying and evaluating acquisitions and other strategic decisions and financing issues, all with the objective to build and grow lasting companies that generate attractive returns for our Funds.

Investments are reviewed at least quarterly by our SLT, including the committees of the Firm’s IMG, and discussed at the Firm’s regular quarterly review meetings.

Risks Associated with the Firm's Investment Strategies and Methods

Risk of Loss

The types of investments we seek to make involve a high degree of business and financial risk. Investors in a Fund should be aware that all investments in securities involve a risk of loss of capital that they should be prepared to bear. No guarantee or representation is made that a Fund will achieve its investment objective or avoid substantial losses. An investment in a Fund is speculative and involves certain considerations and risk factors. Each Fund's offering memorandum includes additional applicable risks to those set out below, and not all of the risks set out below are necessarily applicable to every Fund.

Business and Market Risks

A Fund's investment portfolio will include, among other investments, securities and/or other interests issued by privately held companies, and operating results in a specified period will be difficult to predict. In addition, it is expected that a Fund's investment portfolio will include, among other investments, companies in an early stage of development, which may not have a proven operating history, may face competition from companies with greater resources or fewer liabilities and may require substantial additional capital to support their operations or to finance expansion. It is expected that a Fund's investment portfolio will also include investments in public companies listed on exchanges in the U.S. and elsewhere, including, potentially, in each case, formerly privately held portfolio companies that have consummated initial public offerings or been acquired by SPACs during a Fund's holding period. Public companies are subject to public reporting requirements that could have a significant impact on the valuation of their shares on any given trading day. The foregoing investments involve a high degree of business and financial risk that can result in substantial losses. In particular, these risks could arise from changes in the financial condition or prospects of the company or entity in which the investment is made, changes in national or international economic and market conditions (including the global credit markets and exchange rates), and changes in laws, regulations, fiscal policies or political, diplomatic and socioeconomic conditions of countries in which investments are made, including the risks of war, revolutions, pandemics and the effects of terrorist attacks, among others. The possibility of partial or total loss of capital will exist, and investors should not invest unless they can readily bear the consequences of such loss.

Lack of Diversification; Limited Number of Investments

While Warburg Pincus has historically sought to balance domestic and international investments in its global Funds across its core industry sectors and across all stages of company development, there is no assurance as to the degree of diversification that will actually be achieved in a Fund's investments. The Firm's sector and geographic-focused companion funds will likely offer less diversification than the Firm's global funds. Furthermore, a Fund may ultimately make only a limited number of investments, and accordingly, the performance of one or more substantial investments may have a significant impact on the overall performance of a Fund. To the extent that a Fund concentrates its investments in a particular issuer, industry, asset type or location, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto.

Changes in Investment Focus

Other than in the case of industry-focused companion funds, WPARE and WP Dynasty and continuation funds, Funds are generally not restricted in terms of the percentage of their capital that can be invested in a particular industry, but may be restricted as to the percentage of their capital that may be invested in a single portfolio company, or as to geographic concentration. Many factors may contribute to changes in emphasis in the construction of a Fund's portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries and investment opportunities that Warburg Pincus believes may be

available at attractive prices. There can be no assurance that the investment portfolio of a Fund will resemble the portfolio of any prior Fund.

Reliance on Portfolio Company Management

The day-to-day operations of each portfolio company will be the responsibility of such portfolio company's management team. Although Warburg Pincus will seek to monitor the performance of each investment and a Fund will seek to invest in companies operated by (or otherwise put in place) strong management teams, there can be no assurance that a portfolio company's existing management team, or any successor team, will be able to operate such company in accordance with a Fund's expectations. In addition, a Fund may not be the controlling shareholder in a portfolio company or represent a majority of its board of directors, and thus may exert less influence than a controlling shareholder.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before making investments, Warburg Pincus will typically conduct such due diligence as it deems reasonable and appropriate based on the facts, circumstances, access and timing applicable to each investment, including the dynamics of any competitive investment process, the type of investment to be made and any structural protections involved. Due diligence may entail marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting, environmental and legal issues as well as background investigations of individuals, as Warburg Pincus deems appropriate in connection with the proposed investment. Outside professionals, consultants, legal advisors, accountants, investment banks and other third parties are often involved in the due diligence process to varying degrees depending on the type of investment and the facts and circumstances related thereto and Warburg Pincus reserves the right to rely on the advice received from such third parties. The involvement of such third parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses, which will be borne by a Fund. In addition, if a Fund is unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations with respect to any investment opportunity will not in all circumstances reveal or highlight all relevant facts that may be necessary or helpful in evaluating an investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect.

There can be no assurance that Warburg Pincus or such third parties will be able to detect or prevent irregular accounting, employee misconduct, corruption or fraudulent practices during the due diligence and negotiation phase or in its efforts to monitor the investment on an ongoing basis, or that any risk management procedures implemented on behalf of a Fund will be adequate. In the event of a fraud by any portfolio company or asset, or any of their respective affiliates, a Fund is expected to suffer a partial or total loss of capital invested in that investment. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller of any portfolio investment, whether intentional or otherwise. Such inaccuracy or incompleteness may adversely affect the value of a Fund's investments in such portfolio company and the terms of acquiring such vehicle may limit recourse, or such recourse may be unavailable due to local laws, the inability to enforce judgments against a company in local courts or the solvency of the seller. There exists a risk that the due diligence investigation carried out with respect to any investment opportunity does not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not always necessarily result in an investment being successful or even ensure a return on invested capital. Conduct occurring at portfolio companies or assets, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on a Fund or such investment.

Lack of Liquidity of Investments

Many, if not substantially all, of the investments to be made by a Fund are likely to be illiquid. Illiquidity would result from the absence of an established market for the investments, limited trading volume relative to a Fund's ownership (in the case of public equities), as well as legal, contractual, regulatory or other restrictions on the resale of investments by a

Fund. Dispositions of investments may be subject to contractual, legal, regulatory and/or 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. Losses on unsuccessful investments may be realized before gains on successful investments are realized. Investments in publicly traded companies or assets held by a Fund may also be subject to legal, contractual, regulatory, practical, applicable company policy or other restrictions on purchase and/or resale, including the possibility that a Fund will be in possession of material non-public information about a company, as well as statutory volume limitations. Warburg Pincus is permitted to restrict or otherwise limit a Fund's ability to make an investment in a publicly traded company to avoid subjecting a Fund to such restrictions. In addition, the ability to exit an investment through the public markets (and the terms of such exit) will depend on market conditions, and particularly the market for public offerings.

A Fund's investment strategies should be considered speculative, as there can be no assurance that Warburg Pincus' assessment of the short-term or long-term prospects of investments will generate a profit for investors. A Fund is only obligated to make distributions to the extent of distributable cash, if any, after taking into account reserves for future obligations, and reserves the right to, subject to certain limitations set forth in the Fund's governing documents, reinvest, rather than distribute, or otherwise recall certain proceeds from investments.

Lack of Sufficient Investment Opportunities

The business of identifying, completing, structuring and realizing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified or if policy, legal, political, regulatory or other factors prevent a Fund from having access to identified attractive investments. However, Fund investors will be required to pay management fees for an extended period of time based partially on the entire amount of their respective commitments, even if a Fund is never fully invested.

The availability of investments generally will be subject to market conditions, including perceptions of Warburg Pincus' ability to consummate transactions. In particular, in light of changes in such conditions certain types of investments may not be available to a Fund on terms that are attractive. Moreover, Warburg Pincus expects competition among private equity firms and other financial investors generally to increase, and that such increased competition may produce more bidders and more competitive bids for companies and assets and may reduce the investment opportunities available to a Fund. A Fund will be competing for investments with many other private equity, credit and hedge fund investors, as well as companies, governments, public equity market participants, individuals, financial institutions, family offices, sovereign wealth funds and numerous other types of other investors. Sponsors may elect to retain assets for longer than in previous fund vintages, or form continuation or similar vehicles to retain assets that might otherwise have been available to a Fund. In addition to the Firm's traditional competitors, the proliferation of SPACs could also lead to a further source of competition for investments and executives and management teams. Additional investment funds with similar objectives as a Fund could be formed in the future by other related or unrelated parties. Some of these competitors may have more relevant experience, greater financial resources and/or purchasing power, greater negotiating power, a greater willingness to take on risk, a lower cost of capital, beneficial regulatory structures and/or more personnel or more local resources than Warburg Pincus and its affiliates. Further, there continues to be a significant amount of equity capital available for investment by such other investors. In such an environment, the sourcing and execution of transactions for a Fund, whether on a proprietary basis or otherwise, become more challenging and there is no guarantee that investments meeting a Fund's investment criteria will be available to such Fund or that such Fund will be able to fully invest its committed capital. To the extent that a Fund encounters competition for investments, returns to limited partners are expected to decrease, including as a result of higher pricing, forgoing opportunities, or negotiating fewer transactional protections in order to remain competitive. Additionally, a Fund may incur bid, due diligence, negotiating, consulting or other costs on investments that may not

be successful, and may bear such costs on behalf of potential co-investors. As a result, a Fund may not recover all of its costs through investments, which would adversely affect returns. Economic turmoil, governmental intervention and regulations on foreign investment may also limit the availability of investment opportunities to a Fund. Moreover, certain investment opportunities may depend upon Warburg Pincus' ability to enter into satisfactory relationships with joint venture, co-invest or operating partners or management teams or receive approval from third parties who have greater control over critical aspects of contractual relationships. There can be no assurance that Warburg Pincus will be able to enter into or continue any such relationships, including because of the factors above.

Allocation of Investment Opportunities with Other Entities and Conflicting Fiduciary Duties to Other Entities

The allocation of investment opportunities as between a global Fund, a companion Fund, if applicable, and any other Fund are subject to guidelines and restrictions set forth in each Fund's governing documents and as described further under Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Allocation of Investment Opportunities with Other Entities. Allocation determinations and the discretion to vary allocations based on various factors may result in the allocation of all, none or a greater or less than optimal portion of certain investment opportunities to a Fund, which could adversely affect the Fund's performance to the extent that the Fund receives a large allocation of an investment that ultimately underperforms, or is not allocated as much of an investment that ultimately is successful, and either scenario could adversely affect the Fund's performance. Subject to the terms of the applicable Fund's governing documents, Warburg Pincus will allocate any such opportunities between or among the applicable Funds as it determines in good faith is appropriate, taking into consideration, including without limitation, such factors as the allocation guidelines applicable to the Funds, the capital available to a companion Fund and a global Fund, the size of the transaction, portfolio diversification, investment guidelines, risk allocation, contractual prohibitions, the amount of the potential follow-on investing anticipated to be required for such investment and the other portfolio investments of the companion Fund and such global Fund and the relation to the investment strategy of the vehicles, as well as portfolio balance. In taking into consideration the allocation investment opportunities between certain of the Funds, Warburg Pincus considers the target return profile of an investment as one of the factors in making an investment allocation determination at the time of investment. There can be no assurances that the target returns that are utilized for purposes of allocating an investment opportunity will be met or exceeded, and accordingly, the actual return profile of an investment may materially differ (positively or negatively) as compared to the target return profile utilized for the investment allocation.

Valuation

Other than the valuation of marketable securities to be distributed in kind based on trading prices, quarterly valuations of a Fund's assets shall generally be made by Warburg Pincus, subject to the approval by the Valuation Committee (a subcommittee of the respective Fund's Advisory Committee) and based on Warburg Pincus' valuation policies and procedures. When estimating fair value, Warburg Pincus will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing assets for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ materially from values that would have been determined had an active market existed and may differ materially from the prices at which such assets ultimately may be sold.

Transfers by the General Partner

To the extent a Fund's general partner, its partners and/or their respective affiliates commit to make a direct or indirect investment in or alongside a Fund, a material participation in, or a material portion of, such investment may thereafter be transferred or sold to others (including unaffiliated third parties) at any time, subject to any express limitations thereon in the relevant Fund's governing agreements. Following such transfer or sale, Warburg Pincus or an affiliate thereof may be entitled to receive a carried interest or management fee on the interest previously held by the relevant Fund's general partner.

Monetary Policy and Governmental Intervention

Actions by the Board of Governors of the U.S. Federal Reserve System (the “Federal Reserve”) and certain non-U.S. governments and central banks, including changes in policies and taking other actions to stabilize markets, combat inflation and/or restart or encourage economic growth, have had and may continue to have a significant effect on interest rates, inflation and on the U.S. and world economies and financial markets generally, which in turn may adversely affect the performance of a Fund’s investments on an absolute and/or relative basis.

As a result of these policies, interest rates remained at relatively low levels on a historical basis for much of 2021. However, in the wake of these policies, global economies began to experience significant inflation. In early 2022, in light of increasing evidence of inflation, the Federal Reserve began raising the federal funds rate throughout the remainder of 2022 and into mid-2023 and has indicated flexibility around go-forward monetary policy depending on economic data. Other non-U.S. governments and central banks have also increased interest rates and have similarly indicated flexibility around go-forward monetary policy. The presence of inflation and the resulting policy changes, including rising interest rates, have resulted in periods of significant equity and credit market volatility and instability in the banking system and financial markets more broadly, including, in March 2023, the failure of Silicon Valley Bank and Signature Bank in the United States and the acquisition of Credit Suisse by UBS. These economic conditions, should they persist, may present attractive investment opportunities stemming from market dislocations, but also may make it riskier and more difficult for Warburg Pincus to execute on a Fund’s investment strategy successfully, including finding attractive investments and executing on opportunities for realizing value from investments. Among other things, the ability for a Fund’s and its investments to borrow on attractive terms may be adversely affected. It is possible that investments with floating interest rate loans may become unable to meet their debt service obligations if their benchmark interest rates were to rise materially. Any unwillingness of lenders or other debt holders to extend or refinance loans or debt securities may require a Fund to invest additional equity into portfolio companies, raising the costs to a Fund of acquiring businesses and/or limiting the diversity of the overall portfolio. Any failure of lenders or other debtholders to provide previously committed financing can expose a Fund to potential claims by sellers of prospective portfolio companies that a Fund may have contracted to purchase. Such events could also put pressure on asset and equities prices, which in turn could affect the performance of a Fund and the companies in which it invests, or limit the ability of portfolio companies to refinance debt or pay dividends. Rises in inflation in the U.S. and other countries in which a Fund expects to invest could adversely affect a Fund’s investments. Higher inflation and rising input costs can put pressure on a portfolio company’s profit margins, particularly where pricing power is lacking. For example, heightened competition for workers, supply chain issues and rising energy and commodity prices have contributed to increasing cost of wages and other inputs. Inflation and rapid fluctuations in interest rates have had, and may in the future have, negative effects on the economies and securities markets of certain emerging economies in which a Fund is expected to invest, including by contributing to declines in business and consumer spending in addition to other adverse market conditions. Certain of these countries have historically experienced substantial rates of inflation, and the rapidly growing nature of emerging economies may lead to higher rates of inflation. As developed economies, including the U.S., experience increased inflation as well, their economies may face similar risks and challenges. There can be no assurance that economic and financial difficulties will not adversely affect the value of a Fund’s investments or make it more difficult for a Fund to locate appropriate investment opportunities. Past governmental efforts to curb inflation have included wage and price controls, as well as more drastic economic measures that have had a materially adverse effect on the level of economic activity in the affected countries. Government efforts to combat inflation, including through interest rate increases, may erode consumer sentiment and result in a recession. If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. A Fund’s portfolio companies could in some cases have long-term rights to income linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real

interest rates would likely result in higher financing costs for portfolio companies and could therefore result in a reduction in the amount of cash available for distribution to partners. There can be no assurance that inflation will not become a serious problem in the future and thereby negatively affect a Fund's investment returns. In addition to inflation, possible stagflation, which is a combination of slow economic growth and increasing prices for goods and services could also have an adverse effect on a Fund and its portfolio companies. Stagflation might be further exacerbated by the effects of COVID-19 (defined below), including potential delays in the return of many individuals to the workforce and increased labor costs resulting from higher wages used to lure workers back, especially if they prove to be durable. Although most COVID-19 restrictions have been relaxed or lifted, the risk of continued COVID-19 outbreaks and new variants remains. In addition, the consequences of any potential future policy decisions and/or regulation implemented as a result of COVID-19 are difficult to predict or measure with certainty.

In the event that interest rates were to return to the low levels of recent years prior to 2022, a Fund could incur certain additional costs. For example, at times, certain U.S. banks, citing the costs and/or decreased profitability of holding capital deposits, pursued imposing a negative interest rate and/or a balance sheet utilization fee on certain deposits from institutional customers. Certain non-U.S. banks adopted similar measures. Negative interest rates and/or fees of this type could have an adverse effect on private equity funds. A Fund may be forced to bear such costs, effectively losing money on cash deposits, or seek alternative means of holding short-term reserves and cash balances. Such alternative arrangements could bear greater risk of loss of principal, longer lock-up periods (e.g., money market funds or certificates of deposit), or other less favorable terms. In addition, as a result of the foregoing, a Fund may choose to keep less cash or reserves on hand which could result in a greater frequency of capital calls from limited partners and/or greater reliance on borrowing, along with related costs.

In response to interagency guidance on leveraged lending by the Federal Reserve, the U.S. Office of the Comptroller of the Currency and the U.S. Federal Deposit Insurance Corporation have considered curtailing certain leveraged lending to market participants such as private equity firms in connection with their investment activities. Such governmental bodies have also recently warned banks against leveraged lending that loads companies with large amounts of debt. The availability of leverage is subject to governmental and regulatory oversight, and there can be no assurance that such governmental bodies or regulators will not restrict or otherwise discourage lending in the future. To the extent leveraged lending is curtailed, private equity funds may need to finance portfolio investments with a greater proportion of equity relative to prior periods and the terms of debt financing may be less flexible or advantageous for borrowers compared to prior periods. Changes in policy of this type may impair a Fund's ability to consummate transactions and/or cause a Fund to seek alternative capital sources and/or to enter into transactions on less favorable terms, including both acquisitions and exits as borrowings may be limited or certain loan terms may no longer be available to potential buyers.

Financial Institution Risk; Distress Events

An investment in a Fund is subject to the risk that one or more of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "Financial Institution") of some or all of a Fund's (or any portfolio company's) assets, or the portfolio companies themselves, fail to timely perform or otherwise default on their obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "Distress Event"). Distress Events can be caused by factors including, but not limited to, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Warburg Pincus, the general partners, the Funds or one or more of the Funds' portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an extended, potentially indeterminate, period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by government-sponsored organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities

Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the stated amounts are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose comparable risk of loss. While in recent years governmental intervention has resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that such intervention will occur in connection with any future Distress Event or that any such intervention undertaken will be successful or avoid the risks of loss, delays or negative impacts on banking or brokerage conditions or markets.

Any Distress Event could have a potentially adverse effect on the ability of a general partner to manage a Fund and its investments, and on the ability of a general partner, a Fund and any portfolio company to maintain operations, which, in each case, could result in additional operational burdens, as well as significant losses and in unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of a Fund to access capital contributions or otherwise); the inability of a Fund to acquire or dispose of investments, including at prices that the general partner believes reflect the fair value of such investments; and the inability of Warburg Pincus or portfolio companies to make payroll, fulfill obligations or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Warburg Pincus or a portfolio company will experience additional operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses or delays, or incur additional expenses, in putting in place alternative arrangements, or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, availability, access to capital or otherwise). To the extent a general partner is able to exercise contractual remedies under agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to similar risks as well as additional risks, including an enhanced risk of investor defaults, if a Financial Institution utilized by investors in a Fund or by suppliers, vendors, contractors, service providers or other counterparties of a Fund or a portfolio company becomes subject to a Distress Event, which could have a material adverse effect on a Fund and/or one or more of its portfolio companies.

Many Financial Institutions require, as a condition to using certain of their services (often including lending services), that a general partner and/or a Fund maintain all or a set amount or percentage of their respective accounts or assets with that Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although Warburg Pincus seeks to do business with Financial Institutions that it believes are capable of fulfilling their respective obligations to the Funds, Warburg Pincus is under no obligation to use a minimum number of Financial Institutions with respect to a Fund or to maintain account balances at or below the relevant insured amounts. Under certain circumstances, such as receiving capital contributions pursuant to a capital call or proceeds from a disposition, the Funds will generally not be able to manage account balances so they remain at or below any relevant insured amounts.

