

FORM ADV PART 2A -- INVESTMENT ADVISER BROCHURE

LINCOLNSHIRE MANAGEMENT, INC.

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Lincolnshire Management, Inc. (“LMI”). If you have any questions about the contents of this Brochure, please contact us at (212) 319-3633. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

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

MATERIAL CHANGES

LMI filed its most recent Form ADV Part 2A on March 31, 2023. This annual amendment reflects updates to the descriptions of potential conflicts of interest and the business practices of the registrant and supplements existing disclosures relating to LMI's practices and related potential conflicts of interest, particularly under "Fees and Compensation," "Risks of Investment," and "Conflicts of Interest."

TABLE OF CONTENTS

	<u>Page</u>
<u>Brochure</u>	
Material Changes	i
Advisory Business	1
Fees and Compensation	3
Performance-Based Fees and Side-By-Side Management	9
Types of Clients	9
Methods of Analysis, Investment Strategies and Risk of Loss.....	10
Disciplinary Information.....	39
Other Financial Industry Activities and Affiliations	39
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	41
Brokerage Practices	43
Review of Accounts	44
Client Referrals and Other Compensation	44
Custody	45
Investment Discretion	45
Voting Client Securities	45
Financial Information.....	46

ADVISORY BUSINESS

LMI is a private investment management firm, which has several affiliated investment advisory entities and other organizations. LMI, a Delaware corporation and a registered investment adviser, provides discretionary investment advisory services to private investment funds. LMI commenced operations in 1986.

The following are the affiliated advisers of LMI (collectively with LMI, “**Lincolnshire**” or the “**Advisers**”):

General Partners (together with any future affiliated general partner entities)

- Lincolnshire Equity Partners II, L.P. (“**LEP II**”);
- Lincolnshire Equity Partners III, L.P. (“**LEP III**”);
- Lincolnshire Equity Partners IV, L.P. (“**LEP IV**”); and
- Lincolnshire Equity Partners V, L.P. (“**LEP V**”).

Management Companies

- Lincolnshire Management, LP (“**LMLP**”);
- Lincolnshire Management IV, L.P. (“**LM IV**”); and
- Lincolnshire Management V, L.P. (“**LM V**”).

LMI’s clients include the following private equity funds (each, a “**Fund**,” and together with any future private investment fund to which LMI or its affiliates provide investment advisory services, “**Funds**”):

- Lincolnshire Equity Fund II, L.P. (“**Fund II**”);
- Lincolnshire Equity Fund III, L.P. (“**Fund III**”);
- Lincolnshire Equity Fund IV, L.P. (“**LEF IV**”);
- Lincolnshire Equity Fund IV-A, L.P. (“**LEF IV-A**,” and together with LEF IV, “**Fund IV**”);
- Lincolnshire Equity Fund V-A, L.P. (“**LEF V-A**”);
- Lincolnshire Equity Fund V-B, L.P. (“**LEF V-B**”); and
- Lincolnshire Equity Fund V-FF, L.P. (“**LEF V-FF**,” and together with LEF V-A and LEF V-B, “**Fund V**”).

The general partner entities listed above (the “**General Partners**”) each serve as general partner to one or more Funds and the management companies listed above (the “**Management Companies**”) each serve as the investment manager to one or more Funds. Each Adviser is deemed registered under the Advisers Act pursuant to LMI’s registration in accordance with SEC guidance. This Brochure describes the business practices of the Advisers, which operate as a single advisory business and are under common control. The General Partners and Management Companies make arrangements for investment advisory and other services (including personnel) from LMI to fulfill their obligations to the Funds. References contained in this Brochure to the strategy and operations of a General Partner or a Management Company should be read to include the activities of LMI and other Lincolnshire affiliates that collectively engage in the investment process and ongoing management of the Funds’ portfolio companies. However, LMI, the Management Companies and the General Partners each act in separate and specific capacities as described in the applicable limited partnership agreement of the relevant Funds (the “**Partnership Agreement**”) and any management agreements or other agreements between the entities.

The Funds, including those that may be formed by a General Partner (or its affiliates) at a later date or that may otherwise become clients of an Adviser, are expected to invest through negotiated transactions in operating businesses generally referred to herein as “**portfolio companies**”. The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted, subject to certain limitations in the Partnership Agreement of each Fund. Senior principals (the “**Principals**”) or other personnel of Lincolnshire are permitted to serve on the boards of portfolio companies invested in by a Fund or otherwise act to influence control over management of those portfolio companies in which a Fund has invested.

The Advisers’ advisory services for the Funds are further described in the applicable private placement memoranda and Partnership Agreements as well as below under “Methods of Analysis, Investment Strategies and Risk of Loss” and “Investment Discretion.” Investors in Funds (generally referred to herein as “**investors**” or “**limited partners**”) participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the terms of the applicable Partnership Agreement; such arrangements generally do not and will not create an adviser-client relationship between Lincolnshire and any investor. The Funds or the Advisers reserve the right to enter into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic or other terms) under, or altering or supplementing the terms of, the relevant Partnership Agreement with respect to such investors.

As permitted by the relevant Partnership Agreement and any other relevant governing documents (collectively, the “**Governing Documents**”), Lincolnshire expects to provide (or agree to provide) certain current or prospective investors or other persons, including Lincolnshire’s personnel and/or certain other persons associated with Lincolnshire (to the extent not prohibited by the applicable Partnership Agreement), co-investment opportunities (including the opportunity to participate in co-invest vehicles) that will invest in certain portfolio companies alongside a Fund. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment.

However, for strategic and other reasons, it is expected that a co-investor or co-invest vehicle (including a co-investing Fund) will purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Lincolnshire's sole discretion, Lincolnshire reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to compensate the relevant Fund for the holding period, and generally will be required to reimburse the relevant Fund for related costs (including charges or reimbursements required pursuant to applicable law). To the extent such co-investment opportunities are offered, the Advisers will select which investors are permitted to participate in such co-invest opportunities based on various factors, including the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis and for strategic or other reasons. The Advisers are not obligated to make co-investment opportunities available to any particular investors or limited partners.