SEC Examinations and Investigations

There can be no assurance that the Funds, Warburg Pincus or any of their affiliates will avoid regulatory examination and possibly enforcement actions in the future. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisers have involved a number of issues, including, among others, the undisclosed (or insufficient disclosure of) allocation of the fees, costs and expenses, including those related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses) and the undisclosed (or insufficient disclosure of) legal fee arrangements affording the applicable adviser with greater discounts than those afforded to funds advised by such adviser. If the SEC or any other governmental authority, regulatory agency or similar body were to take issue with past or future practices of Warburg Pincus, then Warburg Pincus and/or such affiliates may be at risk for regulatory sanction.

Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Warburg Pincus were small in monetary amount, the Funds, Warburg Pincus or their respective affiliates may be subject to adverse publicity relating to the investigation, proceeding or imposition of any such sanction. Any such investigations could be costly, distracting and/or time consuming for Warburg Pincus management. There is also a risk that regulatory agencies in the United States and beyond will continue to adopt new laws or regulations (including tax laws or regulations), or change existing laws or regulations, or enhance the interpretation or enforcement of existing laws and regulations in a manner that is unfavorable to the Funds.

Enhanced Scrutiny and Regulation of the Private Equity Industry

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

Impact of Natural or Man-Made Disasters; Public Health Emergencies; COVID-19

Certain regions are at risk of being affected by natural disasters or catastrophic natural events. Considering that the development of infrastructure, disaster management planning agencies, disaster response and relief sources, organized public funding for natural emergencies, and natural disaster early warning technology may be immature and unbalanced in certain countries, the natural disaster toll on an individual portfolio company or the broader local economic market may be significant. Prolonged periods may pass before essential communications, electricity and other power sources are restored and operations of the portfolio company can be resumed. Warburg Pincus, a Fund and its portfolio companies could also be at risk in the event of such a disaster. The magnitude of future economic repercussions of natural disasters may also be unknown, may delay a Fund's ability to invest in certain companies, and may ultimately prevent certain investments entirely.

Portfolio companies of a Fund may also be negatively affected by man-made disasters. For example, certain countries' consumer food industries have been subject to the threat of inappropriate food tampering. Publicity of such types of man-made disasters may have a significant negative impact on overall consumer confidence, which in turn may materially and adversely affect the performance of portfolio companies, whether or not the portfolio companies are involved in such man-made disaster.

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

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality

and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies and Warburg Pincus may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

Social Unrest

Recent events have led to protests, demonstrations, marches and other forms of political and social activism on a local, regional, national and international level, as well as rioting in some instances. Such activism, which has ranged from peaceful forms to, in some instances, violent activities, has resulted in curfews, the deployment of police and other local and national involvement, and could lead to increased political and social volatility and uncertainty, which was already heightened in wake of the COVID-19 pandemic. While the overall effect of such activism remains unknown, investors should note that this type of volatility and uncertainty could materially adversely impact the securities and other assets in which a Fund invests. For example, as a result of social unrest, a Fund and its portfolio companies could be affected by property damage, economic uncertainty and other byproducts of social unrest.

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

Environmental, Social and Governance ("ESG") Matters

Warburg Pincus maintains an ESG policy ("ESG Policy") and seeks to integrate certain ESG factors into its investment process consistent with its ESG Policy and subject to its fiduciary duties and other duties and any applicable legal, regulatory or contractual requirements. Depending on the investment, certain ESG factors, such as cybersecurity, employment practices and policies, health and safety, human rights and environmental factors, could have a material effect on the return and risk profile of the investment. Applying ESG factors to investment decisions is subjective by nature, and Warburg Pincus expects to be subject to competing demands from different investors and other stakeholder groups with divergent views on ESG matters (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized or judgment exercised by a general partner of a Fund or a

third-party ESG advisor will reflect the beliefs, values, internal policies or preferred practices of any particular investor in a Fund, or other asset managers or reflect market trends. Warburg Pincus' ESG Policy is expected to evolve over time.

Although Warburg Pincus views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Warburg Pincus cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For avoidance of doubt, however, Warburg Pincus does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

Additionally, ESG factors are only some of the many factors Warburg Pincus may consider in making an investment. Although Warburg Pincus views the consideration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Warburg Pincus cannot guarantee that its ESG program, which depends in part on qualitative judgments, will positively impact the performance of any individual investment or a Fund as a whole. Similarly, to the extent a general partner or a third-party ESG advisor engages with portfolio companies on ESG-related practices and potential enhancements thereto, there is no guarantee that such engagements will improve the investment. Successful engagement efforts on the part of a third-party ESG specialist will depend on the general partner's, or any relevant third-party advisor's, ability to engage with the relevant investment and skill in properly identifying and analyzing material ESG and other factors and their value, and there can be no assurance that the strategy or techniques employed will be successful. The materiality of ESG factors on an individual asset or issuer and on a portfolio as a whole depends on many factors, including the relevant industry, location, asset class and investment strategy. ESG factors, issues, and considerations do not apply in every instance or with respect to each investment held, or proposed to be made, by a Fund, and will vary greatly based on numerous criteria, including, but not limited to, location, industry, investment strategy, and issuer-specific and investment-specific characteristics. In addition, Warburg Pincus ESG programs and policies may change over time. Warburg Pincus, in certain circumstances, is permitted to determine in its discretion that it is not feasible or practical to implement or complete certain of its ESG initiatives based on cost, timing or other considerations. It is possible that market dynamics or other factors will make it impractical, inadvisable or impossible for Warburg Pincus to adhere to all elements of a general partner's investment strategy, including ESG considerations, whether with respect to one or more individual investments or to a Fund's portfolio generally. In evaluating an investment, Warburg Pincus may depend upon information and data provided by the entity or obtained via third-party reporting or advisors which may be incomplete or inaccurate, and could cause Warburg Pincus to incorrectly identify, prioritize, assess or analyze the entity's ESG practices and/or related risks and opportunities. Warburg Pincus does not intend to independently verify certain of the ESG information reported by investments or third parties and may decide in its discretion not to utilize, report on, or consider certain information provided by such investments. Any ESG reporting will be provided in Warburg Pincus' sole discretion. ESG-related statements, initiatives and goals with respect to an investment strategy, portfolio, and investments are aspirational and not guarantees or promises that all or any such initiatives and goals will be achieved other than as set out in any applicable regulatory disclosures, including those made pursuant to Regulation (EU) 2019/2088 ("SFDR").

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers, and Warburg Pincus' adoption of and adherence to such principles, frameworks, methodologies and tools are expected vary over time. For example, Warburg Pincus is a signatory to the United Nations Principles for Responsible Investment ("UNPRI") and the ILPA Diversity in Action, as well as a member of the American Investment Council ("AIC") (and has adopted the AIC's Guidelines for Responsible Investment). However, these initiatives, or any ESG-related initiatives to which Warburg Pincus is or becomes a

signatory, member or supporter may not align with the approach used by other asset managers (or preferred by prospective investors) or with future market trends. There is no guarantee that Warburg Pincus will remain a signatory, supporter or member of such initiatives or any other similar industry frameworks. Further, Warburg Pincus' ESG Policy and associated procedures and practices do not represent a universally recognized standard for assessing ESG considerations and could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Warburg Pincus cannot guarantee that its current approach including the ESG Policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

ESG-Related Legal Developments

There is growing regulatory interest across jurisdictions, particularly in the United States, United Kingdom, and European Union ("EU") (which may be looked to as models in growth markets), in improving transparency around how asset managers identify and manage financially material ESG risks as well as how they define and measure ESG performance, the definition, measurement and disclosure of ESG factors, in order to allow investors to validate and better understand sustainability claims. For example, on May 25, 2022, the SEC proposed amendments to rules and reporting forms concerning ESG factors, which rules are not in final form and their potential impact on the Funds can therefore not yet be determined. In addition, on August 23, 2023, the SEC adopted its final rule enhancing the regulation of private fund advisers, which includes requirements with respect to the disclosure of certain information to investors that could affect the way certain ESG-related information is shared. There may also be an increase in related enforcement through efforts such as those of the SEC's Climate and ESG Enforcement Task Force, established in March 2021. The European Securities and Markets Authority ("ESMA") has also published its Union Strategic Supervisory Priorities in its 2023-2028 Strategy, which identifies ensuring integrity of ESG disclosures as a key supervisory priority to prevent greenwashing, and it is expected to publish a final report on greenwashing in Spring 2024 outlining supervisory powers, resources, and actions to address greenwashing risks. On December 15, 2023, ESMA also commenced a consultation on guidelines for supervision of corporate sustainability information pursuant to the Corporate Sustainability Reporting Directive ("CSRD"). At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation or initiatives or issued related legal opinions. Additionally, asset managers have been subject to recent scrutiny related to ESG-focused industry working groups, initiatives, and associations, including organizations advancing action to address climate change or climate-related risk. Further, some conservative groups and Republican state attorneys general have asserted that the Supreme Court's decision striking down race-based affirmative action in higher education in June 2023 should be analogized to private employment matters and private contract matters. Several new cases alleging discrimination based on similar arguments have been filed since the decision, which has escalated scrutiny of certain practices and initiatives related to diversity, equity, and inclusion ("DEI"). Such anti-ESG and anti-DEI-related policies, legislation, initiatives, litigation, legal opinions and scrutiny could expose Warburg Pincus to the risk of antitrust investigations or challenges and enforcement by state or federal authorities, result in penalties and reputational harm and require certain investors to divest or discourage certain investors from investing in the Funds.

Compliance with European sustainability-related regimes

The European Union has established frameworks for disclosure and reporting on sustainability-related matters, including Regulation (EU) 2020/852 (the "Taxonomy Regulation"), which contains a classification system that establishes a list of environmentally sustainable economic activities and sets out four overarching conditions that an economic activity has to meet in order to qualify as environmentally sustainable. The Taxonomy Regulation, amongst other things, introduces mandatory disclosure and reporting requirements and supplements the framework set out in the SFDR, which requires disclosures in relation to whether and, if so, how sustainability risks and adverse impacts on

sustainability factors are taken into account in the investment process. Under the SFDR, financial products that have a sustainable investment objective or which promote environmental and/or social characteristics are required to provide detailed information to investors on how they plan to achieve their sustainability commitments in pre-contractual disclosures, and report periodically on their performance in achieving those commitments, among other things.

In addition to the above EU regulations, the Sustainability Labelling and Disclosure of Sustainability-Related Financial Information Instrument 2023 introduces sustainability disclosure requirements, investment product labels, and an ‘anti-greenwashing’ rule. The anti-greenwashing rule applies to all UK-authorized firms in their communications with clients in the UK, but the balance of the new regime is directed at UK investment funds and UK-regulated asset managers that manage or distribute such funds. The Financial Conduct Authority has indicated it will consult in early 2024 on alternative approaches to applying the labelling regime to portfolio managers and continues to work with His Majesty’s Treasury to consider its approach in respect of overseas funds. As a result, it is not yet clear to what extent this new legislation will affect Warburg Pincus. If these rules become applicable to our Funds or products, then additional regulatory costs may be incurred; they may also have an impact on our ability to deliver on Warburg Pincus’ Funds’ investment strategies and financial returns could be adversely impacted as a result.

Compliance with frameworks of this nature may create an additional compliance burden and increased costs to Funds, Fund managers and/or portfolio companies because of the need to collect information to meet the disclosure requirements and/or because of investors’ own commitments and disclosure obligations. Further, Warburg Pincus’ view on the sustainability-related approach of its Funds may develop over time, including in response to law, regulation, official guidance, or changes in industry approach to classification. A change to the relevant sustainability-related approach may require further actions to be taken. For example, it may require additional or amendment to existing disclosures by Warburg Pincus or its general partners, or it may require new processes to be set up to capture data about a Fund or its investments, which may lead to additional cost. In addition, where the operation of a framework is uncertain, a lack of official, or conflicting or inconsistent, regulatory guidance, a lack of established market practice, and/or data gaps or methodological challenges affecting the ability to collect relevant data may require funds and/or fund managers to engage third party advisors and/or service providers to support them in fulfilling the requirements, thereby increasing the compliance burden and costs. Compliance with these requirements may also increase risks relating to financial supervision and enforcement action. In relation to EU regulation, there could also be divergent interpretations of the requirements between national competent authorities.

Should other applicable jurisdictions enact similar laws and/or frameworks, a Fund may not be able to maintain alignment of a particular investment with such frameworks, and/or may be subject to additional compliance burdens and costs, which might adversely affect the investment returns of a Fund. Warburg Pincus will therefore have to continue to monitor any future developments to the above regulations and related initiatives, and resources will need to be allocated to determine how a Fund may be impacted, creating an additional compliance burden and reporting costs.

Non-U.S. Investments Generally

A Fund may, subject to the terms of the applicable Fund’s governing documents, invest in the securities of issuers and other assets located outside of the U.S. Additionally, certain of the Funds that are geographic-focused companion funds anticipate investing a significant portion of their assets in the securities of issues and other assets located outside of the U.S. Investing in non-U.S. companies, assets and entities involves certain factors not typically associated with investing in the U.S., including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. Dollar and the various non-U.S. currencies in which a Fund’s non-U.S. investments are denominated, and costs associated with conversion of investment capital and income from one currency into another and/or the repatriation of capital from such jurisdictions; (ii) inflation matters, including rapid fluctuations in inflation rates; (iii) differences between the U.S. and many non-U.S. securities markets, including potential price volatility in and relative

illiquidity of some non-U.S. securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and the potential of less government supervision and regulation; (iv) 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; (v) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and (vi) the current U.S. presidential administration's possible imposition of restrictions on and/or heightened regulatory burdens with respect to non-U.S. investments, particularly in China, and possible imposition by the Chinese and other non-U.S. governments of additional restrictions on inbound capital, particularly from the U.S. Any such restrictions could substantially limit the ability of a Fund to make non-U.S. investments, and as a result, are expected to negatively affect the performance of a Fund. In addition, laws and regulations of non-U.S. countries may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Non-U.S. countries also may impose taxes on a Fund and/or the investors of a Fund. Warburg Pincus intends to analyze risks in the applicable non-U.S. countries before making such investments, but no assurance can be given that a change in political or economic climate, or particular legal or regulatory risks, including changes in regulations regarding foreign ownership of assets or repatriation of funds or changes in taxation will not adversely affect a Fund, investors or an investment by a Fund. When making investments in the securities of issuers and other assets located outside of the U.S. that may be subject to repatriation limits, given the potentially more constrained return profile, delays in accessing investment income or capital may have significant negative effects on a Fund.

International Conflicts

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

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

Investments in Emerging Markets

A Fund may, subject to the terms of the applicable Fund's governing documents, invest in securities of issuers located in emerging markets, such as China, Southeast Asia, India, various Latin American Countries and some emerging countries in Central and Eastern Europe, as well as investments in certain other emerging and frontier markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other, more established economies or markets. Such risks may include, among others, (i) increased risk of nationalization or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including conflict or social unrest; (iii) greater governmental involvement in, and control over, the economy; (iv) governmental decisions to cease support of economic reform programs or to impose central planning of the economy; (v) less extensive regulation of financial and other markets; (vi) greater regulatory uncertainty; (vii) greater volatility, less liquidity and smaller

capitalization of markets; (viii) greater volatility and greater governmental involvement in monetary policy and currency exchange rates; (ix) greater risk of inflation; (x) higher dependence on exports and the corresponding importance of international trade; (xi) greater controls on foreign investment and limitations on the realization of investments, repatriation of invested capital and on the ability to exchange local currencies for U.S. Dollars; (xii) less developed corporate laws, including greater uncertainty regarding the extent of the duties of officers and directors, the limitations of their liabilities and the protection of investors; (xiii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (xiv) maintenance of a Fund's investments (as well as cash pending investment consummation or distribution) with non-U.S. brokers and securities depositories that may be subject to fewer regulations in terms of segregation of cash and assets and adequate capitalization; (xv) risks associated with differing cultural expectations and norms regarding business practices, gifts and hospitality; (xvi) less developed compliance infrastructure and less availability of qualified personnel with experience in compliance and risk management; (xvii) differences in auditing and financial reporting standards, which may result in the unavailability of material information about portfolio companies; (xviii) less developed, reliable or independent judicial systems for the enforcement of contracts or claims; (xix) threats or incidents of corruption or fraud; (xx) less developed cybersecurity and technology infrastructure and greater risk of misappropriation of intellectual property and/or personal information; (xxi) national security-related investment clearance regimes; and (xxii) public health issues, including less developed public health infrastructure that is not able to adequately respond to public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19. Any or all of the foregoing may cause a Fund not to pursue certain investments, or to alter certain activities, liquidate certain portfolio investments or liquidate such investments prior to or after the time when Warburg Pincus would otherwise choose to liquidate to achieve optimal returns, and any or all of the foregoing risks may cause losses or have other negative impacts on a Fund or its portfolio investments.

Repatriation of investment income, assets and the proceeds of sales by foreign investors, such as a Fund, may require governmental registration and/or approval in some emerging markets. A Fund could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging-market countries on interest or dividends paid on financial instruments held by the Fund or gains from the disposition of such financial instruments and other assets.

In emerging markets, there can be less government supervision of or a less predictable application of regulations towards business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established markets. Any regulatory supervision that is in place may be subject to manipulation or control. Many emerging market countries do not have mature legal or regulatory systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not proceed at the same pace as market developments, which could result in investment risks. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among tribal, local, regional and national requirements or authorities. In certain cases, the laws and regulations governing investments in securities and/or assets may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in some countries. A Fund may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

Certain of the markets in which Warburg Pincus expects to invest are frontier markets that are subject to many of the same risks as investments in emerging markets, as well as heightened or additional risks, including political and/or economic instability, conflict or corruption. Investments may be made in territories where border disputes exist, making the legal, political and security climate uncertain, and there can be no assurances that such potential instability will ease. Transactions in such regions may depend upon accessing appropriate and reputable intermediaries. Despite a growing trend toward democratic processes, some frontier economies are in countries with a history of military conflict and

corruption. If such activities were to recur, they could reverse favorable trends toward economic and market reform, privatization and the removal of trade barriers, and result in significant disruptions in markets.

Investments in Brazil

Investments in Brazil involve a high degree of risk and special considerations not typically associated with investing in more developed and stable environments, including, but not limited to, those set forth below. The overall value of any portfolio investments in Brazil will be affected by Brazil's distinctive economic, political and regulatory environment, including, without limitation, interest rate levels, inflation, the availability of financing in local markets, as well as changes to the legal environment.

The Brazilian economy has been characterized by government intervention, including drastic intervention in certain circumstances, which has often changed monetary, credit, tax and other policies to influence Brazil's economy. The Brazilian government's actions to control inflation and affect other policies have often involved the determination of minimum wages and price controls in certain industries, fluctuation of the Central Bank of Brazil's base interest rates and modifications of the taxation of foreign investments. Actions taken by the Brazilian government concerning the economy may have important effects on Brazilian entities and investment vehicles, including local private equity funds (Fundos de Investimento em Participações ("FIP")), and on market conditions and prices of Brazilian securities, including those that may be held by a Fund. For example, in the past, the Brazilian government maintained price controls, and Warburg Pincus cannot assure investors that price controls will not be imposed in the future. A Fund's investments in Brazil may also be materially and adversely affected by the following factors and the Brazilian government's actions in response to them: devaluations and other exchange rate movements; monetary policies; inflation rates; economic and social instability; interest rates; exchange controls and certain taxes levied on remittances abroad, for which rates may vary; liquidity of the domestic capital and lending markets; tax policy; commodity price instability and other political, diplomatic, social and economic policies or developments in or affecting Brazil.

The operation and cash flows of any portfolio investment may depend, in some cases, upon prevailing or improving market prices for energy commodities (such as oil, gas, coal and power). Market prices of these energy commodities as well as other inputs may fluctuate materially depending on a variety of factors beyond the control of Warburg Pincus or a Fund.

Uncertainty over whether the Brazilian government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Brazil. Historically, the political scenario in Brazil has influenced the performance of the Brazilian economy; in particular, political crises have affected the confidence of investors and the public in general, which adversely affected the economic development in Brazil. These and other future developments in the Brazilian economy and governmental policies may adversely affect a Fund.

A Fund may invest in Brazilian portfolio investments substantially through one or more FIPs, directly or indirectly, which may pose certain risks to such Fund and its limited partners. Any FIP will be regulated by Brazilian law and will be subject to changes of such laws. There can be no assurances that such laws will not change in a manner adverse to a Fund and/or its limited partners. In addition, a FIP will be governed by its bylaws, which may be amended by its investors.

The ability of a Fund to obtain favorable tax treatment on its investments in Brazil depends on the ability of an investment structure to comply with all of a FIP's tax benefit requirements. No assurance can be given that the FIP tax benefit requirements will be met generally or at any particular time, and that such requirements will not be modified. If the FIP tax benefit requirements are not met, or if there are changes in Brazilian tax laws, a Fund could be subject to significantly more tax in Brazil, which could result in significantly lower returns for investors.

Investments in China

Investing in China involves certain risks not typically associated with investments in other countries or more developed markets. The economy of China may perform favorably or unfavorably compared with other economies in such respects as growth of gross domestic product, rate of inflation, currency controls, currency appreciation or depreciation, capital reinvestment, resource self-sufficiency and balance of payments. The economy of China is generally heavily dependent upon international trade and, accordingly, may be affected materially adversely by global geopolitical influences, including protective trade barriers, nationalist policies and sentiment, and economic conditions in the countries with which it trades. The economy of China is also vulnerable to weaknesses in world prices for its commodity exports. Such risks cannot be eliminated entirely, and in any case are beyond the control of Warburg Pincus.

China's economic reform program, which started in the late 1970s, has led to rapid economic development and substantial improvements in the standard of living. However, there can be no assurance that these reform-oriented economic policies will continue with the current and future political leaderships of China. Such reform measures may be adjusted, modified or applied inconsistently from industry to industry or across different regions of China. In addition, despite China's ongoing transition from a rigidly central-planned state-run economy to an economy that has been partially reformed by more market-oriented policies, the Chinese government continues to own, directly or indirectly, a substantial portion of China's productive assets and continues to play a significant role in regulating development through industrial policies, taxation, allocating resources, regulating payments of foreign currency obligations, imposing credit policies on commercial banks, setting monetary policy and currency exchange rates, and providing preferential treatment to particular industries or companies. Recently, there have been signals of change regarding such market-oriented policies, which some observers have interpreted as indicating that China may be moving away from reforms and instead towards stronger state control of the economy. Moreover, there has been a recent trend of the Chinese government taking over companies that are unable to repay their debts.

While the Chinese economy has experienced extraordinarily rapid growth in the past three decades, this growth has been uneven, both geographically and across various sectors of the economy. Particularly, the previous U.S. presidential administration's implementation of tariffs on Chinese goods, increasing tension between the U.S. and China, and the psychological impact of a potential trade war between the U.S. and China could cause China's economy to move into an environment where such growth slows. Any further increase in tension could have a negative impact on the Chinese economy, imperil relations amongst other countries, escalate geopolitical instability and adversely impact a Fund's investments. China's debt also has increased significantly since the global financial crisis. Moreover, debt at the local government level is frequently written down by the Chinese government and China has faced resistance over debt associated with its investments in infrastructure projects in other countries. While the Chinese government has implemented various measures to promote economic development and to reduce the debt, some of these initiatives may have a negative effect on a Fund's portfolio companies (e.g., by resulting in higher refinancing and default risk) and could result in a further loss of momentum in the Chinese economy. Further, a slowdown in the economies of the U.S., the European Union ("EU") and certain countries in Asia, such as economic recession caused by COVID-19, may adversely affect economic growth in China, which is to some extent dependent on exports to those countries. It is also possible that during the term of a Fund, China could experience a recession, generally defined as two or more consecutive quarters of contraction of gross domestic product. There has also been an increase in the so-called "collateralization" of shares by individuals to borrow money, while at the same time, the value of the stock market has gone down. The recent volatility in the Chinese stock markets reflects the unpredictability of the economy in China, and may indicate a lack of confidence in the economy the overextension of firms or their inability to pay off their debts. It is uncertain whether such volatility will continue and have a significant and lasting impact on the portfolio companies in which a Fund will invest. Such volatility has prompted the Chinese government to implement a number of policies

and restrictions with regards to the securities markets. For instance, the Chinese government has previously implemented a temporary moratorium on the sale of certain securities, subject to certain conditions. While these actions are aimed at maintaining growth and stability in the stock market, a Fund may be negatively affected by, among other things, disruptions in the ability to sell securities when most advantageous given market conditions. Additionally, China continues to limit foreign investments generally in industries deemed important to national interests and prohibit foreign investments in certain of these industries. To the extent such limitations continue or expand, a Fund will have less or even no access to these types of investments. In such event only domestic businesses and domestically raised funds, including funds denominated in Renminbi, may make these investments and reap financial gains from them. Foreign investment in domestic securities is also subject to substantial restrictions. It is not clear what the long-term effects of these policies will be on the securities market in China or whether additional actions by the Chinese government will occur in the future. Reform-oriented policies may or may not be extended, reversed, suspended or delayed over time. Warburg Pincus will seek to manage each Fund in a manner designed to mitigate these risks relative to the potential for gain, but such risks cannot be eliminated entirely, and may in any case be beyond the control of a Fund. These risks, some of which are set out below, may increase expenses of a Fund, adversely affect the value of a Fund's investments and returns, and adversely impact a Fund's investment strategy. There can be no assurance that a change in political or economic climate, or particular legal or regulatory risks, including changes in regulations regarding non-U.S. ownership of assets or repatriation of funds or changes in taxation, will not adversely affect a Fund, investors in such Fund or an investment by such Fund.

The relations between the U.S. and China are dynamic and rapidly evolving. The Firm cannot predict how such relations will evolve over the course of a Fund, and it remains unclear what the long-term impact of such relations will be on the geopolitical environment and global economic stability, a Fund and its investments. It is unclear whether the current U.S. presidential administration will enact additional restrictions with respect to trade. Any such restrictions may adversely affect the geopolitical environment, which in turn may affect a Fund and its investments. China, for its part and either proactively or in response to U.S. action, may likewise impose additional restrictions on foreign investment or otherwise limit inbound capital. Additionally, certain prospective investors may be or may in the future become prohibited or otherwise restricted from making certain investments in China due to a prospective investor's investment policy or legal or regulatory considerations applicable to such investors. Further, Chinese companies and entrepreneurs may choose to accept investments only from domestic businesses or funds for concerns of uncertainties in the U.S.-China relationships or other international considerations. Any such restrictions or limitations could substantially limit the ability of a Fund to make investments and/or consummate available exit opportunities, and as a result, may negatively affect the performance of a Fund. The Firm will seek to manage the Funds in a manner designed to mitigate risks relative to the potential for gain, but such risks cannot be eliminated entirely, and may in any case be beyond the control of a Fund.

China is considered to be a country with an emerging economy and has in the past and may in the future experience significant political, economic and social instability, any of which could adversely affect a Fund's investments. A Fund will also be exposed to the direct and indirect consequences of potential political, social and diplomatic changes in China. China has faced and may continue to face social and political instability resulting from, amongst other things: authoritarian government or military involvement in political and economic decision-making and changes in government through extra-constitutional means; popular unrest and internal insurgencies associated with demands for improved political, economic and social conditions; hostile relations with neighboring countries; and ethnic, racial and religious conflict. There is also the possibility of nationalization, expropriation or confiscatory taxation or governmental regulation, which could adversely affect the economy or the value of a Fund's investments.

China has adopted a broad range of laws, administrative rules and regulations that govern the conduct and operations of companies in China that receive capital investments from foreign investors (known as “Foreign Investment Enterprises” or “FIEs”). These laws, rules and regulations provide incentives to encourage the flow of investment into China, but they also subject FIEs to a set of restrictions that may not apply to domestic companies in China. For example, FIEs are prohibited from participating in certain industries and may only participate in certain other industries if they are at least partially owned by domestic Chinese investors. The rules and regulations prohibiting or restricting FIE participation in certain industries in China are codified in the Catalogue of Industries for Guiding Foreign Investment (“FIC”) and Special Administrative Measures (Negative List) for the Access of Foreign Investment (the “Negative List”), which are administered by the China National Development and Reform Commission and its local affiliates, the Ministry of Commerce and its local affiliates (“MOFCOM”), as well as other related agencies. There can be no assurance that laws or regulations in China will not restrict a Fund’s ability to invest in China.

Actions of the Chinese government could have a significant effect on private sector and state-owned companies and the prices and yields of investments. In addition, other matters such as government intervention (including with respect to initial public offerings), exchange control regulations and taxation could adversely affect the assets of a Fund, and a Fund may also face difficult registration procedures when making or disposing of investments. Recently, a series of actions by Chinese regulators spanning antitrust, finance, data security and social equality has heightened investor concerns and led to sharp selling in Chinese stocks listed on the U.S. stock exchanges. Moreover, China recently unveiled a sweeping overhaul of its education tech sector, banning companies that teach the school curriculum, among others, from accepting overseas investments, making profits, raising capital or going public. In addition, Chinese regulators have recently placed heavy scrutiny on certain Chinese companies that have gone public outside of China (including for cybersecurity, national security, anti-monopoly and other reasons). In response, the SEC announced that it would halt new initial public offerings on U.S. stock exchanges from Chinese companies until certain disclosure requirements have been satisfied. While these and other actions by the Chinese and/or the U.S. government might have an adverse impact on a Fund, including its ability to sell or buy securities and even invest in certain sectors in China, there may also exist a risk premium and disproportionate benefits experienced by any portfolio companies that do not experience any such government intervention. As a foreign investor, a Fund may also be subject to legal or regulatory constraints or prejudices that do not affect local Chinese investors. There can be no assurance as to the political, economic and tax policies and actions that the Chinese government may pursue in the future.

Foreign investors who wish to purchase or dispose of equity interests in FIEs must secure approval or de facto approval from MOFCOM or complete a pre-transaction or post-transaction filing with MOFCOM, or with a government agency otherwise delegated with similar authority by MOFCOM, depending on the industry of the company. MOFCOM may not grant such approval for certain industries such as telecommunications, banking, natural resources and other industries in the restricted or prohibited category as stipulated in the FIC or the Negative List. A Fund may be required to apply for China government approvals or other endorsements that are de facto approvals, filings and/or registrations with respect to its purchase and/or disposal of any portfolio investment that consists of a direct equity investment in a Chinese company, and there is no guarantee that a Fund will be able to obtain such approvals, filings or registrations, which included without limitation, filings and registrations with the relevant enterprise registration authorities. Moreover, even when an approval, filing or registration is forthcoming, the time and process required to secure such approval, filing or registration may be largely determined by MOFCOM and other government authorities based on considerations outside of a Fund’s control. Current laws and regulations provide MOFCOM and other regulators with significant discretion to delay or restrict foreign investment for broad public policy reasons. Further, MOFCOM and certain other authorities have the power to require that the terms of an investment be altered as a precondition to

approval, filing or registration. Altered terms can include the amount of ownership granted, as well as governance and liquidity rights.

Notwithstanding the fact that foreign investors' investment in or acquisition of domestic companies in the "permitted" and "encouraged" industries are subject to pre-transaction or post-transaction filings instead of the prior approval process, the MOFCOM, under the China Provisions on the Acquisition of Domestic Enterprises by Foreign Investors enacted in 2006, as further amended in 2009 (the "M&A Provisions"), still has broad authority to prohibit acquisitions where a foreign investor would acquire actual control of any domestic enterprise which operates in certain key industry sectors, has or may have undue influence over China's economic security, or causes a change in control of a well-known brand or trademark. Warburg Pincus cannot predict how MOFCOM and other regulators in China will apply their authority under the M&A Provisions and other relevant regulations to investments proposed by a Fund. Although the M&A Provisions generally provide that MOFCOM will respond to approval applications within 30 days, in practice China regulatory authorities may have discretion to extend the review period for a variety of reasons. Delay or refusal by MOFCOM or other authorities to grant necessary approvals, filings or registrations that may amount to de facto approvals could adversely affect a Fund's ability to make direct investments in potential portfolio companies. In addition, the process of securing necessary approvals, filings or registrations for the purchase or disposal of portfolio companies may result in a level of expenses to a Fund which exceeds the level of expenses necessary to make investments of a similar nature in other jurisdictions. Such additional expenses would have an impact on the results of such portfolio investments, as well as a Fund.

Actions of the Chinese government in the future could have a significant effect on private sector and state-owned companies and the prices and yields of investments. In addition, other matters such as exchange control regulations and taxation could adversely affect the assets of a Fund, and a Fund may also face difficult registration procedures when making or disposing of investments, and, as a foreign investor, may be subject to legal or regulatory constraints or prejudices that do not affect local investors. There can be no assurance as to the economic and tax policies that the Chinese government may pursue in the future.

In addition to China's restrictions on foreign direct investments in certain industries to which only domestic businesses and domestically raised funds have access, many Chinese investment firms have also been raising funds the capital commitments and investments of which are denominated in Renminbi. In recent years, there has been an uptick in activity among such funds, including as a result of companies preferring a counterparty that is able to make investments denominated in Renminbi. It is expected that competition among private equity firms, governments, public equity market participants, individuals, financial institutions, family offices, sovereign wealth funds and numerous other types of other investors making investments denominated in Renminbi will increase and such increased competition may produce more competition for companies and assets and may reduce the investment opportunities available to a Fund, including as a result of companies preferring a counterparty that is able to make investments denominated in Renminbi. Because of the inherent limitation of investments denominated in Renminbi (i.e., they are denominated solely in Renminbi), funds that make such investments are not expected to be in direct competition with a Fund's U.S. Dollar investments.

Investments in India

Investing in India involves certain risks not typically associated with investments in other countries or more developed markets including risks associated with: (i) fluctuating currency and governmental interventions related thereto; (ii) less developed and sophisticated securities markets; (iii) different accounting, auditing and disclosure standards; (iv) unusual regulatory burdens and government regulation of foreign investments; (v) different legal protections for investors and in particular non-resident Indian investors; and (vi) proposed regulation of the technology sector in India.

Additionally, India has in the past experienced, and may in the future experience, political and social instability such as (i) popular unrest and internal insurgencies associated with demands for improved political, economic and social conditions, (ii) hostile relations with neighboring countries and (iii) ethnic, racial and religious conflict that could adversely affect the relevant Fund's portfolio companies.

The Government of India has exercised and continues to exercise substantial influence over many aspects of the private sector, and certain industries may be subject to significant governmental regulation. The Government of India typically participates to a significant degree, through ownership interests or regulation, in local business, often exercising a controlling influence in certain key sectors of the economy, such as telecommunications, banking and financial institutions, air and rail transportation, electrical power, steel and shipbuilding, and mining and natural resources. In some cases, the Government of India owns or controls many companies, including some of the largest in the country. Accordingly, future actions taken by the Government of India could have significant effects on economic conditions in the country, which could affect private sector companies and the relevant Fund, as well as market conditions and the prices and yields of such Fund's investments. Additionally, exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on foreign capital inflows, repatriation of investment income or capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the relevant Fund's assets held in India. Moreover, the availability of attractive investment opportunities for a Fund is expected to depend in part on the government in India continuing to liberalize their policies regarding foreign investment and, in some cases, to further encourage private sector initiatives.

Portfolio companies in India may be dependent upon the grant, renewal or continuance in force of appropriate contracts, licenses, permits and regulatory approvals and consents which may be valid only for a defined time period, may be subject to limitations and may provide for withdrawal in certain circumstances. There can be no assurance that such contracts, licenses, permits and regulatory approvals and consents would be granted, renewed or continue in force, or, if so, on what terms. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

Foreign investment in securities of Indian companies is restricted or controlled to varying degrees. These restrictions may at times limit, preclude or prohibit foreign investment in certain sectors and/or activities. Further, compliance with respect to foreign investments in permitted sectors may at times lead to increased costs and expenses of investments by a Fund in Indian companies and may require the approval of the Reserve Bank of India ("RBI"), the Government of India (through the Foreign Investment Promotion Board) and/or other governmental entities. The sale of securities by a Fund to Indian residents and other non-residents of India may also require the prior approval of government entities and the RBI. In addition, such approval will generally be required to convert the proceeds from the sale of portfolio investments from the currency of investment to U.S. Dollars and to repatriate such amounts. While in some instances such approvals are routinely granted, in others approval may be more difficult to obtain and may be granted only subject to certain conditions, including entry routes, sectoral caps and attendant conditionalities, if at all. There can be no assurance that a Fund will be able to obtain all the approvals necessary to implement its investment program fully.

The Securities and Exchange Board of India ("SEBI") is responsible for establishing disclosure and other regulatory standards for the Indian securities markets and has issued regulations and guidelines on disclosure requirements, insider trading and other matters. However, securities laws in India are continuing to evolve and SEBI has broad power to issue interpretations of such standards, including in a manner that may be inconsistent with prior practice or market expectations. Additionally, there may be less publicly available or less accurate information about Indian companies

than is regularly made available in many developed countries, and there may be less access to information about the operations and financial conditions of companies listed on Indian stock exchanges than investors would have in the case of companies subject to the reporting requirements of other countries.

Indian takeover regulations contain certain provisions that may delay, deter or prevent a future takeover or change in control of Indian companies. These provisions may discourage or prevent a third party from acquiring control of an Indian company, even if a change in control would result in the purchase of equity shares of such company that would be beneficial to a Fund. In addition, foreign investment in Indian companies is subject to certain minimum valuation and pricing guidelines. Such minimum valuation and pricing guidelines may restrict the ability of a Fund to make investments in Indian companies at attractive values. The RBI has also prescribed certain maximum valuation and pricing guidelines for persons and corporations resident outside India that sell shares of Indian companies to resident Indian persons and corporations. Such maximum valuation and pricing guidelines may restrict the ability of a Fund to sell its investments in Indian companies at a higher valuation than may be available in the absence of the aforesaid restrictions prescribed by the RBI.

A Fund reserves the right to invest, directly or indirectly, in Indian portfolio investments through (or restructure existing Indian portfolio investments such that such Fund's investments in such portfolio investments are through) one or more non-U.S. structures that include, among other vehicles, one or more Alternative Investment Funds formed under Indian law (each, an "AIF"), which may pose certain risks to such Fund and its limited partners and result in the incurrence of additional expenses by such Fund and its limited partners. Any such AIF may be managed by an entity ("AIF Manager") in which an affiliate of Warburg Pincus holds a significant ownership interest and receives certain fees, carried interest and/or compensation for its management services, and such fees, carried interest and/or compensation will offset other fees and compensation otherwise due from such Fund and its limited partners only to the extent provided for in the applicable Fund's partnership agreement or otherwise as agreed by Warburg Pincus (in each case on a net basis). Any AIF will be regulated by Indian law, including AIF regulations that impose various investment conditions and restrictions on the AIF and the AIF Manager. There can be no assurance that such laws and the requirements thereof will not change in a manner adverse to the relevant Fund, its portfolio companies and/or its limited partners. There may be additional requirements imposed on the operation and/or management of any AIF, both as a consequence of law and common market practice. Furthermore, an AIF or another non-U.S. structure may have an investment committee with members that are independent of Warburg Pincus and/or include different representatives than typically included in Warburg Pincus' independent investment decision process and such committee could have the right to approve or reject certain decisions and such investment decisions could differ from those that would be taken by Warburg Pincus or the relevant Fund acting other than through the AIF Manager or other applicable entity. If the AIF Manager defaults in complying with any requirements of the Indian regulations applicable to AIFs, SEBI may exercise any of the powers available to it in such circumstances, which include power to impose penalties on the AIF and/or the AIF Manager and suspension or cancellation of the license granted to the AIF. These actions, if taken, could impede the ability of the AIF Manager to make further investments and/or liquidate any existing Indian portfolio investments invested through the AIF in an orderly manner. Subject to the local tax laws prevailing at the relevant time, if the AIF is registered with SEBI as a 'Category I AIF' or 'Category II AIF' and therefore qualifies for the special tax regime applicable to such AIFs under local law, then the AIF should be regarded as a tax transparent entity and the local tax implications for the relevant Fund should be no different than the tax implications that would otherwise have been applicable to it if such Fund had directly made the Indian portfolio investments. However, if the AIF does not qualify for the tax transparent treatment or if the tax laws are amended, then the relevant Fund may be exposed to additional tax liabilities with respect to Indian portfolio investments made through the AIF. Investments by such Fund into the AIF would be subject to extant foreign exchange regulations of India.

Economic Sanctions Laws

Economic sanctions laws in the United States and other jurisdictions may prohibit or otherwise restrict Warburg Pincus, its professionals, a Fund and its portfolio companies from engaging in transactions with companies based in, doing business with, or otherwise relating to certain countries, industry sectors, and/or certain individuals and entities. In the United States, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), U.S. Department of Commerce, and U.S. Department of State, among others, administer and enforce laws, Executive Orders and regulations establishing U.S. economic and trade sanctions and export controls. Such sanctions and regulations prohibit, among other things, transactions with, and the provision of certain services or goods to, certain foreign countries, territories, industry sectors, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties the subject of OFAC sanctions programs and export control restrictions. 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, can be found on the OFAC website at www.treas.gov/ofac. 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, and may restrict or prohibit dealing in certain debt and equity securities. In addition, export regulations may prohibit or require pre-approval of exports of certain restricted goods or technology to certain persons and certain jurisdictions. Jurisdictions where the Funds and their portfolio companies operate enforce similar economic sanctions and export controls to the United States, although the specific foreign countries, territories, industry sectors, entities and individuals targeted by such laws may differ from or be in addition to those targeted by the United States. The economic sanctions and related laws of different jurisdictions in which a Fund and its portfolio companies may operate also may conflict with one another, such that compliance with all applicable laws may be difficult.