As of December 31, 2023, LMI managed approximately \$600 million in client assets on a discretionary basis. LMI is owned by Thomas J. Maloney.

FEES AND COMPENSATION

In general, LMI and the Management Companies receive a Management Fee (as defined below) and the applicable General Partner is allocated a carried interest, each in connection with the provision of advisory services to its clients. LMI, the General Partners, Management Companies or other Lincolnshire entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies (e.g., monitoring and other fees) of Funds and a portion of such additional compensation will offset in part the Management Fees otherwise payable to the relevant Management Company or LMI, as applicable. In addition, in certain circumstances Lincolnshire receives compensation for management and other services performed due to co-investments in portfolio companies of a Fund. Investors in the Funds also bear certain expenses.

Management Fee

Generally, each current Fund initially pays LMI or the relevant Management Company, as applicable, a management fee (the "**Management Fee**") equal to 2.0% on an annual basis of third-party investor capital commitments ("**Commitments**"). Any investment by an Adviser in any of Fund III, Fund IV or Fund V is not subject to the Management Fee. Investors participating in a closing after the initial closing of a Fund bear the Management Fee from the initial closing plus interest. The Management Fee is generally paid quarterly in advance. Following the occurrence of certain events as specified in the relevant Partnership Agreement, including the end of the applicable investment period and, in certain cases, the drawdown of a specified percentage of the Commitments, the Management Fee will be reduced in accordance with the terms of, and upon a date determined pursuant to, such Partnership Agreement (the "**Stepdown Date**"). The Management Fee is typically payable until proceeds from all portfolio investments and other assets have been distributed, disposed of or liquidated as described in the relevant Partnership Agreement.

Installments of the Management Fee payable for any period other than a full Management Fee period are adjusted on a *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the Governing Documents provide that a Fund's Management Fees will be calculated and charged on a basis that generally is not tied to the Fund's then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund with respect to investments that have not been disposed of or completely written off for U.S. federal income tax purposes and the aggregate amount of any permanent write downs of investments that have not otherwise been disposed of and which permanent write downs are required pursuant to the relevant sections of the Fund's Partnership Agreement (such written off or written down investments, "**Impaired Value Investments**").

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the 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 or, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents.

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

Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or write-downs or write-offs that occur partway through the relevant calculation period.

The Governing Documents set forth the full list of terms under which Management Fees

will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full Management Fee specified in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

Except as otherwise provided herein or in the relevant Partnership Agreement, the Management Fee will typically be reduced by a specified portion of the relevant Fund's share of certain types of fees received by an Adviser or its affiliates from portfolio companies or potential portfolio companies (such fees, "**Offset Fees**"). Offset Fees generally include the net amounts of closing fees, investment banking fees, management fees, consulting fees, origination fees, monitoring fees, directors' fees, commitment fees, break-up fees, and similar fees received by an Adviser or its affiliates in connection with the activities of a Fund that relate to a portfolio company or potential portfolio company. To the extent an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees.

LMI is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee that relates to (i) General Partner or affiliated partner commitments; (ii) such co-investors or potential co-investors (which could include co-investment vehicles managed by LMI, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. In certain circumstances, LMI expects that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and the above-described offset percentage will be applied after excluding any amounts paid to such persons. The foregoing conditions are expected to reduce the amount of such fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to LMI over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for LMI to seek to increase such amounts.

Certain Partnership Agreements permit the applicable Management Company to waive or agree to reduce the Management Fee otherwise payable to it from the limited partners. Any such waived or reduced portion of the Management Fee generally will reduce dollar-for-dollar the amount of capital that affiliates of the applicable General Partner would otherwise be required to contribute to the relevant Fund for portfolio investments. The limited partners of the relevant Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution for portfolio investments that would otherwise be required of such affiliates of the applicable General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver or reduction potentially will result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by a Management Company and/or timing of receipt of compensation

subject to offsets (as described above), it is possible that Management Fee offsets will not be fully realized by investors in a Fund, resulting in a net additional benefit to the Management Company, though amounts set aside for offsetting and not ultimately applied can be paid out to investors as investment proceeds.

Carried Interest

The General Partner of each current Fund is entitled to be allocated a carried interest with respect to such Fund equal to 20% of all profits after (i) an 8% compounded preferred return with respect to Fund III, Fund IV and Fund V and (ii) a 9% compounded preferred return with respect to Fund II, subject in each case to a General Partner catch-up provision with respect to the applicable preferred return as more fully described in the Partnership Agreement of the applicable Fund. Any amounts distributed to the General Partner in respect of previously-allocated carried interest is generally subject to a potential clawback or giveback at certain points during and at the end of the life of the relevant Fund if the General Partner has received excess cumulative distributions of any such carried interest amounts, subject to the terms of the applicable Partnership Agreement.

Other Information

LMI is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or the allocation of all or a portion of any carried interest, including LMI and any other person designated by LMI. LMI reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by LMI and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an LMI professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and allocation of carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, certain Advisers have the right to permit investors, affiliated with an Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest.

The Funds generally invest on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the Partnership Agreements, over the term of the relevant Fund and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former personnel of Lincolnshire generally receive salaries and other compensation derived from, and in certain cases including, a portion of the carried interest or certain other compensation received by Lincolnshire or its affiliates. The Management Fee will be used to cover the Advisers' operating expenses, including employee compensation.

Pursuant to the relevant Partnership Agreements, certain Lincolnshire in-house operating professionals who are seconded to or become interim bona fide employees of, or who in the ordinary course of business and on an arms'-length basis render services or are consultants to, the Funds' portfolio companies, are expected to receive compensation and benefits for such services directly from the applicable portfolio companies, Lincolnshire, and/or Operational Improvements, LLC, a wholly-owned subsidiary of Lincolnshire formed on December 13, 2013. Such

compensation and benefits do not reduce or offset Management Fees payable to the Advisers.