In addition, risks of sanctions violations in the banking industry are elevated, and OFAC has taken significant actions in response to U.S. and non-U.S. companies perceived failures, including in China, to comply with OFAC sanctions. Failure by a Fund or its portfolio companies to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences. Economic sanctions restrictions may prevent or delay consummation of an investment based on the need for enhanced due diligence or additional measures to mitigate sanctions risks, including regulatory permissions, which may include causing the investment or prospective portfolio investment to terminate business that may violate sanctions that will become applicable to the portfolio investment because of its affiliation with a Fund.

In addition, certain regulated companies are required to implement the various applicable anti-money laundering and/or anti-terrorism laws, rules or regulations of the United States or other jurisdictions and other related screening requirements. These anti-money laundering obligations have increased in complexity in recent years and are being introduced in a number of jurisdictions where Warburg Pincus and/or a Fund’s portfolio investments may do business. The implementation of policies and procedures to ensure compliance with such laws, rules or regulations can give rise to considerable expenses. Further, such policies and procedures cannot guarantee compliance and any material failure by the Firm or any of a Fund’s portfolio investments to comply with OFAC, the U.S. PATRIOT Act and the U.S. Bank Secrecy Act, as applicable, and other similar anti-money laundering or anti-terrorism restrictions or in connection with any investigation relating thereto could result in significant fines or penalties. Such expenses, fines or penalties could have a material adverse effect on a Fund and/or its portfolio companies, and violations may give rise to negative legal and reputational consequences.

Industry Sector Risks

Energy Transition & Sustainability. Investments in the energy and energy services sectors by a Fund may be subject to a variety of risks including, but not limited to: (i) the risk that the technology employed in an energy project will not be effective or efficient; (ii) risks that regulations affecting the energy industry will change in a manner detrimental to the industry; (iii) environmental liability risks related to energy properties and projects; (iv) risks of equipment failures,

fuel interruptions, loss of sale and supply contracts or fuel contracts, decreases or escalations in power contract or fuel contract prices, bankruptcy of key customers or suppliers, tort liability in excess of insurance coverage (if any), inability to obtain desirable amounts of insurance at economic rates and acts of God or other catastrophes; and (v) the risk of changes in values of companies in the energy sector whose operations are affected by changes in prices and supplies of energy fuels. Prices and supplies of energy fuels can fluctuate significantly over a short period of time due to changes in international politics, political instability, armed conflicts, energy conservation, the tax and other regulatory policies of various governments, and the economic growth of countries that are large consumers of energy, as well as other factors. Moreover, a Fund may make investments in energy companies operating outside of North America and developed Europe, including Africa and the Middle East. Some energy projects may be located in emerging markets countries where corruption and security may raise significant risks, in addition to the other risks of investing in emerging markets. In addition, the Middle East, where a Fund's portfolio companies may operate, continues to see widespread social unrest. Additionally, investments in the energy and energy services sectors are subject to force majeure and other catastrophic events, such as fires, earthquakes, adverse weather and climate conditions, changes in law, eminent domain, war, riots, terrorist attacks, labor strikes, pandemics and similar risks. These events could result in the partial or total loss of an investment or significant down time resulting in lost revenues, among other potentially detrimental effects.

Individual asset investments in the energy industry generally and other related industries tend to be large due to the general nature and size of facilities and assets, including power plants, transmission lines, storage or distribution properties and related facilities and assets. The values for these assets can range significantly, and a Fund may acquire portfolios of assets that are not easily separated into individual asset acquisitions or dispositions. There are limited pools of capital available in the sector that can make such sizeable investments and limited numbers of market participants. As a result, a Fund may have to pursue alternative investment exit strategies that may not be typical of private equity funds in order to generate liquidity from certain of its investments, and there can be no assurance that such Fund will be able to dispose of certain of its investments on favorable terms, in a timely manner or at all.

There are certain risks inherent in the sub-sectors that a Fund may invest in as part of Warburg Pincus' current focus on investments in the energy transition areas, including power and renewables and decarbonization. For example, with respect to renewable energy, the market for renewable energy is rapidly evolving. Diverse factors, including the cost effectiveness, performance and reliability of renewable energy technology, changes in weather and climate and availability of government subsidies and incentives, as well as the potential for unforeseeable disruptive technology and innovations, present potential challenges to investments in renewable technology. If the historical political support for renewable energy deployment changes materially, (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels), or changes in state or federal subsidies (including federal investment tax credits and federal production tax credits, U.S. Department of the Treasury grants, various renewable and alternative portfolio standard requirements enacted by several states, and renewable energy credits and state-level utility programs), a Fund's investments in renewable energy and storage projects generally could be adversely affected. Because the renewable energy and storage industries are still emerging, investments tend to be more volatile and are more uncertain. Renewable energy and storage resources can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather, which can directly influence the demand for, and price of, electricity; altering a renewable energy resource's electrical output and/or a storage resource's ability to charge or discharge; and damage a renewable energy and/or storage resource or associated equipment.

Investments in the energy industry may be subject to technical risks, including the risk of mechanical breakdown, spare parts shortages, failure to perform according to design specifications and other unanticipated events which adversely affect operations. While Funds intend to seek investments in companies in which creditworthy and appropriately bonded and insured third parties bear much of these risks, there can be no assurance that any or all such

risks can be mitigated or that such parties, if present, will perform their obligations. The generation and transmission of electricity requires the use of expensive and complicated equipment. While Funds generally intend to cause its applicable portfolio companies to implement maintenance programs, generating plants are subject to unplanned outages because of equipment failure. If such an equipment failure occurs while a Fund or one of its portfolio companies is party to a power purchase contract, such Fund or its relevant portfolio company may be subject to financial penalties to its customers or may be required either to produce replacement power from potentially more expensive units or purchase power from others at unpredictable and potentially higher costs in order to supply its customers and perform its contractual agreements. Any of these results could increase costs materially and adversely affect the amount of funds available for distribution to investors.

Financial Services. Financial services companies often have asset and liability structures that are essentially monetary in nature and 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 local, national and international business and financial communities (including, e.g., the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the rules and procedures governing global bank capital standards introduced by the Basel Committee to strengthen regulatory capital, liquidity and other requirements for banks, known as “Basel III”, and the European Union directive 2009/138/EC known as “Solvency II”), 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. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable and may affect economic activity in various regions. Such factors can affect customers and counterparties of financial services companies and may affect the value of financial instruments held by financial services companies.

The profitability of the investments in financial services companies may 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 companies. There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income in a changing interest rate environment. 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 may significantly affect the activity levels of customers with respect to size, number and timing of transactions. All or any of these factors could lead to a decline in the volume of transactions that financial services companies execute for their customers and thus lead to a decline in revenues from fees, commissions and spreads. The brokerage and investment management industry can be significantly affected by changes in regulations, brokerage commission structure, and a competitive environment combined with the high operating leverage inherent in companies in this sector. The performance of companies in this industry can be closely tied to the stock and bond markets and can suffer during market declines and revenues can depend on overall market activity.

A Fund may also make investments in financial technology (“FinTech”) companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. Additionally, in the U.S. many FinTech activities are regulated on a state-by-state basis with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as non-bank lending, money transmission and debt collection) and supervision (in particular banking and insurance). While the Dodd-Frank Act clarified certain pre-emption issues, there often is a tension between these state regulatory regimes and federal regulation. A Fund’s portfolio companies in this industry will compete in this

volatile and highly competitive environment. There is no assurance that products or services sold by these portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that these portfolio companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

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

Healthcare. Healthcare and life sciences-related companies are generally subject to greater governmental regulation than most other industries at the U.S. state and federal levels and internationally. The nature and scope of healthcare regulations are generally subject to political forces and market considerations. In recent years both local and national governmental budgets have come under pressure to reduce spending and control healthcare costs, which could both adversely affect regulatory processes and public funding available for healthcare products, services and facilities. In March 2010, comprehensive healthcare reform legislation was enacted in the United States through the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or PPACA (collectively, the “Health Care Reform Act”). These laws are intended to increase health insurance coverage through individual and employer mandates, subsidies offered to lower income individuals, tax credits available to smaller employers and broadening of Medicaid eligibility. While one intent of healthcare reform is to expand health insurance coverage to more individuals, it may also involve additional regulatory mandates and other measures designed to constrain medical costs, including coverage and reimbursement for healthcare services. The Health Care Reform Act has had a significant impact on the healthcare sector in the U.S. and consequently has the ability to affect the companies within the healthcare industry. The ultimate effects of federal healthcare reform or any future legislation or regulation, or healthcare initiatives, if any, on the healthcare sector, whether implemented at the federal or state level or internationally, cannot be predicted with certainty and such reform, legislation, regulation or initiatives, including the Health Care Reform Act may adversely affect the performance of a Fund’s investments.

Changes in governmental policies may have a material effect on the demand for or costs of certain healthcare and life sciences products and services. A healthcare or life sciences-related company may require government approval before introducing new drugs and medical devices or procedures. This process may delay the introduction of these products and services to the marketplace, resulting in increased development costs, delayed cost recovery and loss of competitive advantage to the extent that rival companies have developed competing products or procedures, adversely affecting the company’s revenues and profitability. Failure to obtain governmental approval of a key drug or device or other regulatory action could have a material adverse effect on the business of a portfolio company. Furthermore, regulatory authorities are placing greater focus on monitoring products originally approved on a conditional basis and on whether the sponsors of such products have met the conditions of the conditional approval. If a portfolio company or one of its significant customers or counterparties is unable to fulfill the conditions of its products’ conditional approval, it may not receive full approval for these products and may be required to change the products’ labeled indications or withdraw the products from the market, which could have an adverse effect on the value of the portfolio company. Moreover,

even after approval, products may still be the subject of regulatory action if new facts concerning their safety and efficacy come to light. Additionally, expansion of facilities by healthcare-related providers is subject to “determinations of need” by the appropriate government authorities. This process not only increases the time and cost involved in these expansions, but also makes expansion plans uncertain, limiting the revenue and profitability growth potential of healthcare-related facilities operators and negatively affecting the price of their securities. Additionally, certain healthcare and life sciences-related companies depend on the exclusive rights or patents for the products they develop and distribute. Patents have a limited duration and, upon expiration, other companies may market substantially similar “generic” products that are typically sold at a lower price than the patented product, causing the original developer of the product to lose market share and/or reduce the price charged for the product, resulting in lower profits for the original developer. As a result, the expiration of patents may adversely affect the profitability of these companies. The profitability of healthcare and life sciences-related companies may also be affected, among other factors, by restrictions on government and other third-party reimbursement for medical expenses (particularly for newly approved healthcare products), continuing efforts of governmental and third-party payors to contain or reduce the costs of healthcare, rising or falling costs of medical products and services, pricing pressure, an increased emphasis on outpatient services, a limited product offering, industry innovation, changes in technologies and other market developments. Finally, because the products and services of healthcare and life sciences-related companies affect the health and well-being of many individuals, these companies are especially susceptible to product liability lawsuits.

Consumer. The consumer sector can be significantly affected by various factors, including the performance of domestic and international economies, exchange rates, changing consumer preferences, demographics, marketing campaigns, cyclical revenue generation, consumer confidence, commodity price volatility, labor relations, interest rates, import and export controls, intense competition, technological developments and government regulation. Companies engaged in the design, production or distribution of products or services for the consumer discretionary sector are subject to the risk that their products or services may quickly become obsolete. The success of these companies can depend heavily on disposable household income and consumer spending. The consumer goods industry may be strongly affected by trends, marketing campaigns, demographics, changing consumer preferences and other factors affecting consumer demand. Governmental regulation affecting the use of various food additives may affect the profitability of certain companies in the consumer goods industry. Consumer goods that are marketed globally may be affected by the demand and market conditions in other countries and regions. The success of consumer product manufacturers and retailers depends heavily on disposable household income and consumer spending. Companies in the consumer staples sector may be subject to risks pertaining to the supply of, demand for and prices of raw materials. The prices of raw materials may fluctuate in response to a number of factors, including, without limitation, changes in government agricultural support programs, exchange rates, import and export controls, changes in international agricultural and trading policies, and seasonal and weather conditions.

Industrials. Investments in the industrial sector may entail risks associated with more mature businesses and heavily regulated industries, including transportation, aerospace and defense, building products, chemicals and other industrial companies generally. These portfolio companies of a Fund may also serve customers that include governmental entities. Investments that are subject to greater amounts of governmental regulation, or with significant customer concentration with governmental entities, pose additional and unique risks. Governmental budgeting and procurement requirements could adversely affect profitability. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased operating costs, increased compliance costs or the need for additional capital expenditures generally. Additionally, certain industrial portfolio companies may have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject a portfolio company to complex laws and regulations, as well as labor relations disputes or difficulties generally. Business operations at one or more facilities may be interrupted as a result of work stoppages and delays in the process of renegotiating collective bargaining agreements.

Business Services. Business services investments, including logistics, facility management, delivery and distribution businesses are generally highly fragmented, can be subject to heavy competition and low barriers to entry, and can be adversely affected by business cycles, economic downturns and the availability of skilled and unskilled labor. With respect to the availability of labor in particular, the ability of a portfolio company to meet its labor needs while controlling labor costs is subject to many external factors, including competition for and availability of qualified personnel in a given market, the comparative efficiency of such portfolio company's logistics and transport operations and the productivity of any manufacturing plants, unemployment levels within those markets, wage rates, union membership levels and activity among any employees and changes in employment and labor or other workplace regulation. The labor costs of a portfolio company could also increase due to, among other things, any potential re-characterization of independent contractors as employees or other challenge to employment or compensation arrangements with the personnel of such portfolio company. If a Fund is unable to pass on such higher costs to customers or otherwise mitigate such increases, these higher labor costs could have a material adverse effect on such portfolio company's business, financial condition and results of operations.

Technology. Technology companies often face specific risks which a Fund will necessarily also be exposed to by investing in such companies. Such risks typically include: (i) rapidly changing science and technologies; (ii) new competing products and improvements in existing products which may quickly render existing products or technologies obsolete; (iii) changing consumer preferences; (iv) short product life cycles; (v) exposure to government regulation and changing and/or increasing regulations; (vi) scarcity of management, technical, scientific, research and marketing personnel with appropriate training; (vii) the possibility of lawsuits related to patents and other intellectual property and their associated rights; and (viii) rapidly changing investor sentiments and preferences with regard to technology sector investments. The market for technology is characterized by periodic new product introductions, innovations and evolving industry standards. The emerging nature of these products and services with their rapid evolution will require technology companies that are portfolio investments of a Fund—especially portfolio companies in the software sector—to continually improve the performance, features and reliability of their products or services, particularly in response to possible competitive offerings. The increasing sophistication of consumers and low barrier to entry, among other factors, means that there can be no assurance that these companies will be successful in achieving widespread acceptance of their products or services before competitors offer products and services with features and performance similar to those of such technology companies. In addition, the widespread adoption of new technologies or standards could require substantial expenditures by such technology companies to modify or adapt their products or services. Such expenditures could affect the profitability of these technology companies and in turn the operating results and financial condition of a Fund.

A Fund may invest in portfolio companies that rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that such a Fund or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a portfolio company's technologies. For example, the loss of trade secret protection could make it easier for others to compete with such portfolio company's products by copying their functionality, which could adversely affect such portfolio company's revenue and operating margins. Piracy may adversely affect portfolio company revenue and its impact on revenue from outside the United States may particularly be significant in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent protection of intellectual property rights. Reductions in the legal protections for software intellectual property rights could also adversely affect portfolio companies.

A Fund may make investments in communications companies. Communications companies are subject to changes in their businesses due to evolving levels of governmental regulation or deregulation as well as the development of communication technologies. Competitive pressures within the communications industry are intense and the securities

of communications companies may be subject to significant price volatility. In addition, because the technology and communications industries are subject to significant changes in technology, the companies that a Fund may invest in may face competition from technologies being developed or to be developed in the future by other entities, which may make such companies' products and services obsolete. Finally, while all companies may be susceptible to network security breaches, certain technology and communication companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

Real Estate. Investments in real estate may be subject to a variety of risks, including, but not limited to, those associated with the burdens of ownership of real property, changes in the general and economic climate, regulatory limitations on rents, decreases in property values, changes in supply of and demand for competing properties in an area (as a result, for instance, of over-building), the quality and philosophy of management, changes in the relative popularity of property types, energy and supply shortages, fluctuations in the average occupancy, changes in operating income and expenses, the availability of financial resources of tenants, changes in interest rates and the availability of debt financing which may render the sale or refinancing of properties difficult or impracticable, increases in mortgage default and borrowing rates, changes in building, environmental, zoning and other applicable laws and/or regulations (including those governing usage, improvement and zoning), changes in real property tax treatment and rates, changes in the economy or political climate that depress travel or leasing activity, trade barriers, currency exchange controls, changes in local, national and international political, environmental and socioeconomic circumstances and fiscal policies in respect of the countries in which a Fund may invest, environmental liabilities, contingent liabilities on disposition of assets, successor liabilities for investments in existing entities (e.g., buying out a distressed partner or acquiring an interest in an entity that owns the underlying real property), work stoppages, shortages of labor, strikes, union relations and contracts uninsured or uninsurable losses or delays from casualties and condemnation, acts of God and natural disasters, pandemics, terrorist acts, war and other factors which are beyond the control of the Firm and its affiliates.

Nature of Capital Solutions Opportunities

WPCS FF will focus on investing in portfolio investments, including equity, structured equity, equity-related and debt and other positions senior to common equity, including convertible securities, illiquid and liquid debt, cash flowing and other hard assets that offer current income and/or capital growth that Warburg Pincus believes are capable of achieving a particular range of gross internal rate of return while offering downside protection to WPCS FF. ("Capital Solutions Opportunities"), including hybrid capital, assets plus and opportunistic investments opportunities that offer various types of downside protection, such as liquidation preferences, contracted returns, transactions underpinned by assets and/or structural seniority. Such investments may encompass a broad range of instruments, assets and structures which each carry separate and distinct risks. In making investments in Capital Solutions Opportunities, WPCS FF will seek to invest opportunistically in a broad range of assets consisting primarily of private securities and instruments, including equity, structured equity, equity-related and debt and other positions senior to common equity, including convertible securities, illiquid and liquid debt, cash flowing and other hard assets that offer current income and/or capital growth.

Certain Capital Solutions Opportunities which are hybrid capital transactions are expected to involve portfolio investment opportunities where WPCS FF provides financing solutions beyond where traditional banks and direct lenders are typically comfortable lending or capital investments by WPCS FF that are more flexible and solutions-oriented than traditional credit, while offering a lower cost of capital than traditional private equity capital. Certain Capital Solutions Opportunities which are asset plus transactions are expected to involve portfolio investment opportunities where returns are driven primarily by underlying contract cash flows and liquidation or run off value at the asset level with upside potential if franchise value is built.

Risk of Early-Stage Investments

A Fund may make early-stage investments, including investing in start-ups, and/or committing to pay expenses of management teams engaged in the discovery, development or exploration of resources, technologies or strategies. While such investments offer the opportunity for significant gains, they also involve a high degree of business and financial risk and can result in substantial losses. Among these risks are the general risks associated with investing in companies at an early stage of development or with little or no operating history, companies operating at a loss or with substantial variations in operating results from period to period, and companies with the need for substantial additional capital to support expansion or to achieve or maintain a competitive position. There can be no assurance that such companies will ever be profitable or even have assets or products that generate meaningful revenue. Investment by a Fund in start-ups or other early-stage companies is expected to depend significantly on an entrepreneur or management team that Warburg Pincus has selected. Early-stage companies may face intense competition, including from companies with greater financial resources, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel. Early-stage companies may have significant capital expenditures and there is greater uncertainty regarding valuations, both of which could impact a Fund's ability to complete investments or pursue exit strategies for its portfolio companies.

Portfolio Company Leverage; Fund- and Intermediate-Level Borrowing

A Fund is permitted to make investments in portfolio companies that have a leveraged capital structure, thereby increasing the degree of credit risk inherent in each investment. A Fund could directly or indirectly incur leverage on a portfolio or investment basis at the level of portfolio companies or assets or any other asset-level holding entities or intermediate entities, whether on a temporary or long-term basis. Effective leverage could also take the form of direct borrowing, trading on margin, use of derivative instruments or other forms of direct and indirect borrowings. To the extent that any investment is made in a company (or through an entity) with a leveraged capital structure, such investment may be subject to increased exposure to adverse economic factors such as a significant rise in interest rates, a downturn in the global or local economy or deterioration in the condition of such company or its industry, or the relevant asset or asset class. These risks generally are expected to increase if and as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates. The relevant Fund's investments may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured and bear floating interest rates. In the event that such a company or other asset-level entity (or group of companies or asset-level entities) is unable to generate sufficient cash flow (including through operations other than borrowings or payments) to timely meet principal and interest payments on its indebtedness, the value of a Fund's investment in such portfolio company, asset or entity could be significantly reduced or even eliminated. In addition to external factors, a Fund's ability to obtain leverage on attractive terms may be negatively affected by, among other things, its size, the composition of a Fund's limited partners, the composition of unencumbered wholly owned assets, a Fund's investment concentration in the financial services industry, the performance of its portfolio or its ability to secure or review a line of credit (or achieve favorable terms on such line). In the event that the global credit markets deteriorate, it may be difficult for a Fund or its portfolio company to obtain leverage on attractive terms and a Fund's ability to generate attractive investment returns may be adversely affected. Except where otherwise required by the relevant governing documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Additionally, the Fund reserve the right to use back leverage for certain portfolio investments. To date, back leverage entered into by Funds has primarily been of limited recourse, collateralized mainly by shares of the respective investments that utilize the leverage. However, it is possible that a Fund could enter into back leverage that is guaranteed by such Fund or otherwise has recourse to such Fund. The use of back leverage potentially enhances the return profile of investments, and accordingly, of the applicable Fund overall, but also increases the risk profile of such investments. While Fund-level borrowings generally will be subject to limitations set forth in the applicable

Fund governing documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

The Funds are generally authorized to borrow funds and otherwise incur indebtedness obligations for investment or other specific business purposes and to provide guarantees of or other credit support for the obligations of third parties (including portfolio companies), subject to certain limitations provided in a Fund's governing documents. Such borrowing for certain or all Funds will be used for, among other purposes, the purchase of portfolio investments as they become available in advance of the receipt of anticipated funds from capital contributions from investors or realizations or otherwise when capital contributions are limited in amount or purpose, including following a Fund's primary investment period. As security for such borrowing, guarantees or other credit support, a Fund is permitted to grant liens on any of a Fund's or its subsidiaries' assets to the lender or other counterparty which assets may not necessarily be limited to a single portfolio investment. Such lender or other counterparty would, accordingly, have a claim that has priority over any claim by an investor of a Fund to such assets in an insolvency event or proceeding. In addition, to support borrowing, each Fund and Warburg Pincus, as applicable, will have the right, at its option, to pledge all or a portion of uncalled capital commitments, the right of Warburg Pincus to deliver notices to investors demanding capital contributions, the right to enforce all remedies provided in a Fund's governing documents against defaulting investors and any account into which capital contributions are made; provided, that no investor will be obligated to pledge or charge its interest in a Fund. Accordingly, investors may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed or experiences an event of default. If a Fund enters into any indebtedness with another Fund on a joint and several basis, Warburg Pincus will be subject to conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement.

In addition, Fund-level borrowing will result in incremental expenses that will be borne by such Fund's investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee, and other one-time and recurring fees and/or expenses, as well as legal and other service provider fees relating to the establishment, negotiation and structuring of the terms of the borrowing facility and expenses relating to maintaining, renegotiating or terminating the facility. Because the interest rate attributable to a Fund's borrowing is based in part on the creditworthiness of such Fund's investors and the terms of such Fund's governing document, it may be higher than the interest rate a particular investor could obtain individually. To the extent a particular investor's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact an investor's absolute overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation.

Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates and, in cases where the Fund has a hurdle or preferred return, increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because management fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return (if any) typically does not accrue on outstanding borrowings, the relevant general partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line or credit facility (whether entered provided by an unaffiliated third party or the sponsor or one or more designees) allows Warburg Pincus to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line or credit facility could cause short-term liquidity concerns for investors that would not arise had Warburg Pincus called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, thereby requiring the limited partner to meet the accumulated, larger capital calls at the same time. The general partner of a Fund is authorized to use Fund-level borrowing to pay management fees and to reimburse Warburg Pincus for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when Warburg Pincus expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which could result in greater losses.

Although borrowings by a Fund have the potential to enhance returns and provide for administrative convenience, they could further diminish returns (or increase losses) to the extent returns during the borrowing are less than a Fund's cost of funds or in the event of default. A Fund may incur leverage on a joint and several basis with one or more other Funds and each such vehicle is expected to have a right of contribution, subrogation or reimbursement from or against such entities. In the event that a Fund engages in financings where several investments are cross-collateralized, thereby subjecting multiple investments to the risk of loss, such Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. The use of leverage has the potential to result in costs to a Fund that are not covered by distributable proceeds of the Fund or appreciation of its investments. The costs and expenses of any borrowings incurred on a joint and several basis will generally be allocated among the borrowing Funds pro rata (and to limited partners of such Funds pro rata) which will increase the expenses borne by investors and would be expected to diminish net investment returns if not offset by the benefits of such leverage. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Warburg Pincus Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither a Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs,

expenses and/or liabilities, including all expenses associated with negotiating and putting in place a subscription line and all other related and associated expenses with such subscription line.

Investors should note that certain calculations of net and gross IRRs in respect of investment and performance data with respect to the applicable Fund, as reported to investors, are and will be based on the payment date of capital contributions received from investors. This treatment also applies in instances where a Fund utilizes borrowings under a Fund's subscription-based credit facility in advance of receiving capital contributions from investor to repay any such borrowings and related interest expense. As a result, use of a subscription-based credit facility or the use of borrowing by entities below a Fund generally will result in a higher reported net and gross IRR than if the facility had not been utilized and instead such investors' capital had been contributed at the inception of an investment.

Subject to the restrictions contained in a Fund's governing documents, a Fund is permitted to make loans and other advances to, or borrow sums from, the sponsor or one or more designees (which may include one or more Senior Strategic Partners). The loaning to or borrowing from affiliates of the sponsor or one or more designees by a Fund could involve conflicts of interest with respect to the terms applicable to the loans. The sponsor may have an incentive to favor its own interests over those of a Fund and its investors in determining the terms, timing, and amount of such loans or borrowings, which may not reflect market conditions or the best interests of a Fund and its investors.

Investment- and Intermediate Entity-Level Borrowing

Under the applicable Fund's governing documents, a Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value ("NAV") facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of a Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of management fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the governing documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the governing documents impose limits on borrowings at the Fund-level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments. For example, any indebtedness obtained by any special purpose vehicle established by the Fund to hold a single, multiple or all investments (such as a lending facility collateralized or secured by a Fund's holdings in some or all of its investments) generally would not be subject to the limits on borrowing or guarantees by the Fund in the applicable governing documents. Additionally, letters of credit and/or other guarantees or forms of credit support are generally not subject to any limitation on indebtedness or any other limitation in the governing documents.

Risks in Effecting Operating Improvements

In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of a Fund or the management of a portfolio company to restructure and implement 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.

Uncertainty of Financial Projections

A Fund will use financial projections to help analyze a potential investment or future capital raises by, and financing for, portfolio companies or other transactions. Projected operating results will often be based on management judgments, with adjustments to such projections made by Warburg Pincus in its discretion. In all cases, projections are only estimates of future results that are based, in whole or in part, upon information received from third parties, including company management and assumptions made at the time that the projections are developed. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse effect on the reliability of such financial projections.

Control Person Liability

The exercise of control over a portfolio company may cause a court to ignore the presumption of separateness with respect to a Fund and such portfolio company. Such a determination would impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities and antitrust laws) and other types of liability, for which limited liability should otherwise generally be afforded to a private equity fund in respect of a portfolio company. For example, if deemed to be a direct owner or operator of any of a portfolio company's facilities or operations under such laws, a Fund could face strict, joint and several liability under environmental laws for hazardous substance or contamination related liabilities. The exercise of control over an investment also could expose the assets of a Fund to claims by third parties, including creditors of a portfolio company. While the Firm intends to manage its Funds in a manner that will minimize the exposure of these risks and successfully "piercing the corporate veil" is a rare and extraordinary legal remedy in most circumstances, the possibility of successful claims against a Fund and/or one or more of its affiliates or subsidiaries cannot be precluded. In addition, it is expected that representatives of Warburg Pincus will serve as directors of certain of the portfolio companies, including public companies, and as such, may have duties to persons other than a Fund. Further, director positions could increase the risk that courts or regulators will hold a Fund responsible for noncompliance issues at a portfolio company. In addition, as a result of a Fund potentially serving on committees formed by creditors to negotiate with the management of financially troubled companies, such Fund may be deemed to have duties to other creditors represented by such committees, which might thereby expose the Fund to liability to such other creditors who disagree with the Fund's actions. If such liabilities were to arise, a Fund may suffer significant losses.

Lack of Unilateral Control

Even if the Firm is the majority investor in certain circumstances, Warburg Pincus will not have unilateral control of all of its portfolio companies. In addition, a Fund may make minority or non-control equity or debt investments in portfolio companies with the possibility that the portfolio companies may be controlled or influenced by persons who have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of a Fund or its investors or may be in a position to take action contrary to a Fund's business interests, and a Fund may not be in a position to limit such contrary actions or otherwise protect the value of a Fund's investment. When taking non-control positions, to the extent consistent with applicable regulations, a Fund may seek to obtain negative controls and veto rights on major decisions. However, even if a Fund has contractual rights to seek liquidity of a Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to a Fund, especially in cases where the other investors in such company have different business and investment objectives and goals. As such, there can be no assurance that a Fund will be able to control the timing or occurrence of an exit strategy for such portfolio companies in a manner that maximizes or protects value or that there will be any minority rights or that such rights will provide sufficient protection of a Fund's interests.

The applicable Fund reserves the right to invest alongside third-party investors, thereby acquiring a non-controlling interest in companies. In such cases, a Fund will not have control over the investment and, therefore, may have limited ability to protect its position therein. This type of investment will involve risks not present in majority investments where a third-party is not involved and such third-parties may have economic or business interests or goals or tax or other considerations that differ from or are inconsistent with those of a Fund or its investors or may be in a position to take action contrary to a Fund's business, tax or other interests, and a Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment. In addition, a Fund may in certain circumstances be liable for the actions of the third-party investors that participate in the investment.

Third-Party Involvement

A Fund may co-invest in portfolio companies with other institutional investors including, on occasion, private equity funds of other sponsors or investors. Such investments will involve risks not present in investments in which such co-investors are not involved, including the possibility that a co-investor of a Fund may at any time have economic or business interests or goals which are inconsistent with those of a Fund or may be in a position to take action contrary to the investment objectives of a Fund or may not have capital available for follow-on investments. In addition, an investor that participates in co-investments may be in a position to obtain additional information regarding the investee portfolio company that may not generally be available to the investors in a Fund, or in some cases, the Fund itself.

Insufficient Capital for Follow-On Investments

Following its initial investment in a portfolio company, a Fund may have the opportunity to increase its investment in successful operations or may be asked to provide additional funds to such portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will make follow-on investments or that a Fund will have sufficient available capital or capacity under any credit agreements to, or be permitted to (including as a result of regulatory restrictions), make such investments or to make an investment up to its full allocation. Any decision not to make follow-on investments, or a Fund's inability to make them, may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made), result in missed opportunities for such Fund, or result in dilution of such Fund's economic and/or governance rights in such investment if a third-party or co-investor is permitted to invest. In the event that a certain Fund does not make a potential follow-on investment, such follow-on investment, subject to any requirements under the Fund's governing documents, may be made by one or more global Funds, companion Funds or other Warburg Pincus Funds, in some cases without consent, whether or not such Fund has participated in the initial investment in such portfolio company.

Regulation and Enforcement; Litigation

The growth of the private equity industry, and the increasing size and reach of transactions, has prompted additional governmental and public attention to the industry and its practices.

Certain industry segments in which a Fund may invest, including various segments of the healthcare, financial services, energy and telecommunications industries, operate in a highly regulated environment and are subject to extensive federal, state and international legal and regulatory restrictions and limitations, as well as supervision, examination, licensing and enforcement by regulatory authorities. There can be no assurance that any such scrutiny, regulation or focus will not have an adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address new rules and regulations or otherwise execute its investment strategy or achieve its investment objectives. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of its business, including to establish greater substance in certain jurisdictions in which it invests or proposes to invest, and a Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less

attractive or impractical to continue to invest in one or more jurisdictions. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio investments that are subject to regulation. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, financial services, energy and telecommunications industries, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests. By way of example, the healthcare and financial services industries have been, and will likely continue to be, significantly impacted by recent legislative changes, and as various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced, which, if adopted, could have a significant impact on such industries in general and/or on companies in which a Fund may invest.

In addition, numerous regulatory initiatives were launched and significant legislation was enacted as a result of the severe global market volatility and dislocations, financial institution failures and defaults and large financial frauds that occurred during and after the 2008 global financial crisis. Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the U.S. or outside of it, could further increase the cost of acquiring, holding or divesting portfolio investments and the cost of operating a Fund, as well as harm the profitability of enterprises and interfere with the ability of a Fund to engage in certain transactions. In particular, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of a Fund's business, including to establish greater substance in certain jurisdictions in which a Fund invests or proposes to invest, and a Fund may also become directly or indirectly subject to additional tax liabilities (for example through restrictions on or denial of the deductibility of interest expenses against taxable profits).

Additional regulation could increase the risks of third-party litigation. The transactional nature of the business of a Fund exposes a Fund and Warburg Pincus generally to this risk of third-party litigation. Warburg Pincus and its related affiliates have been subject, historically, to such litigation. There can be no assurance that any such litigation, once begun, would be resolved in favor of a Fund, Warburg Pincus or their respective affiliates. Any such litigation could be prolonged and expensive. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. In addition, past or current members/employees of Warburg Pincus may disagree with Warburg Pincus and/or its management over terms related to separation or other issues. If not resolved, such disputes could lead to litigation or arbitration, which could be costly, distracting and/or time consuming for Warburg Pincus management. Subject to certain limitations contained in a Fund's governing documents, a Fund will generally be responsible for indemnifying Warburg Pincus and related parties for costs they may incur with respect to such litigation not covered by insurance.

Anti-Corruption Law Considerations; Anti-Boycott

Warburg Pincus is committed to complying with the aspects of the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act ("UKBA") and other anti-corruption and anti-bribery laws and regulations, as well as anti-boycott regulations administered and enforced by the U.S. Department of Commerce and the U.S. Internal Revenue Service, to which it is subject. As a result, a Fund may be adversely affected or miss out on opportunities because of its or Warburg Pincus' unwillingness to participate in transactions that potentially violate such laws and regulations. Such

laws and regulations may make it difficult in certain circumstances for a Fund to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

While Warburg Pincus has developed and implemented policies and procedures designed to ensure strict compliance by Warburg Pincus and its personnel with the FCPA and the UKBA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of Warburg Pincus' policies and procedures, portfolio companies or their affiliates and agents, particularly in cases where a Fund or another Warburg Pincus sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in violations of FCPA, UKBA, and/or similar applicable anti-corruption laws. The FCPA may require any portfolio investment that is or becomes a U.S. issuer to maintain anti-corruption policies, procedures, and internal controls. Any determination that Warburg Pincus or a Fund's portfolio company has violated the FCPA, the UKBA or other applicable anti-corruption laws or anti-bribery laws could entail, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, debarment, securities litigation, advisor fees for investigation and remediation, and/or a general loss of investor confidence, any one of which could adversely affect Warburg Pincus' business prospects and/or financial position, as well as a Fund's ability to achieve its investment objective and/or conduct its operations. Moreover, any determination that a portfolio company has violated the FCPA, the UKBA or other applicable anti-corruption laws or anti-bribery laws could adversely affect the performance of such company and may result in negative publicity and loss of investor confidence for Warburg Pincus and the applicable Fund.

Pay-to-Play Laws, Regulations and Policies

A number of U.S. states and municipal pension plans have adopted so-called "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with such state entities, including those seeking investments by public retirement funds. The SEC has a rule 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 Warburg Pincus, any of its employees or affiliates or any service provider acting on their behalf, fails to comply with such laws, regulations or policies, such non-compliance could have an adverse effect on Warburg Pincus or a Fund. Investors may also seek to pursue individual remedies, including withdrawal rights, which may be included in Side Letters or other similar agreements or otherwise imposed by applicable law, regulation or policy.

Investments in Public Companies

A Fund may invest in public companies (subject to restrictions set forth in relevant governing documents) and may also make investments in connection with one or more take privates of formerly public portfolio companies or hold public securities following an initial public offering of a portfolio company. Investments in public companies may subject a Fund to risks that differ in type or degree from those involved with investments in privately-held companies. Such risks include, without limitation, movements in the relevant stock market and trends in the economy, greater volatility in the valuation of such companies, increased obligation to disclose information regarding such companies, limited trading volume of such securities relative to the scale of a Fund's ownership, limitations on the ability of a Fund to dispose of such securities at certain times (including due to the possession of material nonpublic information), increased likelihood of shareholder litigation against such companies' board members, which may include Warburg Pincus personnel, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

Debt, Credit or Other Similar Investments in Portfolio Companies

A Fund may, in certain circumstances, make investments in debt instruments, convertible debt securities and/or other debt or credit investments. In such circumstances, debt may be unsecured or structurally or contractually subordinated

to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, currency exchange matters, including fluctuations in the rate of exchange between the U.S. Dollar and the various non-U.S. currencies in which a Fund's investments are denominated, costs associated with conversion of investment capital and income from one currency into another, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. Certain debt securities are also subject to other creditor risks, including (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws, possibly resulting in the avoidance of collateral securing the investment or the cancellation of the obligation representing the investment, (ii) the recovery as a "preference" of liens perfected or payments made on account of a debt in the 90 days before a bankruptcy filing, (iii) equitable subordination claims by other creditors, (iv) so-called lender liability claims by the issuer of the obligations and (v) environmental liabilities that may arise with respect to collateral securing the obligations. Any such debt investment may also be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by a Fund earlier than expected. In addition, depending on fluctuations of the equity markets and other factors, warrants and other equity securities may become worthless. Furthermore, there could be circumstances in which the Firm deems it appropriate for one or more Funds to invest in the debt securities of existing portfolio investments of another Fund, in each case subject to the terms of the governing agreements of such Funds.

Cybersecurity Breaches and Identity Theft

Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, companies, as well as their third-party partners (including vendors and portfolio companies), may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. Warburg Pincus and its Funds' portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses, malware, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The use of the internet generally heightens these risks. Such risks may be more prevalent in emerging markets where cybersecurity and compliance infrastructure may be less developed. Cyber-attacks may also take the form of socially-engineered frauds, such as "phishing". There have been reports of alleged Chinese and Russian hacking attempts on American corporate intellectual property, and Warburg Pincus (including a Fund and its portfolio companies) may be at risk of cyber-attacks. Additionally, certain U.S. government agencies have issued warnings that the recent Russia-Ukraine conflict heightens the risk of destructive malware and other cyber-attacks which could impact Warburg Pincus, its Funds and its portfolio companies. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Warburg Pincus' systems to disclose sensitive or personal information in order to gain access to Warburg Pincus' data or that of a Fund's investors or portfolio companies. Companies and service providers have also been subject to "ransomware" attacks, which could further result in losses to Warburg Pincus, the Funds and their portfolio companies. As further evidence of the increasing and potentially significant impact of cyber security breaches, in 2016 and 2017, the U.S. government and several multinational companies, including financial institutions and retailers, reported cyber security breaches affecting their computer systems that resulted in the personal information of millions of citizens, customers and employees being compromised.

Although Warburg Pincus has implemented various measures to manage risks relating to these types of events, including forming a cybersecurity committee, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Warburg Pincus, a Fund and/or a portfolio company may incur specific

time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Warburg Pincus', a Fund's and/or a portfolio company's operations and result in corruption, deletion or destruction of data; physical damage and repairs to systems; disruptions of operations; and a failure to maintain the security, confidentiality or privacy of sensitive data, including confidential or proprietary client information and/or personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Warburg Pincus', a Fund's and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims, regulatory penalties, or otherwise affect their business and financial performance. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. Cyber threats and/or incidents could cause financial costs from the theft of a Fund's assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs and remediation costs. In addition, Warburg Pincus', a Fund's and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates or counterparties for incurred liabilities.