In addition to the Management Fee payable, and carried interest allocable, to the applicable Adviser, each Fund bears certain fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not paid by its portfolio companies. Such fees and expenses are set forth in the relevant Partnership Agreement and generally will include, without limitation: (a) all costs, expenses and liabilities incurred in or attributable to evaluating, investigating, analyzing, negotiating, acquiring, holding and disposing of investments, whether consummated or unconsummated (including interest on money borrowed, travel expenses, finders or brokers fees and bank and custodial fees); (b) all legal, accounting, consulting, audit, filing and other fees and expenses, including the fees associated with the preparation of audited financial reports, tax returns and Schedules K-1; (c) legal fees and expenses, judgments, fines, damages or costs paid or incurred in prosecuting or defending administrative or legal proceedings brought by or against the Fund, the Advisers or any of their affiliates or portfolio companies (or paid in any settlement thereof); (d) extraordinary costs and expenses, including amounts paid or advanced by the Fund pursuant to its indemnification obligations; (e) expenses of any advisory committee of certain limited partners (the "**Advisory Committee**"); (f) costs of any retained valuation experts; (g) all out-of-pocket fees and expenses incurred in connection with any conference or meeting with the limited partners; (h) any taxes (including stamp duties and transfer taxes), fees or other governmental charges levied against the Fund; (i) premiums for insurance; (j) the costs of dissolving and winding up the Fund; and (k) all organizational expenses up to the expense cap specified in the Partnership Agreement; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant.

The Funds include alternative investment vehicles established in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund. 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 Governing Documents, such interests are permitted to be issued to LMI 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 Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds and/or co-investors for their share of such expense, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. While highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. LMI or an affiliate thereof is expected to also advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate. An Adviser is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds. If a co-investment vehicle is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, no such co-investment vehicle generally will have been formed, and the full amount of any expenses, including break-up and topping fees or other liabilities or obligations, associated with such proposed transactions (“**Broken Deal Expenses**”) will be borne by the Fund or Funds that were to have participated in such proposed transaction, and not by any potential co-investors. However, to the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses, unless otherwise provided by such definitive documentation. The Advisers’ practice of allocating Broken Deal Expenses among investing Funds is discussed under “Conflicts of Interest,” below. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

The Advisers are responsible for all normal overhead expenses in connection with their day-to-day operations, including compensation for their employees and expenses for office space. In certain cases, these or similar expenses (and/or Offset Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent brokerage fees are incurred, they will be incurred in accordance with the practices set forth in “Brokerage Practices.”

LMI and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and LMI and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” Lincolnshire receives a carried interest allocation on certain realized profits in the Funds. The Advisers do not currently advise any Funds not subject to a carried interest. However, with respect to Fund III, Fund IV and Fund V, the relevant General Partner reserves the right to exempt certain investors from all or a portion of carried interest through Funds that co-invest alongside such funds. Additionally, to the extent that Lincolnshire has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Lincolnshire personnel are assigned varying percentages of carried interest from the Funds, Lincolnshire and such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

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

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

TYPES OF CLIENTS

The Advisers provide investment advice solely to their Fund clients, and references throughout this Brochure to “clients” and to the Advisers’ related duties to and practices on behalf of their clients and/or investors should be construed accordingly. The Funds are investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the “**Investment Company Act**”). The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, the Principals or other personnel of the Advisers and their affiliates and members of their families or other service providers retained by the Advisers, or a Fund, as well as executives of portfolio companies.

Each current Fund generally has a minimum investment of \$5 million for third-party investors with the exception of Fund IV and Fund V, which generally have a minimum investment of \$10 million. The applicable General Partner is generally permitted to waive such minimum investment amount. Investors in the Funds must meet certain suitability and net worth qualifications prior to making an investment. Investors in LEF IV-A, LEF V-A, and LEF V-B generally must be (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended and (ii) either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act. Interests in all other current Funds are offered and

sold solely to certain sophisticated investors who are also accredited investors.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

Lincolnshire is a private investment firm focused on control and control-oriented investments, including, leveraged acquisitions and recapitalizations and significant minority investments in middle-market companies believed to benefit from Lincolnshire's in-house operating professionals and experience. The Advisers' investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted.

The Advisers' investment strategy for the current Funds focuses on control-oriented investment opportunities in companies with enterprise values typically ranging from \$50 million to \$350 million. The Advisers have a value-driven investment approach, targeting fundamentally sound businesses with strong potential for significant improvements in operations and corporate growth. The Advisers believe that by applying their resources and actively working with management post investment, the Advisers can build substantial value in these businesses.

The following is a summary of the investment strategies and methods of analysis generally employed by the Advisers on behalf of the current Funds. More detailed descriptions of the Funds' investment strategies and methods of analysis are included in the applicable private placement memorandum and Partnership Agreement for each Fund. *There can be no assurance that the Advisers will achieve the investment objectives of the Funds, and a loss of investment is possible.*

Investment and Operating Strategy

Focus on Small and Middle-Market Companies. The Funds will generally pursue businesses in the lower-to-mid range of the middle market, with enterprise values generally between \$75 million and \$750 million. The focus on businesses of this size has the benefit of limited competition from financial buyers, as the Advisers believe there are relatively few competitors that can source deals consistently on a non-auction basis. Furthermore, unlike financial buyers focused on mainstream industries, the Advisers intend to continue to devote resources to examining a wide variety of industries, including niche sectors. The Advisers believe that in order to effectively pursue a value-oriented strategy, the Funds are better served by a broad approach when sourcing companies with attractive features. The Advisers will seek investments for the Funds that the Advisers believe generally have one or more of the following characteristics: (i) recurring revenue models with predictable cash flows; (ii) sustainable competitive advantages; (iii) strong margins; and (iv) diversification in customers, products, markets and businesses.

Systematic Approach to Deal Sourcing. The Advisers take a proactive approach to deal origination, preferring to develop both proprietary and less competitive situations. Lincolnshire's deal-sourcing team (the "**Origination Team**") manages a systematic calling effort geared toward traditional intermediaries and other deal sources, collectively maintaining a network of over 2,000 active contacts specializing in small and middle-market deals. The Advisers believe the Origination Team has cultivated effective and loyal relationships with its transaction sources over its long tenure and that Lincolnshire has demonstrated to its transaction sources a long history of

closing transactions. The Advisers believe both of these factors enhance their credibility among potential sellers and their intermediaries. The Advisers further believe Lincolnshire's deal sourcing efforts benefit the Funds as follows: (i) enabling the Funds to achieve improved pricing on deals by avoiding highly competitive auction processes; (ii) allowing the Advisers to conduct enhanced due diligence by avoiding the time-intensive process and constraints of a traditional auction; and (iii) allowing the Advisers to develop a robust post-acquisition plan well before a transaction is complete.

Control Investments with Flexible Transaction Structures. The Advisers are principally focused on control-oriented investments, and also make significant minority investments, and aim to build value through active involvement in the management of portfolio companies. The Advisers believe that this position of control over portfolio companies, combined with the experience of their investment team, enables the Advisers to effectively manage investments. This approach also typically enables the Advisers to determine the time and manner in which to exit an investment, something that the Advisers believe is as important as the original investment decision. The Funds typically own more than 50% of the common equity of their portfolio companies, but the Advisers seek to be flexible in taking advantage of attractive investment opportunities and structuring transactions in a manner that fulfills the objectives of all parties involved, including those of the seller, lenders and management teams. The Advisers believe that creating appropriate equity incentives for their management teams helps to align the objectives of all parties and is critical to each investment's success. Management teams are strongly encouraged to invest their own capital, over and above any equity incentive structures in order to further align interests.

Active Approach to Post-Acquisition Value Building. The Advisers seek to ensure that portfolio companies develop the sustainable competitive advantages necessary to support long-term growth and profitability. Accordingly, during the diligence phase, the Advisers work with management to thoroughly assess the quality of the management team and business infrastructure, including the information systems, controls, policies and procedures, in order to develop capabilities to a "best practices" level. Post acquisition, the Advisers seek to enhance portfolio companies through a range of strategic initiatives. Such strategies include: entering new markets, introducing new products, expanding distribution channels, upgrading machinery and equipment, and employing accretive mergers and acquisitions solutions. In addition, where prudent, the Advisers seek to rationalize operations and reduce overhead to improve profitability. Lincolnshire not only focuses on augmenting a management team's skills, but also the taking a hands-on approach, when necessary, to the operational and strategic management of its portfolio companies. The Advisers focus on determining whether a company has the requisite management expertise to improve operations and grow the business. If these skills are lacking, the Advisers or portfolio companies often will retain outside executives to supplement management, often including a chief financial officer, as well as specialists in sales, marketing and other areas.

Operational Approach to Internal Growth and Complementary Acquisitions. The Advisers focus on improving the top-line growth and profitability of portfolio companies. Multiple senior members of Lincolnshire are dedicated primarily to portfolio company operations, having spent many years in various operations, finance and consulting positions. Post acquisition, the Advisers intend to work with management on numerous initiatives to add direct value to the portfolio companies, including implementing proactive sales and marketing efforts, maximizing profit margins through direct and indirect price increases to customers, identifying and acquiring complementary acquisitions (including integration of such acquisitions), strategic sourcing to

reduce costs or lessen vendor dependency, sales channel expansion, new product development, implementing key performance indicators for daily/weekly/monthly monitoring and improving financial reporting used for management analysis.

Investment Exit. Although the Funds typically buy companies on a direct and non-auction basis, the Advisers generally retain and work closely with investment banking firms to manage the process of realizing portfolio investments. The Advisers analyze exit opportunities for Fund portfolio investments during the acquisition process and continually review such opportunities once the investment has been completed. Such reviews assess: (i) the impact of value-enhancing strategic initiatives that have been implemented during the Funds' period of ownership; (ii) expected future value growth from such initiatives; and (iii) current and anticipated future market conditions. Consistent with historical performance, the Advisers expect to continue to focus on realizing Fund portfolio investments for cash through a sale to a strategic or financial buyer as the Advisers believe that public offerings are not the best method for realizing investments in the lower-middle market.

Risks of Investment

A Fund and its investors bear the risk of loss that the applicable Adviser's investment strategy entails. The risks involved with an Adviser's investment strategy and an investment in a Fund are detailed in such Fund's private placement memorandum. In general, the risks applicable to each Fund and the activities of its related General Partner, Management Companies and LMI include, but are not limited to:

Business Risks. A Fund's investment portfolio will consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Concentration of Investments. A Fund will participate in only a limited number of investments (and may seek to make several investments in a limited number of industries or industry segments). Further, the types of investments that a Fund can make are subject to certain limitations contained in such Fund's Partnership Agreement. As a consequence, the aggregate return of a Fund may be substantially adversely affected by the unfavorable performance of any single investment or a single industry segment.

Lack of Sufficient Investment Opportunities. It is possible that a Fund will never be fully invested if enough attractive investments are not identified and ultimately procured. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. A Fund will be competing for investment opportunities with other groups, including other private equity pooled-investment vehicles, direct investment firms and merchant banks and such Fund may be unable to identify a sufficient number of attractive investment opportunities for the Fund to meet its investment objectives. However, limited partners will be required to pay their *pro rata* portion of annual Management Fees during the investment period based on Commitments.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for a substantial number of each Fund's investments and hence, most of a Fund's

investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities may be sold by such partners may be lower than the value of such securities determined pursuant to the Partnership Agreement, including the value used to determine the amount of carried interest available to the relevant General Partner with respect to such investment. In addition, the direct holding of certain of a Fund's investments may subject the holder to taxes in states in which such investments are located.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. A climate of uncertainty may reduce the availability of potential investment opportunities and may increase the difficulty of modeling market conditions, reducing the accuracy of the financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which a Fund makes investments.