Warburg Pincus and the Funds', investors' and portfolio companies' information and technology systems may be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Such activities may also create liabilities in respect of Warburg Pincus and/or its portfolio companies to third-parties. Furthermore, Warburg Pincus and its portfolio companies may 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 use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third-parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Warburg Pincus or one of its service providers holding its financial or investor data, Warburg Pincus, its affiliates or the Funds may also be at risk of loss, despite efforts to prevent and mitigate such risks under Warburg Pincus' policies and practices.

Privacy and Data Protection Law Compliance Risk

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

companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

Material Non-Public Information

Warburg Pincus and its personnel will come into possession of material non-public information concerning specific companies, including as a result of certain Warburg Pincus professionals serving on the boards of directors of portfolio companies. Under applicable securities laws, this will limit the flexibility of Warburg Pincus to buy or sell securities issued by such companies. A Fund's investment flexibility is expected to be constrained as a consequence of the inability of Warburg Pincus to use such information for investment purposes. Warburg Pincus has policies and procedures in place that are intended to prevent the misuse of material non-public information by its personnel, although there can be no assurance that such misuse will never take place. If such misuse takes place or is alleged to have taken place, an investigation by the SEC or other authorities could negatively impact the Firm and/or the Funds. Additionally, in certain instances, a limited partner (particularly if such limited partner has designated an Advisory Committee representative or participates in a co-investment) could receive material non-public information that in certain circumstances would limit such limited partner's trading activities outside of the relevant Fund.

Social Media and Publicity Risk

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

Hedging Risks

In connection with certain portfolio investments, a Fund and/or its portfolio companies may, but generally are under no obligation to, employ hedging techniques designed to reduce the risks of adverse movements in commodity prices, interest rates and/or currency exchange rates. While such transactions may reduce certain risks, such transactions themselves entail certain other risks and costs.

Therefore, while a Fund is expected to benefit from the use of hedging mechanisms, unanticipated changes in commodity prices, interest rates or currency exchange rates will result in additional costs and/or not fully benefit from favorable pricing or rate movement, which could result in a weaker overall performance for a Fund than if it had not entered into such hedging transactions. There can be no assurance that adequate hedging arrangements will be entered into or even available on an economically viable basis or that such hedging arrangements, if entered into, will achieve the desired effect. Where a Fund elects to employ hedging techniques, it is permitted to incur costs related to hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") markets, including futures, forwards, swaps, options and other similar instruments. Where a Fund elects not to, or is unable to, employ hedging techniques, the lack of a hedge may expose a Fund to risks of adverse commodity price, interest rate or currency exchange rate movements. There can be no assurance that adequate hedging arrangements will be entered into or event available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, clearinghouse, custodian or intermediary in connection with such hedging. OTC hedging contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for Warburg Pincus and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. If the CFTC or another regulator imposes position limits or other regulatory requirements on certain hedging arrangements, the ability of a Fund or a portfolio company to hedge its exposures may be limited by such requirements. Rules concerning position limits with respect to CFTC regulated products, including futures, swaps and certain other contracts on or linked to certain physical commodities may make hedges in those products more expensive or unavailable, either of which could have an adverse effect on a Fund.

Sanctioned Investors

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

Foreign Investment Clearance Considerations

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

Outbound Investment Controls

In August 2023, the President of the United States issued an executive order setting forth the framework for outbound investment controls regulating U.S. investment to countries and companies deemed to be adverse to U.S. national security and foreign policy interests. While the U.S. Department of the Treasury issued an Advanced Notice of Proposed Rulemaking in August 2023 contemplating the imposition of notification requirements for, and the potential prohibition of, outbound investment involving semiconductors and microelectronics, quantum information technologies, and artificial intelligence by U.S. persons into certain entities with a nexus to China, the exact scope and application of the

outbound investment program has yet to be determined. Moreover, there is a high likelihood that the number of targeted sectors will expand over the life of a Fund. When restrictions on U.S. outbound investment become effective, these could limit the universe of prospective investments available to a Fund, making it more difficult to deploy capital or identify buyers for investments, and/or adversely affect the governance and operations of a Fund's investments and thus the performance of a Fund. Any restrictions on U.S. outbound investment could limit the universe of prospective investments available to a Fund, making it more difficult to deploy capital, and/or adversely affect the governance and operations of a Fund's investments and thus the performance of a Fund.

U.S. Taxation of Carried Interest

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

LIBOR and other Benchmark Rates

To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on the London Interbank Offered Rate ("LIBOR") or other benchmark or reference rates (each, a "Benchmark Rate"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants are working to facilitate the transition of existing instruments and contracts away from LIBOR to new Benchmark Rates, and any such transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other GP-Led Transactions

There continues to be a significant market for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Warburg Pincus following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Warburg Pincus believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Warburg Pincus and its affiliates). However, certain of such transactions are expected to involve a third party investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular

portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated Warburg Pincus to the extent of its right to receive carried interest, if any), effectively diluting their interests.

In certain cases, Warburg Pincus has and may in the future determine that it would be in the best interest of a Fund to provide an opportunity for investors to obtain liquidity for all or a portion of their interests or their interests in particular investments prior to the end of such Fund's term. In such situations, Warburg Pincus may seek to raise capital from third parties (including investors) who wish to directly or indirectly acquire interests in one or more portfolio investments from such Fund, including through the creation of a new investment fund or similar continuation vehicle which would be advised by Warburg Pincus, in which Warburg Pincus may invest, and from which Warburg Pincus may receive fees and/or carried interest. Warburg Pincus may, but will not be obligated to, offer for the selling limited partners to reinvest in the relevant investment through the applicable continuation fund via roll-over equity. Warburg Pincus may seek to require the purchasers to make commitments to a successor fund and/or its parallel funds advised by Warburg Pincus or accept the terms of disposition offered by the new investors for the portfolio investment interests which may or may not accurately reflect fair market value of such interests in circumstances where it has the right to receive such ongoing economics. Warburg Pincus or its affiliates may also invest in any such continuation vehicle, including, but not limited to, through a rollover of its existing ownership interest and/or carried interest entitlement. Because Warburg Pincus and/or its affiliates will have the opportunity to earn additional management fees and/or receive additional carried interest and other economic benefits in respect of such transactions, because Warburg Pincus may also invest in any such vehicle, and because each purchaser's commitment to acquire interests in a successor fund and/or its parallel funds could be conditioned upon completion of the transaction, Warburg Pincus will have potential conflicts of interest with respect to any such transaction, including in determining the terms and participants in connection with such transaction. Such transactions may present other additional inherent conflicts of interest.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Warburg Pincus or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Warburg Pincus or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect or are required to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Warburg Pincus and any buyer group relating to the valuation and consideration offered for the subject investment(s). Further, Warburg Pincus is expected to be incentivized, including through the possibility of additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Warburg Pincus reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Warburg Pincus will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Warburg Pincus reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant governing documents.

Advisory Committee

One or more limited partner representatives will be appointed to the Advisory Committee of each Fund, pursuant to the terms of the applicable Fund's governing documents. Such limited partners have the potential to disproportionately represent one or more of the vehicles or categories of limited partners comprising a Fund. Such limited partners can have interests in other Funds, funds managed by other private equity sponsors, or direct interests in existing or prospective portfolio company of a Fund. To the extent members of a Fund's Advisory Committee vote on any matter regarding conflicts or otherwise participate in matters involving a vote or action thereby, any such limited partners may have interests in another Fund or other interests unrelated to any Fund and, as a result, may not vote (and will be exculpated from liability for not voting) solely in accordance with their interests related to the applicable Fund and may vote in a manner that is beneficial to such limited partners' other interests at the expense of the applicable Fund. For example, certain limited partners could have representatives on the Advisory Committee of a Fund and the Advisory Committee of another Fund where they have more substantial investments, and, therefore, may be required to vote, among other matters, on issues regarding conflicts between such Fund on the one hand and such other Fund on the other. Such limited partners and their representatives are unrestricted from voting, do not owe a Fund or any other limited partner any fiduciary duties, and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other limited partners and the applicable Fund, including where it may benefit a co-investment opportunity or a position held outside of the applicable Fund. Additionally, it is expected that limited partners who designate representatives to participate on the Advisory Committee may, by virtue of such participation, have more information about a Fund and portfolio investments in certain circumstances than other limited partners generally and may be disseminated information in advance of communication to other limited partners generally. Although such limited partners are subject to confidentiality obligations, there is no guarantee that such persons will not use information received as a member of the Advisory Committee for purposes unrelated to, and potentially harmful to, a Fund. Finally, Advisory Committee members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of Advisory Committee members.

For additional information on a Fund's material risks, including material risks not related to the Fund's investment strategies, investors should see the disclosure in the respective offering documents for each Fund.

Side Letters

Warburg Pincus and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund without the approval of any other Limited Partner, providing such investors with rights under or supplementing the terms of a Fund's governing documents with respect to such investors in a manner more favorable to such investors than those applicable to other investors and such rights have the potential to be significant. Such rights or terms in any such Side Letter or other similar agreement may include, without limitation, (i) excuse, exclusion or withdrawal rights applicable to particular investments or investors (which may increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, certain investments); (ii) reporting obligations of Warburg Pincus; (iii) waiver of certain confidentiality obligations; (iv) consent of Warburg Pincus to certain transfers by such investor; (v) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of such investor; (vi) limitations or conditions on the Limited Partner's obligations to fund capital contributions and/or rights to cancel all or a portion of an unfunded commitment, (vii) certain additional investment restrictions with respect to certain Funds' ability to make certain investments or (viii) altered redemption rights. Investors may request to see such Side Letters and to obtain certain rights applicable to them under such Side Letters subject to certain exceptions provided in a Fund's governing documents.

To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Certain other Side Letter rights are likely to confer benefits on the relevant limited partner at

the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected in certain circumstances to be borne by the relevant Fund. As a consequence of one or more limited partners being excused or excluded from certain fundings or portfolio companies, including because of regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the general partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents of the Fund; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund.

Other Investment Activities

Except to the extent prohibited by the Funds' governing documents, Warburg Pincus and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Funds' governing documents and anti-"assignment" provisions of the Advisers Act, Warburg Pincus and its personnel are also permitted to offer, restructure and monetize interests in Warburg Pincus, and to make personal investments subject to the Firm's Code of Ethics (see Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading for more information).

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

Where the management fee is calculated taking into account the valuation of an investment, Warburg Pincus will have an incentive to make determinations that result in the continued payment of, or a higher, management fee. Where the governing documents do not require management fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Warburg Pincus is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are investments written off, and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an investment written off, within the requirements of the relevant governing documents.

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

Reinsurance Activities

Investments in Insurance or Reinsurance Companies or Businesses

The Firm has invested, and may invest in the future, in insurance or reinsurance companies or businesses. In parallel, an affiliate of a reinsurance company has engaged the Firm to provide investment advice with respect to a portion of its investable assets pursuant to a Sub-Advisory Agreement, and the Firm expects to primarily invest such assets in the Funds. The Funds will therefore indirectly bear credit risk resulting from risks impacting the reinsurance industry. In general, reinsurance transactions are risk transfer arrangements with respect to insurance liabilities. In such transactions, one insurance company transfers or "cedes" the relevant insured risk to another insurance company as the reinsurer, which in connection with the reinsurer assuming such liabilities, will also be entitled to the associated insurance premiums, and enjoy the benefits (and bear the risks) of the asset portfolio backing such reinsured liabilities. This results in the transfer some or all of the risks and benefits of the reinsured liabilities and of the asset portfolio backing such liabilities to the reinsurer pursuant to the terms of a reinsurance agreement entered into between the reinsurer and the transferring insurance company. Generally, a reinsurance company's ability to pay dividends or other distributions is regulated by its regulators and such dividends or other distributions may only be paid out of certain "surplus" capital held by such reinsurer. Adverse developments in the risk exposure of insurance liabilities assumed by an insurer or reinsurer, all else being equal, generally reduces such reinsurer's "surplus" capital. Thus, for example, a decline in the creditworthiness of a borrower in a financing transaction or a decline in the value of assets securing such borrower's payment obligations will, all else being equal, lower the reinsurer's ability to return capital to the applicable Fund.

The Accounts will make co-investments, direct investments or other investments in the Funds and in funds advised by other advisers. In such instances where the Accounts invest in Funds, the Accounts will be subject to the risks inherent in the Funds in which they invest, including the risks and conflicts of interest discussed herein. Because Warburg Pincus earns carried interest and management fees with respect to investments by the Accounts into the Funds, but not in connection with investments by the Accounts in funds advised by other advisers, Warburg Pincus is incentivized to advise the Accounts to invest all, or most of their investable funds, into Warburg Pincus Funds. Additionally, Warburg Pincus has broad authority to manage the investments of the Accounts and is authorized to establish new investment vehicles to facilitate such investments and to charge such vehicles management fees and/or carried interest. In this

context, Warburg Pincus may be incentivized to create such new vehicles, to cause a Fund to transfer one or more of its existing portfolio companies to such a vehicle, including a continuation vehicle in which the Accounts participate, and/or to delay the sale of the portfolio companies held in such continuation vehicles. Warburg Pincus also has discretion to transfer certain portions of its interest in the Funds to the Accounts and may be incentivized to do so to reduce its aggregate exposure to the Funds.

The Firm receives a portion of the management fees earned by the insurance company that sponsors and manages the assets of the reinsurance company.

Cyclical Fluctuations in Insurance Markets

The insurance and reinsurance business has historically been a cyclical industry, with significant fluctuations in operating results due to competition, catastrophic events, general economic and social conditions and other factors. This cyclicity has produced periods characterized by intense price competition due to excess underwriting capacity as well as periods during which shortages of capacity permitted favorable premium levels. In addition, increases in the frequency and severity of losses suffered by reinsurers can significantly affect these cycles. It is difficult to predict the timing of such events with certainty or to estimate the amount of loss that any given event will generate. The Firm can be expected to be exposed to the effects of such cyclicity. Moreover, in respect of certain derivatives, there can be significant fluctuations in operating results due to competition, catastrophic events and other factors.

Legal and Regulatory Activities Relating to the Insurance Industry

Recently, the insurance and reinsurance regulatory framework has been subject to increased scrutiny in the United States and various states within the United States. In the past, there have been Congressional and other initiatives in the United States regarding increased supervision and regulation of the insurance industry, including proposals to supervise and regulate alien reinsurers. It is not possible to predict the future impact, if any, of changing law or regulation on the operations of the Firm or the Accounts.

In addition to the regulatory requirements imposed by the jurisdictions in which they are licensed, reinsurers are subject to indirect regulatory requirements imposed by U.S. jurisdictions in which their U.S. ceding companies are domiciled through laws regulating “credit for reinsurance.” In general, a U.S. ceding company that obtains reinsurance from a reinsurer that is licensed, accredited or approved by the U.S. jurisdiction in which the ceding company files statutory financial statements is permitted to reflect in its statutory financial statements a credit in an aggregate amount equal to the liability for unearned premiums and loss reserves and loss adjustment expenses reserves ceded to the reinsurer. In the United States, many states allow credit for reinsurance ceded to a reinsurer that is domiciled and licensed in another state of the United States and meets certain financial requirements. A few states do not allow credit for reinsurance ceded to non-licensed reinsurers except in certain limited circumstances and others impose additional requirements that make it difficult to become accredited. The great majority of states, however, permit credit for reinsurance obtained from a non-licensed or non-accredited reinsurer (including a non-U.S. reinsurer) to the extent that the reinsurer provides a letter of credit or other acceptable collateral arrangements. In recent years, some states have begun to permit credit for reinsurance obtained from certain qualifying non-U.S. reinsurers domiciled in certain specified foreign jurisdictions with reduced or even no collateral requirements. Moreover, recent changes to the North American Industry Classification System (“NAICS”) model credit for reinsurance law would allow credit for reinsurance obtained from reinsurers domiciled in certain foreign jurisdictions without the need for collateral.

Item 9. Disciplinary Information

Neither the Firm nor its management persons have been subject to legal or disciplinary events that are material to the Firm’s advisory business or that would be material to existing or prospective investors’ evaluation of the Firm’s advisory business or the integrity of its management persons.

Item 10. Other Financial Industry Activities and Affiliations

With respect to our international investment advisory business activities, we may rely on the personnel and resources of our wholly owned “Relying Advisers” disclosed on Schedule R of Form ADV Part 1. Each Relying Adviser and its personnel operate under the supervision and compliance oversight of the Firm. Additionally, Warburg Pincus expects to make proprietary investments in third-party financial services companies or other companies that may not be appropriate for or available to a Client.

Industry Relationships

We have numerous business relationships throughout the financial industry that assist us with the full spectrum of our investment activities and administrative matters for our Funds, including providing credit facilities to both the Funds and Warburg Pincus. We do not have any specific relationships with third party financial institutions that we consider to be material to our advisory business.

In connection with fundraising efforts, we have entered into arrangements with financial institutions to sponsor or arrange feeder funds to invest in existing Funds and have engaged placement agents (each, a “Placement Agent”, and together, the “Placement Agents”) with respect to Funds generally or in particular jurisdictions or with respect to specific categories of investors. The Placement Agents will, in certain circumstances, receive a fee or other compensation based upon the amount of interests committed to by investors that each such Placement Agent introduces to Warburg Pincus or such other basis as Warburg Pincus determines to be reasonable.

Two institutional investors receive, in the aggregate, approximately 10% of the Firm’s carried interest stream. A third institutional investor also receives a share of the economics of the management fees and carried interest of WPCS FF. In each case, the institutional investors’ investments are passive, providing them with no approval, veto or similar governance rights with respect to investment decisions by the Firm. We believe that these primary investments strengthen the Firm and ultimately benefit our Funds and limited partners. Warburg Pincus reserves the right to, but is under no contractual duty to, offer co-investment opportunities to these investors, subject to and in accordance with the Firm’s co-investment policies (see Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading, Co-Investments for more information). These investors have extensive worldwide holdings which may include enterprises that provide services or engage in transactions with Warburg Pincus and portfolio companies, which Warburg Pincus believes would be on an arm’s-length basis. They may also invest, directly or indirectly, in or alongside Funds, including on a no-fee, no-carried interest basis. They also hold interests in certain of the Funds and in certain other investment advisers unaffiliated with Warburg Pincus that may compete with Warburg Pincus for investment opportunities.

The Firm’s Capital Markets Group manages our relationships with broker-dealers and investment and commercial banks. In addition to providing transaction execution, these relationships will serve to provide insight and opportunities to the Firm, our Funds and portfolio companies.

We select financial institutions to execute transactions on behalf of the Clients on a “best execution” basis (see Item 12. Brokerage Practices for more information) and also assist portfolio companies with their selection of financial institutions for capital markets transactions entered into by portfolio companies, such as debt and equity financings or mergers and acquisitions. Although the Firm does not charge fees to portfolio companies for assisting with capital markets transactions, such relationships will give rise to conflicts of interest as between the Firm, the Funds and portfolio companies.

As with other private equity fund sponsors, as part of Warburg Pincus’ business, the Firm and its personnel have developed many relationships with third parties which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, investment bankers, consultants, professional advisors (such as attorneys and accountants), private equity, venture capital and debt investors and their affiliated investment funds, investors in the

Funds, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and partners of Warburg Pincus. Certain of such third parties and/or their affiliates will: introduce investment opportunities to Warburg Pincus; arrange for, or facilitate the financing of, the purchase or recapitalization of actual or potential portfolio companies; introduce portfolio companies to potential acquisition or merger candidates; introduce Warburg Pincus to potential buyers of portfolio company securities; facilitate the acquisition or disposition of portfolio company securities; provide investment banking, consulting or advisory services to Warburg Pincus, the Funds or portfolio companies; invest in Funds (including on a no fee, no carry basis); co-invest in portfolio companies; or provide other significant business or investment services to or otherwise transact with, including the direct purchase or sale of portfolio companies from or to, Warburg Pincus, the Funds and portfolio companies. In other circumstances, these third parties provide personal banking, private wealth or lending arrangements and other investment services and opportunities to Warburg Pincus personnel and their estate planning vehicles. Such third parties will in certain cases receive direct commercial compensation from a portfolio company, a Fund, Warburg Pincus or its personnel for providing these services, which compensation and services are intended to be on an arm's-length basis and such amounts are not offset against the management fee of the relevant Fund. Certain consultants are permitted to participate in equity interests in the portfolio companies, including through structured interests, loans, profit interests or similar arrangements provided by a Fund (see Item 5. Fees and Compensation, *Consultants* for more information). Warburg Pincus seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Warburg Pincus believes will align such persons' interests with those of the applicable Fund's limited partners. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost. Additionally, certain personnel of Warburg Pincus may invest into investment funds, vehicles or accounts sponsored by other third parties, including private equity, public equities, venture capital, real estate, credit and other investment strategies as well as brokerage accounts, and have family members or relatives employed by such third parties. Partners of Warburg Pincus will obtain personal financial and other services on arm's-length terms from banking institutions, asset managers, investment advisors, fund sponsors and other third parties that also provide services to the Funds and portfolio companies, which include arrangements relating to financing personal commitments to Funds.