Environmental, Social and Governance ("ESG") Matters. Lincolnshire maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Lincolnshire expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Lincolnshire or any judgment exercised by Lincolnshire, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, Lincolnshire's ESG policy and associated ESG practices are expected to evolve over time. Although Lincolnshire views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Lincolnshire cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

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

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

has also gained momentum across the U.S., with several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors. Lincolnshire and its ESG policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Lincolnshire 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.

Reliance on the Portfolio Company Management. Although Lincolnshire will monitor the performance of each Fund’s investments, it will primarily be the responsibility of each portfolio company’s management team to operate the portfolio company on a day-to-day basis. Although each Fund generally intends to invest in companies with strong management or recruit strong management to such portfolio companies, there can be no assurance that the existing or recruited management of such companies will operate a company successfully.

Projections. Projected operating results of a portfolio company in which a Fund invests normally will be based primarily on financial projections prepared by each such company’s management. In all cases, projections are only estimates of future results that are based upon information received from the portfolio company and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from such projections. Also, general economic factors (which are not predictable and are completely outside the control of the Advisers and their employees and affiliates) can have a material effect on the reliability of projections.

Leveraged Investments. A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both a Fund’s opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are unfavorable, it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on the borrower, in addition to the burden of debt service, and potentially will constrain its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund’s investments, without limitation, to any deterioration in such companies’ condition or industry, competitive pressures, an adverse economic environment or rising interest rates. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company’s creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. Furthermore, should the credit markets be unfavorable at the time a Fund determines that it is desirable to sell all or a portion of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund’s creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one

or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, any limited partner claim against a Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors if such Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

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

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

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, each 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 the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is permitted 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.

Need for Add-On Investments. Following its initial investment in a given portfolio company, the Fund is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a successful portfolio company. There is no assurance that a Fund will make follow on investments or that such Fund will have sufficient funds available to it to make all or any of such investments. Any decision by a Fund not to make follow on investments or any limitation or inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment, result in a lost opportunity for the Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

Non-U.S. Investments. A Fund may invest a portion of the aggregate Commitments of such Fund in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risk due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments.

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

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

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

Risks Upon Disposition of Investments. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. It may also be required to indemnify the purchasers of such investment to the extent that any such representations turn out to be inaccurate. These arrangements may result in contingent liabilities, which might ultimately have to be funded by the limited partners to the extent of their unfunded Commitments or by recall of distributions.

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

CFIUS and National Security Clearance Considerations. Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“**CFIUS**”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing

transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund's performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners' ability to invest in U.S. businesses (or to exercise voting or advisory committee 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.

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

Any Distress Event has a potentially adverse effect on the ability of the Advisers to manage the Funds and their investments, and on the ability of the Advisers, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and un consummated 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 the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of the Advisers or the portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that the Advisers will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional

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

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

Public Company Holdings. A Fund's investment portfolio may contain securities issued by publicly held companies (including formerly privately-held portfolio companies that have consummated IPOs during the Fund's holding period) or debt issued by publicly held companies. Such investments 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, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including employees and representative of Lincolnshire, and increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if a Fund is the majority investor or the controlling shareholder in certain circumstances, it may not have unilateral control of all of its portfolio companies. In addition, a Fund may make minority equity investments in portfolio companies where there is 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 the Fund or its limited partners or may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of the Fund's investment. When taking non-control positions, a Fund will generally seek to obtain negative controls and veto rights on major decisions, but there can be no assurance that the 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.

Limited Access to Information. Limited partners' rights to information regarding a Fund or the relevant General Partner generally will be specified, and in many cases strictly limited, by the Partnership Agreement. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not

be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Lincolnshire's control. Decisions by Lincolnshire or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Lincolnshire and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Lincolnshire reserves the right to withhold certain information from investors subject to such laws for reasons relating to Lincolnshire's public reputation, business strategy or other reasons.

Recourse to the Fund's Assets. A Fund's assets, including any investments and any funds held by such Fund, are available to satisfy all liabilities and other obligations of such Fund. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to such Fund's assets generally and not be limited to the particular investment giving rise to the liability.

Borrowings by the Fund. Each Fund is permitted to borrow, subject to certain limitations set forth in the Partnership Agreement, including to fund investments prior to the receipt of a capital contribution pursuant to a capital call notice. Under credit agreements that a Fund may enter into for such purpose, Commitments may be pledged to the lender to secure such loans and in the event obligations thereunder are not met, lenders may proceed to satisfy any such liability against the assets of the Fund, including by issuing capital call notices to the Fund's limited partners up to the amount of any unfunded Commitments.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will not be publically traded and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable in accordance with the Fund's Partnership Agreement. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to

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

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 LMI, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for LMI, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

entities, which could include LMI, the General Partners, the Funds and/or their portfolio companies.

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

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

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

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the 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.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which a Fund may invest, are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries 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 may invest.

Additionally, the SEC has proposed and enacted significant rules that would impact the business of LMI and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact LMI and its affiliates, the Fund and/or its investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the 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.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers¹ by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or the Advisers who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for the Advisers to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or

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

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions, and the Advisers reserve the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by the Advisers following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where the Advisers believe 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 Advisers and their affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund’s investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of the Advisers or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where the Advisers or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, the Advisers, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent the Advisers require existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by the Advisers in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is

expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances the Advisers reserve 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 the Advisers 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, the Advisers reserve the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. The Advisers are permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

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

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

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 LMI, the Funds or one or more portfolio companies could have a material and adverse effect on the value of the Funds.

Conflicts of Interest

Lincolnshire and its related entities engage in a broad range of advisory and non-advisory activities. In the ordinary course of Lincolnshire conducting its activities, the interests of a Fund likely will conflict with the interests of Lincolnshire, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, LMI will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a given Fund, the Principals generally pursue all appropriate investment opportunities within the Fund's mandate exclusively through such Fund, subject to certain exceptions. However, the Principals will typically manage several other Funds and investments similar to those in which a given Fund invests, and expect to direct certain relevant investment opportunities or resources to those Funds and investments rather than to such Fund, subject to various restrictions contained in the Partnership Agreement. LMI personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Principals and the Advisers' investment staff will continue to manage and monitor such Funds and investments. Lincolnshire believes that the significant investment of the Principals in each Fund, as well as the Principals' interest in the carried interest, operate to align, to some extent, the interest of the Principals with the interest of the limited partners in a given Fund, although the Principals have economic interests in such other Funds and investments as well and receive Management Fees and payments in respect of carried interest relating to these other interests. Such other Funds and investments that the Principals expect to control or manage generally have the potential to compete with one of the Funds or companies acquired by a given Fund. Following the investment period of a Fund, the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to the Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in LMI's sole discretion, LMI and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, LMI personnel are permitted to serve on boards or act in other roles unaffiliated with LMI, 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.

The Principals are expected to be presented with certain investment opportunities that would be suitable not only for a given Fund, but also for other Funds operated by Lincolnshire. In determining which investment vehicles should participate in such investment opportunities, the

Advisers and their affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Partnership Agreements, Lincolnshire is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Lincolnshire in a portfolio company also have the potential to raise the risk of using assets of a client of Lincolnshire to support positions taken by other clients of Lincolnshire.

Lincolnshire must first determine which Fund(s) will participate in the relevant investment opportunity. Lincolnshire generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the relevant Fund's Partnership Agreement, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life-cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by Lincolnshire in the manner set forth in the relevant Partnership Agreements and Lincolnshire's policies and procedures. Lincolnshire will determine the allocation of investment opportunities among the Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Lincolnshire's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among the Funds, LMI reserves the right to offer co-investment opportunities to one or more potential co-investors, including, certain investors or other persons, vendors, service providers and/or other third parties, as determined by the Funds' Partnership Agreements, side letters and Lincolnshire's procedures regarding allocation. Lincolnshire's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Lincolnshire's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Lincolnshire's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund; and whether Lincolnshire believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Funds, and/or Lincolnshire. Although Lincolnshire 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 Lincolnshire in identifying co-investors. Lincolnshire reserves the right to grant

certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, Lincolnshire 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. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and LMI expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund’s Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Lincolnshire make capital investments in or alongside certain Funds, Lincolnshire 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.

Lincolnshire’s allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Lincolnshire will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund’s actual allocation of an investment opportunity, if any, or the terms on

which that allocation is made, will be as favorable as they would be if the potential conflicts of interest to which Lincolnshire expects to be subject, discussed herein, did not exist.

In certain cases, Lincolnshire will have opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Lincolnshire will use its discretion to select such transferees based on suitability and other factors including, without limitation, factors similar to those employed in selecting co-investors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions can arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring can raise potential conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Lincolnshire in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Lincolnshire expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (e.g., the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the applicable General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Lincolnshire expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Lincolnshire will deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other are expected to be subject to creditor claims regarding subordination of interests. Lincolnshire intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund likely will not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. In the infrequent event that 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 than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of

Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Lincolnshire and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds have the potential to adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, Lincolnshire will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Lincolnshire expects to be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles 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 legal, contractual or similar restrictions, expense allocation decisions will generally be made by Lincolnshire 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 will not be proportional in all cases, 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 will 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 Lincolnshire. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' interests in certain portfolio companies, the Advisers typically have the right to appoint board members for such entities, or to influence their appointment, and to determine or influence a determination of their compensation. Board members of a portfolio company are permitted to approve compensation and/or other amounts payable to the Advisers. Such amounts will be in addition to any Management Fees paid or carried interest allocated by a Fund to the Advisers.

Additionally, such portfolio company typically will reimburse the Advisers or service providers retained at the Advisers' discretion for expenses (including without limitation travel expenses) incurred by the Advisers or such service providers in connection with their performance of services for such company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by the Advisers' personnel. This subjects an Adviser to a conflict of interest where such Adviser has the discretion to allocate expenses amongst the

Adviser and the company, and the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Advisers determine the amount of these reimbursements for such services in good faith. Any fee paid or expense reimbursed to the Advisers or such service providers generally can be subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, Lincolnshire, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Lincolnshire's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Lincolnshire and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**Lincolnshire Information**"). In many cases, Lincolnshire Information will include tools, procedures and resources developed by Lincolnshire to organize or systematize Lincolnshire Information for ongoing or future use. Although Lincolnshire expects its Funds and their portfolio companies generally to benefit from Lincolnshire's possession of Lincolnshire Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by LMI and its personnel) and not by the Fund or portfolio company from which Lincolnshire Information was originally received. Lincolnshire Information will be the sole intellectual property of Lincolnshire and solely for the use of Lincolnshire. Lincolnshire reserves the right to use, share, license, sell or monetize Lincolnshire Information, without offsetting or otherwise reducing 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 or reduce Management Fees.