Warburg Pincus has certain programs under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with Warburg Pincus, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated and/or higher service levels with certain, but not all, vendors and service providers on a group-wide basis. Participants voluntarily participate without any program related charges being assessed. Warburg Pincus and its affiliates have in the past and may also in the future participate in the program and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to the management fee borne by a Fund. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Warburg Pincus believes the potential for conflicts relating to such arrangements is mitigated by the anticipated benefit (i.e., cost savings) to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that would result if the negotiated rates for goods and services are offered at greater discounts than are widely available in the market (though the Firm will not undertake any benchmarking of market terms to confirm). Although the Firm will not actively seek for itself discounts from service providers to a Fund, in certain circumstances, certain service providers charge different rates or have different arrangements for services provided or provide tangible and/or intangible benefits to Warburg Pincus as compared to services provided to a Fund and/or its portfolio companies, which will result in Warburg Pincus receiving more favorable rates or arrangements with respect to services provided to it by such service providers than those payable by a Fund and/or its portfolio companies, or Warburg Pincus receiving a discount on services even though a Fund and/or its portfolio companies receive a lesser, or no, discount.

Warburg Pincus has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation being paid from one portfolio company to another. Potential conflicts of interest arise in making such recommendations, as Warburg Pincus has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Warburg Pincus and its affiliates and personnel are permitted to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Since many portfolio companies typically offer such discounts to customers other than Warburg Pincus and other such persons as part of their standard commercial practices to expand their respective customer bases, Warburg Pincus believes that the potential for conflicts relating to such discounts is mitigated. Warburg Pincus and its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to Warburg Pincus, any other portfolio company or third parties will affect the returns of the portfolio company.

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

Potential conflicts of interest arise through Warburg Pincus’ equity interest in the Accounts while also serving as a sub-adviser to the Accounts, and through the compensation structure of the sub-advisory relationship, whereby Warburg Pincus provides discretionary investment advisory services to the Accounts, but is incentivized to cause the Accounts only to invest in Warburg Pincus Funds (rather than funds advised by third-party investment advisers).

Additionally, Funds, their portfolio companies and/or Warburg Pincus itself will engage investment banks or other similar financial advisors in connection with specific projects. In most cases, the costs and expenses of these third parties will be borne (directly or indirectly) by the applicable Funds and their respective limited partners (and not Warburg Pincus). However, one of the tangible and/or intangible benefits from these relationships includes general referral of investment opportunities, which opportunities will potentially inure to the benefit of other Funds and/or Warburg Pincus (and not necessarily the parties bearing the cost of the particular engagement that created, enhanced or supported the underlying relationship that came to produce such opportunities in the first place).

In selecting brokers, banks and dealers to effect portfolio transactions, Warburg Pincus expects to consider several such factors as price, the ability of the brokers, banks and dealers to effect transactions, their facilities, reliability and financial responsibility, as well as any products or services provided, or expenses paid, by such brokers, banks, and dealers. Warburg Pincus, however, receives research reports free of charge and from paid subscription services from certain brokers, banks and dealers that may provide or seek to provide services to Warburg Pincus which could be viewed as incentivizing Warburg Pincus to select or recommend a broker, bank or dealer based on its interest in receiving such benefits rather than on receiving the lowest transaction fees.

Throughout its history, Warburg Pincus has been an active investor, through the Funds, in the financial services sector and in banking and insurance opportunities in particular, and the Funds’ portfolios will often include financial services companies. Portfolio companies, including financial services companies, of Funds will provide services to Warburg

Pincus, the Funds and to portfolio companies. In addition, funds of funds or feeder funds organized by financial institutions have in the past and may in the future invest in the Funds.

Warburg Pincus has also worked with certain entrepreneurs and management teams and consultants repeatedly with respect to portfolio companies of the Funds and anticipates doing the same in the future. Certain consultants will participate in equity interests in the applicable portfolio companies, including through structured interests, loans, profit interests or similar arrangements provided by a Fund. Although such loans are typically collateralized by the underlying equity interests in the portfolio companies, the applicable Fund will bear the general credit risks associated with these arrangements, including the risks of inability of borrowers to make principal and interest payments on outstanding loan when due. Warburg Pincus seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Warburg Pincus believes will align such persons' interests with those of a Fund's limited partners. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at a lesser cost. While Warburg Pincus believes that developing such relationships will be beneficial to the Funds, such relationships will raise conflicts of interest and there can be no assurance that another entrepreneur or management team or consultants would not outperform the individuals Warburg Pincus has worked with.

Warburg Pincus also offers investment services to help support and grow the Funds' portfolio companies. The services provided include finance, operations & shared services, product & technology, go-to-market & commercial, merger and integration planning, portfolio talent, sustainability strategy and global public policy and, political risk analysis, and ESG support & communications. These investment services are also supported by Consultants (sometimes referred to as "operating advisors"). The fees and expenses associated with such Consultants are generally allocated as partnership operational expenses to one or more Funds and do not offset management fees payable by the Funds (see Item. 5. Fees and Compensation, *Consultants* for more information).

Warburg Pincus has compliance policies and procedures designed to monitor and, as necessary, mediate such relationships and transactions as the foregoing, which may also be subject to restrictions under the governing documents of the respective Funds. Warburg Pincus seeks to assure that such transactions are conducted on an arm's-length basis and at prevailing market rates (although Warburg Pincus will not necessarily undertake any benchmarking of market terms to confirm) and that service providers are chosen based on their ability to benefit the Funds and their portfolio companies. However, no guarantee can be made that such policies and procedures will prevent actions which are to the detriment of a Fund.

The Firm has made a passive minority investment in a registered adviser (the "External Adviser") that will sponsor a registered investment company that is expected to invest a portion of its assets in the Firm's Funds. The External Adviser's majority owner is solely responsible for the management and day-to-day operations of the External Adviser and holds one hundred percent of its voting interests. The Firm does not have control over or voting interests in the External Adviser, including no representation on any investment committee or equivalent body or any input into the investment advice provided by the External Adviser. Warburg Pincus personnel have no role in approving the registered investment company's participation in any of its underlying investment.

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

Code of Ethics and Personal Trading

We have adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act, which sets forth fiduciary principles and certain standards of business conduct for the Firm, our employees and others who we may designate under the Code of Ethics ("Supervised Persons"). The principles affirmed in our Code of Ethics include a requirement to act in the best interest of the Accounts, our Funds and Fund investors, to avoid personal conflicts of interest, to appropriately use our position of trust and to protect and prevent the misuse of nonpublic information that we possess.

Our Code of Ethics includes personal trading restrictions such as a general prohibition from personal trading in our portfolio companies (other than pre-approved sales of distributions-in-kind) and other companies while they are under review by the Firm. It also includes requirements for certain record-keeping, reporting, disclosure and attestations by our Supervised Persons. Unless restricted by the Funds' governing documents, Supervised Persons are permitted, subject to Compliance review and approval, to serve on boards or act in other roles unaffiliated with Warburg Pincus, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce management fees. To the extent an investment opportunity is received that is unsuitable for a Fund, in Warburg Pincus' sole discretion, Warburg Pincus and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. The Firm actively seeks to avoid conflicts of interest from our Supervised Persons' personal investments and activities by requiring pre-clearance of most personal investments and outside business activities, declining to approve or establishing procedures to manage potential conflicts from personal investments or activities, and requiring escalation of actual conflicts of interest to the Firm's Chief Compliance Officer. Our Code of Ethics also requires confidential treatment of information acquired at the Firm and contains policies addressing political contributions and the giving of or accepting gifts, among others.

The Firm has also established an Oversight Committee to assist with respect to internal policies and procedures relating to compliance matters.

Warburg Pincus, its affiliates, and equity holders, officers, principals and employees of Warburg Pincus and its affiliates reserve the right to buy or sell securities or other instruments that Warburg Pincus has recommended to a Fund. Any such transactions are subject to any restrictions in the governing documents of the applicable Funds and any related policies and procedures set forth in Warburg Pincus' Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of Warburg Pincus have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

Clients may request a copy of our Code of Ethics by writing to Warburg Pincus LLC, 450 Lexington Avenue, New York, New York 10017, Attention: Chief Compliance Officer.

Participation in Client Transactions

We are active investors in our Funds, with the Firm, our partners and professionals committing significant amounts of their own capital to invest alongside or through the Funds in a fixed percentage of all of the relevant Fund's investment activity. Our professionals' investments alongside a Fund are typically without management fees or carry. The Firm and our employees will also acquire Fund limited partner interests in secondary transactions. Generally, our employees are not permitted to make personal investments in our portfolio companies other than through their investment in our Funds or parallel funds. We believe this structure serves to align the interests of our Firm and our professionals with those of our Funds and our investors.

The Firm is permitted to elect, in lieu of selling securities of a portfolio company for cash on behalf of a Fund, to make a distribution-in-kind of marketable securities to investors in the Fund, including the Firm and our professionals (either deriving from Firm or personal investments in the Funds and/or from our carried interest), thereby allowing distributees to make their own selling decisions. After a distribution-in-kind, the Firm and our professionals will refrain from selling such securities for their own account for a period of time while investors may dispose of such securities should they determine to do so. In addition, certain of our Funds permit the general partner in connection with a distribution of net

proceeds from the sale of a portfolio investment to elect to receive all or a portion of its carried interest in the form of an in-kind distribution of such investment. Distributions-in-kind are generally valued based on the average closing price of the security across a certain number of days following the distribution. In such circumstances, there is a potential conflict of interest between Warburg Pincus (and its beneficial owners) and the relevant Fund's limited partners. For example, Warburg Pincus and its beneficial owners may intend to hold the investment for a different time period than Warburg Pincus deems suitable for the Fund. Although Warburg Pincus and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to Warburg Pincus and its beneficial owners could exceed the value of Warburg Pincus' pro rata interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of Warburg Pincus contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

To further mitigate potential conflicts of interest, Warburg Pincus operates as one firm and one partnership with a single carried interest structure for allocating profits among the Firm's partners and other professionals. A substantial portion of our professionals' compensation is directly linked to the investment performance of our Funds. The Firm generally does not charge investment banking or other transaction fees, such as sponsor, advisory or monitoring fees, nor do we charge fees for any other services provided to our portfolio companies. Except as described below, in the limited circumstances in which the Firm receives such a fee – such as when a co-investor in the transaction receives a fee – a Fund's pro rata share of any such fee received by Warburg Pincus from a portfolio company is applied 100% to offset the management fee or otherwise allocated to the relevant Fund. Fees paid to our employees for service as directors of portfolio companies (including the net realized value of non-cash fees, such as stock or options of the portfolio company) are also applied 100% to offset the management fee or otherwise allocated to the relevant Fund. As described above in Item 5. Fees and Compensation, any compensation retained by Consultants or Special Limited Partners or other non-employee representatives we have designated to the boards of portfolio companies generally do not offset management fees otherwise payable by our Funds, nor do any directors' fees paid to certain personnel performing certain jurisdiction-specific administrative functions. Certain Consultants will participate in equity interests in the applicable portfolio companies, including through structured interests, loans or similar arrangements provided by the applicable Funds. For the avoidance of doubt, fees received by a co-investor in connection with a transaction will not offset the management fee payable by the relevant Fund or otherwise be allocated to the relevant Fund. As previously described, it is common that as part of an investment we make for our Funds we will seek to have representation on a portfolio company's board of directors in order to enhance the Firm's oversight and ability to influence the strategic direction of the portfolio company. As a general matter, a representative of the Firm who serves as a portfolio company director owes duties to the portfolio company and its shareholders. In limited circumstances, the director will face a conflict of interest between the director's duties to the portfolio company and a Fund. If a material conflict of interest should arise with respect to a board matter, the director, in such capacity, will be required to act in the best interests of the portfolio company and its shareholders, which interests will likely be different than those of a Fund.

Moreover, as described above in Item 5. Fees and Compensation, Warburg Pincus or its affiliates will provide Property Management Services and Legal and Accounting Services with respect to WPARE investments; provided that any fees payable shall not exceed the amount that would be otherwise payable by the WPARE if such functions or services were provided by unaffiliated third parties, unless otherwise consented to by WPARE's Advisory Committee. Any such compensation or reimbursement of expenses in relation to Legal and Accounting Services or Property Management Services will not offset the management fee payable by WPARE.

Allocation of Investment Opportunities with Other Entities and Conflicting Fiduciary Duties to Other Entities

The Firm generally makes new investments for one Fund – or as applicable, one Fund and one or more companion Funds – at a given time and does not make investments for another Fund until the predecessor Fund is substantially fully invested or committed. A follow-on investment opportunity in a portfolio company is generally reserved for the Fund that originally invested in the portfolio company, subject to the guidelines and restrictions of the Fund’s governing documents and/or approval of the Fund’s Advisory Committee and various factors including the availability of capital in a Fund. During the transition period from a predecessor Fund to a successor Fund, investment opportunities will be allocated between the two Funds pursuant to guidelines and restrictions of the respective Fund governing documents and/or as approved by the relevant Fund Advisory Committees, and allocations of investments, and fees and expenses associated with such investments, are adjusted based on such governing documents and approvals. In other circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue or other characteristics that would make it a suitable investment for one or more other Funds.

A companion Fund, such as Warburg Pincus China-Southeast Asia II, L.P. and Warburg Pincus Financial Sector II, L.P. or any successors thereto, will generally co-invest with the applicable global Fund in accordance with the respective Fund governing documents and/or as approved by the relevant Fund Advisory Committees. Warburg Pincus expects to be presented with certain investment opportunities that potentially fall within the investment objective of a Fund and other investment funds sponsored by Warburg Pincus. In such circumstances, Warburg Pincus expects to allocate such opportunities among a Fund and such other Warburg Pincus Funds on a basis that Warburg Pincus determines in good faith is appropriate taking into consideration certain factors including, without limitation, the allocation guidelines applicable to the Funds, the capital available to the applicable Funds, the size of the transaction, portfolio diversification of each relevant Fund, investment guidelines, risk allocation, contractual restrictions, the amount of potential follow-on investing anticipated be required for such investment and the other portfolio investments in each respective Fund, the relation of such opportunity to the investment strategy of the vehicles, as well as portfolio balance, subject, in each case, to the applicable requirements of each Fund’s respective governing documents. Warburg Pincus takes into account the expected return profile of an investment opportunity in making certain allocation decisions. There can be no assurance that an investment will ultimately yield the expected return that an allocation decision was based on.

Except as expressly permitted in a Fund’s governing documents, none of the Firm’s employees will be allocated investment opportunities that are suitable for a Fund without the consent of such Fund’s Advisory Committee. Notwithstanding the foregoing, on occasion, the general partner of a Fund, Warburg Pincus or certain other partners, members or employees of Warburg Pincus are expected to hold interests directly at the portfolio company level or otherwise outside of Warburg Pincus to satisfy local regulatory or tax requirements, typically in circumstances anticipated to benefit such Fund or certain investors.

Co-Investments

Warburg Pincus is permitted to, but will be under no obligation to, provide co-investment opportunities to any persons, including current or prospective investors, managed accounts, strategic investors or other third-parties, including other private equity or real estate funds not affiliated with Warburg Pincus, the exact terms of which will be set by Warburg Pincus, but is permitted to include the opportunity to co-invest on a no fee, no carry basis. Warburg Pincus will not provide such co-investment opportunities until Warburg Pincus has determined, in good faith, that the appropriate portion of the applicable investment opportunity has first been taken by a Fund and/or companion Fund, as applicable. Each co-investment opportunity (should any exist) is likely to be different than other co-investment opportunities and the allocation of each such opportunity will be dependent on the facts and circumstances specific to that unique situation. Such opportunities are then extended based on a range of factors, including, but not limited to: (i) the absolute size of the transaction relative to the absolute size of the Fund; (ii) the remaining available capital in the Fund; (iii) the

geographic location, industry and/or life cycle of the transaction given the desire to manage the Fund's sector and sub-sector concentration; (iv) the level of risk associated with the transaction in relation to the size of the equity commitment and the composition of the Fund's portfolio; (v) whether there may be an ability or obligation for the Fund to put in additional capital at a later stage, which has the potential to reduce the amount of capital that the Fund can invest up-front in a particular transaction; (vi) whether regulatory, legal, accounting, tax or other risks may result in a desire to own less than a certain percentage of the overall equity; or (vii) whether there is a limited partner or third party that the Firm has determined provides strategic value to the transaction that is sufficient to justify the Fund(s) investing appropriate lesser amounts in order to enhance the return profile of the investment for the benefit of the Fund(s).

Following the Firm's determination, in good faith, that the appropriate portion of the applicable investment opportunity has been allocated to a Fund(s), as described above, the Firm will select limited partners or third parties for co-investments based on a range of factors, including, but not limited to, the co-investor's:

- Ability to enhance the value of the investment;
- Ability to make timely, binding decisions;
- Ability to participate in follow-on financing rounds;
- Ability to make investments of scale;
- Impact on tax, regulatory, legal and similar considerations;
- Prior co-investment experience; or
- Other factors the Firm deems appropriate, including the opportunity to further a relationship that may have indirect long-term benefits to a Fund, a future Fund or the Warburg Pincus brand.

Warburg Pincus or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Additionally, Warburg Pincus expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Subject to the foregoing, co-investment opportunities typically will be offered to some and not to other investors, and the consideration of the factors set forth above may result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments may receive none. Although Warburg Pincus reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Warburg Pincus in identifying co-investors. Such co-investments will generally be limited to the capital invested in the applicable portfolio company and co-investors will not bear the expenses associated with developing, performing diligence, negotiating and consummating the investment opportunity (including any subscription line expenses associated with the investment) or post-closing monitoring expenses, in each case unless reimbursed by the portfolio company. In connection with offering co-investment opportunities, Warburg Pincus reserves the flexibility to form and operate one or more non-pooled vehicles for the benefit of one or limited groups of related investors formed for administrative ease and better execution capabilities through which a co-investor would participate in one or more such co-investment opportunities, and for the avoidance of doubt any such vehicle will not be a companion Fund. Where a proposed transaction is not consummated, typically no co-investment vehicle will have been formed, and some or all of the co-investors participation will generally not have been confirmed. Regardless of whether such a co-investment vehicle has been formed the full amount of any broken deal expenses relating to such proposed transactions would generally be borne by the applicable Fund where permitted by the Fund's governing documents, even in circumstances where co-investors expected to participate have

been identified. As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant general partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by Warburg Pincus or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or Warburg Pincus.

In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition (also known as a post-closing sell down or transfer), which generally will have been funded through the relevant Fund's investor capital contributions and/or use of a fund credit facility (at the expense of the relevant Fund). In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold, may not be sold in a timely manner or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when Warburg Pincus believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. It is generally expected that no consent of the limited partners or the advisory committee will be required or obtained prior to such a syndication. In the event that the relevant Fund is not successful in syndicating such co-investment, in whole or in part, the relevant Fund may consequently hold a greater concentration and have more exposure in the portfolio investment than was initially intended, which could make the relevant Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. To the extent such a syndication is made, Warburg Pincus' interest in limiting the Fund's exposure to a given investment as compared to providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment, or otherwise not be compensated for its cost of capital at the risk undertaken and/or (iv) be diluted or realize lower than expected returns from such investment. In addition, where appropriate, and in Warburg Pincus' sole discretion, in accordance with a Fund's governing documents, Warburg Pincus reserves the right to charge interest on a post-closing sell-down or transfer to a co-investor or co-invest vehicle (including a co-invest fund, a Fund and/or companion Fund) (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to a Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by a Fund. Even where a co-investor or co-invest vehicle reimburses a Fund for costs related to the portfolio investment, a Fund is expected to bear all costs related to entering into any fund credit facility and will not be reimbursed for such costs.

In connection with offering co-investment opportunities, Warburg Pincus has formed and reserves the flexibility to form and operate additional non-pooled vehicles for administrative ease and better execution capabilities through which a co-investor would participate in one or more such co-investment opportunities.