The Advisers generally exercise discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) the Advisers or a related person of the Advisers (including a portfolio company of such Fund), (ii) an entity with which the Advisers or their (current or former) personnel have a relationship or from which the Advisers or their personnel otherwise derive financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Adviser personnel are seconded, or from which the Advisers receive secondees or (iii) certain limited partners or their affiliates. This discretion subjects the Advisers to conflicts of interest, because although the Advisers select service providers that they believe are aligned with operational strategies and will enhance or support portfolio company performance and, relatedly, returns of the relevant Fund, the Advisers have a potential incentive to recommend the related or other person (including a limited partner) because of their financial or other business

interest. There is a possibility that the Advisers, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Lincolnshire), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Although the Advisers generally seek appropriate rates for services, the Advisers reserve the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, the Advisers expect certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to the Advisers or any Fund to provide services that will be most beneficial to any limited partner.

In certain circumstances where an Adviser commits or has committed to seek “market” or “arms-length” rates or terms, the Adviser will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. LMI reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, the Advisers undertake no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, the Advisers reserve the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Advisers have a relationship or receive financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

LMI 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 the Advisers, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. In some cases a portfolio company of one Fund will 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 LMI or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment’s fair value. To the extent required by the relevant Funds’ Partnership Agreements or otherwise in the sole discretion of the Advisers, the Advisers reserve 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 Lincolnshire) or by obtaining the consent of

the relevant Fund(s) (including, where authorized, the consent of each Fund's advisory committee) to such transactions. The Advisers reserve 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). The Advisers intend that any such transactions be conducted in a manner that they believe 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 LMI 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 relevant Governing Documents.

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

The Advisers reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds; conversely, current or former personnel or executives of the Advisers are expected to serve in significant management roles at portfolio companies or service providers recommended by the Advisers. Similarly, the Advisers and/or their personnel maintain relationships with (or are permitted to invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks and brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Advisers and/or the Funds. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Lincolnshire entities, whether or not relating to financing Lincolnshire personnel obligations to fund General Partner commitment obligations) to Lincolnshire personnel and their estate planning vehicles. The Advisers expect to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide the Advisers

information about markets and industries in which the Advisers operate (or are contemplating operations) or will provide other services that are beneficial to the Advisers or one or more other Funds. The Advisers expect to be subject to a potential conflict of interest in making such recommendations, in that the Advisers have an incentive to maintain goodwill between the Advisers and the existing and prospective portfolio companies for a Fund, while the products or services recommended will not necessarily always be the best available to the portfolio companies held by a Fund.

In addition, as described above, portfolio companies, Lincolnshire, and/or Operational Improvements, LLC typically pay certain fees or other compensation to, and reimburse expenses of, Lincolnshire personnel and other third party consultants (including consultants introduced or arranged by the Advisers that regularly provide services to one or more portfolio companies), and such amounts (including compensation, benefits and other incentives or opportunities (including investment opportunities)) do not offset or reduce the Management Fee as described herein. Although the use of Lincolnshire personnel and the allocation of compensation paid to them by Lincolnshire, its affiliates and/or the portfolio companies subjects the Advisers to potential conflicts of interest, the Advisers believe that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Lincolnshire personnel is lower than market rates for the services provided and/or if the quality of the services of such personnel makes a greater contribution to the success of the portfolio company. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such personnel and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Personnel do not necessarily return to Lincolnshire at the end of such secondee arrangement. The use of third party consultants is expected to fluctuate and/or expand over time. Under many of these arrangements, including where Operational Improvements, LLC is paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount of tangible work product generated by a third party consultant or secondee. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of a third party consultant or secondee. In such cases, where the relevant General Partner believes the services of the third party consultant or secondee will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from third party consultant or secondee services.

Because the Advisers' carried interest is based on a percentage of net realized profits, it has the potential to create an incentive for the Advisers to cause a Fund to make riskier or more speculative investments (or hold investments for longer periods) than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund can only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Advisers would not otherwise have done so.

The Governing Documents provide the Advisers with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing),

valuation and other matters that in each case have the potential to affect the Advisers' compensation. In making such determinations, the Advisers are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Advisers or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Advisers 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 Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, the Advisers will have incentives 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, the Advisers are incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

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

Since the Advisers are permitted to retain certain Offset Fees (as described under "**Fees and Compensation**") in connection with Fund investments, the Advisers expects to be subject to a potential conflict of interest in connection with approving transactions and setting such

compensation.

The Advisers reserve the right to enter into side letter arrangements with certain investors in a Fund, providing such investors with different or preferential rights or terms, including but not limited to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of LMI's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Governing Documents), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies as well as economic procedural and other terms.

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

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although LMI believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the 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; conversely, a limitation on one or more limited partners'

voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund.

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

Except to the extent prohibited by the Governing Documents, the Advisers and their 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 Governing Documents and anti-“assignment” provisions of the Advisers Act, the Advisers and their personnel are also permitted to offer, restructure and monetize interests in the Advisers.

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

Any of these situations subjects the Advisers to potential conflicts of interest. The Advisers will attempt to resolve such conflicts of interest in light of their obligations to investors in their

Funds and the obligations owed by the Advisers to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among the Funds in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, the Advisers will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, the Advisers consult and receive consent to conflicts from the applicable Fund's advisory committee.

DISCIPLINARY INFORMATION

Without admitting or denying the SEC's findings, LMI consented to the entry of a Settlement Order, entered by the Securities and Exchange Commission on September 22, 2014 (the "**Settlement Order**"), which included a finding that it violated Sections 206(2) and 206(4) and Rule 206(4)-7 of the Advisers Act. LMI had integrated two portfolio companies, each owned by different LMI-advised funds, and managed them as one company. As part of this integration, the companies utilized a joint management team and developed an expense allocation policy that required each portfolio company to pay a certain percentage of various shared operating and administrative expenses. While generally the shared expenses were properly allocated and documented, the Settlement Order included a finding that in certain instances a portion of the shared expenses were misallocated and went undocumented, which resulted in one portfolio company paying more than its share of expenses that benefitted both companies. The Settlement Order further found that LMI failed to adopt and implement written policies and procedures, at the adviser level, reasonably designed to prevent violations of the Advisers Act arising from integrating two portfolio companies owned by separately advised LMI private equity funds. There were no findings or allegations in the Settlement Order of intentional misconduct or recklessness on the part of LMI. As noted in the Settlement Order, a violation of Section 206(2) may rest on a finding of simple negligence. A copy of the Settlement Order is available on the SEC's website at www.sec.gov.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