In addition, a Fund or an affiliate will have the right to appoint directors and/or officers in respect of certain portfolio investments of a Fund (and such affiliates may have fiduciary and/or other duties other than with respect to such Fund). Such rights, if applicable, are typically granted for the benefit and protection of a Fund in respect of such Fund's investment in the related portfolio investment. If there are any co-investors and/or co-investment vehicles that

participate in the applicable investment alongside a Fund, such co-investors will often incidentally benefit as a result of any such appointments by a Fund. Co-investors (including their respective co-investment vehicles, even if managed by Warburg Pincus) will not typically bear the cost of D&O and/or other applicable liability insurance related to such appointments by a Fund or an affiliate.

Warburg Pincus or its affiliates may charge carried interest, management fees and other fees to any co-investors with respect to any co-investment, and may make an investment or otherwise participate in any vehicle formed to structure a co-investment to facilitate receipt of such carried interest and fees.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Warburg Pincus expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund, because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to management fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment is not subject to the management fee offset provisions of a Fund's governing documents. When and to the extent that employees and related persons of Warburg Pincus and its affiliates make capital investments in or alongside certain Funds, Warburg Pincus and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Transactions Among Warburg Pincus Funds

Warburg Pincus may determine that it is in the best interests of a particular Fund and another Fund that the particular Fund should invest in an existing portfolio company of another Fund, or to cause a particular Fund to (i) acquire all or a portion of the interests in one or more portfolio companies from another Fund (including situations where a new Fund is organized by Warburg Pincus solely for this purpose and/or as a means of an earlier Fund to dispose of all or a subset of its investments), (ii) make a primary investment in such other Fund's portfolio company or (iii) merge an existing portfolio company of one Fund with a portfolio company of another Fund. Such transactions lead to a potential conflict of interest because Warburg Pincus controls the Funds and/or portfolio companies on each side of such transactions and by not exposing such transactions to full (or in some cases any) market forces, a Fund will not always receive the best price otherwise possible. Moreover, Warburg Pincus may have an incentive to cause such purchasing, selling or merging Fund to disproportionately benefit from such transaction to the detriment of its interests in another Fund. Depending on the transaction structure, such transaction may disproportionately benefit the purchasing, selling, or merging Fund (or Warburg Pincus as a result of its interests in the Fund), and the other Fund may incur expenses and/or forego gains that would have been obtained had it not participated in such transaction. The acquisition or merger by an affiliated Fund may also lead to the other Fund holding the remaining portion of the company, if any, longer than it otherwise would have, which will increase the risk for loss. Warburg Pincus is permitted to crystallize carried interest or receive additional fees based upon such transaction. Additionally, in connection with such transactions, Warburg Pincus, its affiliates, and/or their personnel, to the extent permitted by a Fund's governing documents, (a) have significant investments, or intentions to invest, in one or more of the Funds and/or portfolio companies that is a party to the transaction, or (b) otherwise have a direct or indirect interest in the investment.

As investment adviser to both a particular Fund and the other Funds, Warburg Pincus owes a duty to the other Funds as well as to a particular Fund. In addition to the above, Warburg Pincus may structure an investment as a result of which a particular Fund is offered the opportunity to participate in a portfolio company allocated to one or more other Funds or alongside an investment made by another Fund but in a different security or instrument than acquired by the other Fund to the extent not prohibited under a particular Fund's governing documents and/or otherwise approved by the advisory committee of a particular Fund and the advisory committee of the applicable other Funds. At times this could

include a particular Fund investing in a controlling or other more junior equity interest while such other Funds are acquiring preferred equity or debt. This would potentially result in other Funds being senior or junior to such particular Fund in the capital structure of such portfolio investment, which could cause Warburg Pincus to face a conflict of interest in respect of decisions made with regard to the other Funds and such particular Fund (e.g., with respect to negotiating or modifying the terms of such debt or preferred equity interest, the enforcement of covenants or exercise of protections, the terms of recapitalizations, and the resolution of workouts or bankruptcies). Other Funds that are *pari passu* will typically be more senior in the capital structure and have less voting rights as compared to a particular Fund and will be permitted to act in their own interest and not be required to take any action or withhold from taking any action to mitigate losses by a particular Fund in such a scenario.

A particular Fund may also make an investment alongside another Fund in the same portfolio company as acquired by the other Fund to the extent not prohibited under such particular Fund's governing documents and/or otherwise approved by the advisory committee of such particular Fund and the advisory committee of the other Fund. For structural or other considerations, a particular Fund and/or such other Fund may limit voting rights with respect to such portfolio company, including where a particular Fund owns common equity in the portfolio company. In such circumstances, the other Fund may exit the portfolio company prior to such particular Fund, which may then result in such particular Fund continuing to have limited voting rights and influence over the portfolio company after the other Fund has sold or otherwise disposed of its interests in the portfolio company. There is no requirement that a particular Fund and any other Funds exit investments in the same portfolio company at the same time except as expressly required by a particular Fund's governing documents (e.g., where a particular Fund and a co-investing Fund are invested in the same class of securities of a portfolio company).

It may be the case where such actual or potential conflicts of interest arise that Warburg Pincus' financial incentives (including because of potentially disparate financial interests in each of the Funds) will be in favor of the other Funds and not a particular Fund, including where the other Funds have the opportunity to earn more carried interest, even where a particular Fund has invested more money. For example, in a bankruptcy proceeding, in circumstances where a particular Fund holds an equity investment in a portfolio company, the holders of such portfolio company's debt instruments (which may include another Fund) may take actions for their benefit (particularly in circumstances where such portfolio company faces financial difficulties or distress) that subordinate or adversely impact the value of such particular Fund's investment in such portfolio company or Warburg Pincus may be incentivized not to take certain actions by virtue of the interest of such particular Fund. In certain circumstances, a particular Fund and/or other Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest.

In circumstances where Warburg Pincus is required to make decisions that are adverse to the interests of certain investors in a portfolio company while at the same time beneficial to other investors in such portfolio company (for example, if such portfolio company or a subsidiary thereof should file for bankruptcy), and it is alleged that Warburg Pincus acted in a way that is not in the best interests of those other investors in such portfolio company, then such decision could subject Warburg Pincus and a particular Fund among others, to the risk of claims to which they would not otherwise be subject, including claims of breach of the duty of loyalty or violations of securities law.

Additionally, conflicts might also arise, for example, in connection with a particular Fund's provision of additional capital necessary to support positions taken by another Fund, for example, if a portfolio company in which a particular Fund holds an interest requires financing to finance growth or other opportunities or as a result of financial or other difficulties. If another Fund had the potential to incur a loss on its investment as a result of such difficulties were it not for a particular Fund's investment and/or Warburg Pincus' ability to recommend actions solely in the best interests of such other Fund might be impaired. If a particular Fund were to provide such capital, there is a risk that such financing will be done on such terms and in such amounts that do not favor a particular Fund or will adversely impact a particular

Fund to the benefit of such other Fund. There is no assurance that Warburg Pincus will determine to resolve these conflicts in a manner that will not have an adverse impact on a particular Fund or that the returns to a particular Fund would be equal to and not less than a particular Fund would have achieved if such conflict did not occur.

In addition, in accordance with the applicable requirements of a particular Fund's governing documents and the governing documents of the other Funds, such other Funds may invest in the same part of the capital structure of a specific company as a particular Fund, but in different proportions, and, given that the different Funds may be subject to different tax, legal or regulatory requirements or have different investment objectives, the Funds may have conflicting interests with respect to certain aspects of such investment. As a consequence, conflicts of interest may arise in connection with decisions made by Warburg Pincus, including with respect to structuring such investment and exiting such investment, which may be more beneficial for one or more other Funds than a particular Fund. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses, including broken deal expenses, than later Funds. Investments initially pursued on behalf of a particular Fund may ultimately be allocated to the other Funds or such other Funds may invest in portfolio companies previously diligenced on behalf of a particular Fund. Although Warburg Pincus will seek to appropriately allocate expenses on a basis that it considers fair based on the type of expenses and the Fund that did or would have benefitted, there can be no assurance that certain expenses would not be more equitably allocated to another Fund. Except where the relevant governing documents or side letter(s) expressly provide to the contrary, broken deal expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a particular Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused such investor from participating in the investment.

Warburg Pincus' ability to act in the best interests of a particular Fund might be impaired by conflicting duties to another Fund. There can be no assurance and it should not be expected that the return on a particular Fund's investments (either on a gross or net basis) will be the same as the returns obtained by another Fund participating in a given transaction, that such investments will have the same time horizon or that any such conflict of interest between a particular Fund and another Fund can be resolved in a manner that is beneficial to each Fund. In that regard, actions may be taken for one or more Funds that adversely affect other Funds. Accordingly, such transactions would, to the extent provided in a Fund's governing documents, be subject to the approval of the Advisory Committees of the relevant Funds and disclosed to new Fund investors. In addition, portfolio companies of a Fund will engage in transactions in the ordinary course of their respective businesses with other portfolio companies of a Fund or other investment funds sponsored by Warburg Pincus.

One or more portfolio investments of a Warburg Pincus Private Equity Fund could be counterparties or participants in agreements, transactions or other arrangements with the portfolio investments of a Warburg Pincus real estate fund. These transactions could include (i) the provision of services by such Private Equity Fund portfolio companies to such investments, (ii) the acquisition of assets from, or the sale of assets to, such portfolio investments or (iii) participation in joint ventures alongside portfolio investments of such Private Equity Fund, and, in connection with such joint ventures, such real estate fund could also invest in the applicable portfolio investment. Such transactions will be governed by the policies and procedures included in the governing agreements of the respective Funds, which could include consent of the applicable Fund Advisory Committees where Warburg Pincus does not believe such general policies and procedures are otherwise sufficient.

Warburg Pincus' ability to implement a particular Fund's strategies effectively may be limited to the extent that investments made by Warburg Pincus or another Fund limit a particular Fund from entering into transactions or arrangements that Warburg Pincus may otherwise be interested in pursuing, or from taking actions that Warburg Pincus believes would be beneficial to a particular Fund. Warburg Pincus may express inconsistent views for commonly held investments or of market conditions more generally. There can be no assurance that any such conflict can be resolved in a manner that is

beneficial to either or all Funds. In that regard, actions may be taken for one or more other Funds that adversely affect a particular Fund.

Warburg Pincus reserves the right to cause a Fund to enter into a transaction whereby the Fund (i) purchases securities from, or sells securities to, other Funds managed by Warburg Pincus, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. In some cases a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; or (ii) the transaction allows Warburg Pincus or its affiliates to realize carried interest or receive future management fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the governing documents or otherwise in the sole discretion of Warburg Pincus, Warburg Pincus reserves the right to seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness or "arm's-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of Warburg Pincus) or by obtaining the consent of the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. Warburg Pincus reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). Warburg Pincus intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances Warburg Pincus generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant governing documents.

Potential Conflicts in Calculation and Allocation of Certain Partnership Costs and Expenses

The governing documents of a Fund provide that the Fund will be responsible for all costs and expenses in connection with its operation, other than the costs and expenses that will be the responsibility of Warburg Pincus or another third party (see Item 5. Fees and Compensation, *Fund Expenses* for more information). To the extent appropriate, third-party expenses incurred in connection with consummated transactions will be borne by the respective portfolio companies. While Warburg Pincus does not charge any fees for its employees who provide transaction structuring guidance, technology diligence and assessment, global public policy and government affairs, ESG support, communications strategy, purchasing assistance, and talent assessment and leadership development for the benefit of portfolio companies, its out-of-pocket expenses are generally reimbursed by the applicable portfolio company or Fund. A conflict of interest could arise in the determination by Warburg Pincus whether certain costs or expenses that are incurred in connection with the operation of a Fund meet the definition of partnership operational expenses for which a Fund is responsible, or whether such expenses should be borne by Warburg Pincus or another Fund. Furthermore, in certain circumstances (including with respect to conferences and similar events), Warburg Pincus will have discretion with respect to the types and amounts of expenses and costs to charge which may result in such expenses and costs incurred by a Fund exceeding what such Fund would have incurred if Warburg Pincus did not make such determinations. Subject to applicable legal, contractual or similar restrictions, a Fund will be reliant on the determinations of Warburg Pincus in this regard, and also in regard to the allocation of investment expenses and any

common operating expenses as between a Fund and the other Warburg Pincus funds and any other affiliates of Warburg Pincus. The allocations of such expenses may not be proportional. There can be no assurance that errors will not arise in such allocations.

Additionally, to the extent that such expenses are to be allocated to one or more Funds, Warburg Pincus will endeavor to allocate such expenses in a manner it believes to be fair and equitable, which may include an allocation among such vehicles based on their relative net asset value, commitments, assets under management, number of investors, actual or proposed investment size in a particular transaction or Warburg Pincus' determination of the benefit to be received from the activity for which the expense was incurred, subject to the applicable Funds' governing documents. The allocation of such fees incurred in connection with any continuation fund of a Fund will be subject to the foregoing considerations, although there can be no assurance that such Fund will not bear a disproportionate amount of expenses incurred with respect to any such continuation fund. There can be no assurance that errors will not arise in such allocations or that other methods of allocation would not produce a result that is more or less favorable to one Fund versus another Fund. Warburg Pincus will typically (i) cause one or more Warburg Pincus vehicles to be invoiced for, advance or otherwise bear on a temporary basis all or a portion of an expense ultimately intended to be borne in whole or in part by another Warburg Pincus vehicle together or in connection with the vehicle originally bearing such expense, including as a result of invoices directed to one such vehicle for convenience of the applicable vehicle, and/or (ii) make corrective allocations in the event that, based on periodic reviews of expenses, it determines that such corrections are necessary or appropriate. In addition, the applicable Fund's governing documents may set forth certain rules for the allocation of certain expenses as among a Fund and its related vehicles.

Item 12. Brokerage Practices

Our investment strategy typically involves making direct long-term investments in companies on behalf of our Funds. As such, the Firm does not routinely trade public securities on behalf of Funds. Our utilization of broker-dealers and investment and commercial banks ("Securities Firms") most often involves exiting a portfolio company investment either in an underwritten offering or through open market sales, or to advise us in the purchase or sale of an investment. We will also invest in a public company through a private placement or underwritten offering or accumulate or add to a position through open market purchases. We have discretionary authority to select Securities Firms to act on behalf of our Funds, and may have significant influence with respect to a portfolio company's selection of Securities Firms in connection with capital markets transactions.

Subject to the Firm's policies and procedures and the applicable Funds' governing documents, the Firm will occasionally cause more than one Fund to invest in the same portfolio company. We will engage a Securities Firm to purchase or sell the same securities on behalf of more than one Fund. When practicable and deemed to be in the best interest of each relevant Fund, the Firm will dispose of shares held in separate Funds side-by-side at the same time. The Firm, however, may not be required to do this, subject to the terms of the applicable Funds' governing documents. Securities trades across multiple Funds that are not aggregated are typically subject to higher transaction costs than if they had been aggregated.

The Firm selects Securities Firms on a "best execution" basis. Best price, after giving effect to commissions and transaction costs, is a factor in this decision, but the Firm takes into account many other factors of best execution for a specific transaction, including reputation, creditworthiness and financial stability of the Securities Firm, the quality of services, such as market-making, distribution and execution, clearing and settlement and research as well as the Firm's business relationship with the Securities Firm. Accordingly, transactions may not be executed at the lowest available price or commission.

The Firm has no formal arrangements with Securities Firms to receive research or other products or services other than execution, and the Firm does not have any soft dollar or commission sharing agreements in place that would require

the Firm to provide any specified amount of brokerage business to a Securities Firm. The Firm, however, receives research reports from paid subscription services as well as free of charge from Securities Firms that provide or seek to provide services to the Firm, the Funds or portfolio companies. Any information received from Securities Firms is consistent with the safe harbor for brokerage and research services under Section 28(e) of the Securities Exchange Act of 1934. When the Firm receives research or other information from a Securities Firm free of charge, it could be viewed as receiving a benefit it does not have to pay for, and the Firm could be viewed as having an incentive to select or recommend a Securities Firm for a transaction on behalf of a Fund or portfolio company based on its interest in receiving such benefits rather than on receiving most favorable execution.

The Firm's Capital Markets group manages our relationships with Securities Firms, and monitors the capital markets for opportunities for our Funds and portfolio companies.

Benefits From Services to Warburg Pincus Funds and their Investments

In connection with its services to the Funds and their investments, Warburg Pincus, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Warburg Pincus' operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Warburg Pincus and its personnel expect to receive and benefit from information, experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Warburg Pincus Information"). In many cases, Warburg Pincus Information will include tools, procedures and resources developed by Warburg Pincus to organize or systematize Warburg Pincus Information for ongoing or future use. Although Warburg Pincus expects the Funds and their portfolio companies generally to benefit from Warburg Pincus' possession of Warburg Pincus Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by Warburg Pincus and its personnel) and not by the Fund or portfolio company from which Warburg Pincus Information was originally received. Warburg Pincus Information will be the sole intellectual property of Warburg Pincus and solely for the use of Warburg Pincus. Warburg Pincus reserves the right to use, share, license, sell or monetize Warburg Pincus Information, without offset to management fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such programs are expected to vary over time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset management fees.

Item 13. Review of Accounts

As discussed above in Item 8. Methods of Analysis, Investment Strategies and Risk of Loss, investments are reviewed at least quarterly by our SLT, including the committees of the Firm's IMG, and are discussed at the Firm's regular quarterly review meetings. Investors in our Funds receive written annual reports with audited financial statements, and quarterly reports with unaudited financial statements.

Item 14. Client Referrals and Other Compensation

The Firm does not participate in arrangements with non-Clients that result in the Firm receiving an economic benefit for providing investment advice or other advisory services to its Clients. Neither the Firm nor any of its related persons compensate any person that is not a Supervised Person of the Firm for Client referrals.

Item 15. Custody

Warburg Pincus generally expects that it will be deemed to have “custody” (within the meaning of Rule 206(4)-2 of the Advisers Act (the “Custody Rule”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance. Warburg Pincus intends to maintain such funds and securities with independent qualified custodians in accordance with the Custody Rule. Warburg Pincus does not have “custody” of the Accounts’ funds and securities and such “custody” is retained by the investment adviser to the Accounts.

Our Funds are audited annually by Ernst & Young LLP, which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board, and audited financial statements are delivered to investors in our Funds.

Item 16. Investment Discretion

Our affiliates serve as general partners of the Funds. Along with our own capital commitments to our Funds, we invest and manage third party investors’ capital contributions to our Funds on a discretionary basis in accordance with the investment objectives, guidelines and restrictions set forth in each Fund’s offering and/or governing documents and manage the relevant assets of the Accounts on a discretionary basis in accordance with a Sub-Advisory Agreement. Our discretionary authority is contractually established pursuant to our Funds’ governing documents and, in respect of the Accounts, pursuant to a Sub-Advisory Agreement. Such authority remains in effect throughout the life of a Fund and may only be terminated in limited circumstances. Our Funds’ governing documents typically set certain limits on investments such as concentration limits and geographic sub-limits.

Item 17. Voting Client Securities

We have discretionary authority to vote the securities held by our Funds pursuant to our Funds’ governing documents. Our policy is to vote securities or proxies of portfolio companies in the best interests of our Funds, consistent with our investment advisory mandate to maximize our Funds’ long-term investment returns. The Firm may determine not to take action on proxies relating to short-term cash management.

It is common, and our investors anticipate, that the investments we select for our Funds will include representation on a portfolio company’s board of directors in order to enhance the Firm’s oversight and ability to influence the strategic direction and governance of the portfolio company. Given our participation in board matters, our Funds’ best interests are most often served by voting in support of the recommendations of the portfolio company’s board of directors.

If a conflict of interest should arise with respect to a portfolio company proxy vote, the Firm will independently review and evaluate the portfolio company proxy proposal and the circumstances surrounding the conflict to determine the vote that would be in the best interest of the Funds. Certain conflicts of interest may be presented to the Advisory Committee of the applicable Fund, which consists of representatives of certain investors in the Fund.

Additionally, we believe that the Firm’s interests and those of our Funds are aligned through our own investment in the Funds, and we do not anticipate a situation where our interests would conflict with maximizing long-term investment returns for the Funds.

Clients may obtain information about how the Firm voted portfolio company proxies on their behalf or more information about our proxy voting policies by writing to Warburg Pincus LLC, 450 Lexington Avenue, New York, New York 10017, Attention: Chief Compliance Officer.

Item 18. Financial Information

We are not aware of any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our Clients. We have not been the subject of a bankruptcy petition within the preceding ten years.