LMI is affiliated with the following Lincolnshire investment advisers, including General Partners and equivalent entities formed and subject to the Advisers Act pursuant to LMI's registration in accordance with SEC guidance and LMI's relying advisers that are registered with the SEC under the Advisers Act pursuant to LMI's registration:

- Lincolnshire Equity Partners II, L.P. (general partner to Fund II);
- Lincolnshire Equity Partners III, L.P. (general partner to Fund III);
- Lincolnshire Equity Partners IV, L.P. (general partner to Fund IV);
- Lincolnshire Equity Partners V, L.P. (general partner to Fund V);
- Lincolnshire Management, L.P. (management company to Fund III);
- Lincolnshire Management IV, L.P. (management company to Fund IV); and

- Lincolnshire Management V, L.P. (management company to Fund V).

These affiliated investment advisers operate as a single advisory business together with LMI and serve as managers or general partners of private investment funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions. The Management Companies provide advisory services to Fund III, Fund IV and Fund V as applicable, pursuant to management agreements. LMI provides advisory services directly to Fund II and to the General Partners and the Management Companies of Fund III, Fund IV and Fund V pursuant to advisory agreements.

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

The Advisers have adopted the Lincolnshire Code of Ethics and Securities Trading Policy (the “**Code**”), which sets forth standards of conduct that are expected of the Advisers’ Principals and personnel and addresses conflicts that arise from personal trading. The Code requires the Advisers’ personnel to:

- report their personal securities transactions;
- pre-clear any proposed purchase of any initial public offering or limited offering; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information.

A copy of the Code will be provided to any client or prospective client upon request to Kevin Nappi, the Lincolnshire Chief Compliance Officer, at (212) 319-3633. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client-eligible investments.

The Advisers and their affiliated persons are expected to come into possession of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, the Advisers and their affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of the Advisers. Accordingly, should the Advisers or any of their affiliated persons come into possession of material nonpublic or other confidential information with respect to any public company, the Advisers would be prohibited from communicating such information to clients, and the Advisers will have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Lincolnshire personnel serving as directors of public companies and have the potential to restrict trading on behalf of clients, including the Funds.

Principals and personnel of the Advisers and their affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-investment vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies of a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments generally are effected through co-investment vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company’s structure. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss.”

The Advisers and their affiliates, Principals and personnel expect carry on investment activities for their own accounts, for personal or employee investment vehicles, and potentially for family members, friends or others who do not invest in the Funds, as well as give advice and

recommend securities to other accounts or certain Funds or vehicles which differs from advice given to, or securities recommended or bought for, other Funds or vehicles, even though their investment objectives are the same or similar.

Lincolnshire expects to borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with the applicable Partnership Agreement (or other Governing Document) and the expense policy described under “Fees and Compensation.”

In borrowing on behalf of a Fund, Lincolnshire is subject to conflicts of interest between repaying their obligations and retaining such borrowed amounts for the benefit of the Fund and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund’s preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down Commitments. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Lincolnshire will effect such borrowings consistent with a Fund’s Partnership Agreement (or other Governing Document) in a manner that they believe to be fair and equitable under the circumstances to the relevant Fund.

Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. The relevant General Partner may or may not participate in a Fund-level borrowing facility, and, to the extent it does not participate, would not bear the related costs attributable thereto, including interest expenses or costs payable, in which case such amounts will be borne solely by the limited partners. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner pays Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above.

The Advisers or their affiliates expect to recommend the purchase or sale of securities for Funds in which one or more of their partners, members, officers, directors, employees (and members of their families) or affiliates (“**affiliated persons**”), directly or indirectly, have a position or interest, or which an affiliated person buys or sells for himself or herself. Such transactions also include trading in securities in a manner that differs from or is inconsistent with the advice given to the Funds. Certain of these transactions require the consent of the applicable Fund.

BROKERAGE PRACTICES

The Advisers focus on securities transactions of private companies and generally purchase and sell such companies through privately-negotiated transactions in which the services of a broker-dealer are expected to be retained. However, the Advisers reserve the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although the Advisers do not intend to regularly engage in public securities transactions, to the extent they do so, they intend to follow the brokerage practices described below.

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

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

Consistent with the Advisers seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Advisers generally do not make use of such services at the current time.

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

When an aggregate order is partially filled, the securities purchased or sold will normally

be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

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

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

REVIEW OF ACCOUNTS

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

The Funds will provide to their limited partners (i) audited annual financial report of such Fund and valuations of such Fund's investments generally within 90 days after the conclusion of its fiscal year, subject to exceptions permitted under the Partnership Agreement and (ii) with respect to Fund III, Fund IV and Fund V, an unaudited financial report and a summary of significant activities of such Fund and its investments within 45 days following the conclusion of each of the first three fiscal quarters of each fiscal year of such Fund.

CLIENT REFERRALS AND OTHER COMPENSATION

The Advisers and/or affiliates intend to provide certain business or consulting services to companies in the Funds' portfolio and expect to receive compensation from these companies in connection with such services. As described in the applicable Fund's Partnership Agreement, this compensation, in many cases will offset a portion of the Management Fees paid by the Funds. However, in other cases (e.g., reimbursements for out of pocket expenses related to a portfolio company), these fees are in addition to Management Fees. See "Fees and Compensation."

The Advisers reserve the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by the Advisers indirectly through an offset against the Management Fee under the Partnership Agreement, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

CUSTODY

The Advisers generally expect that they will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (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, and intends to maintain such assets with the following qualified custodians:

- Wells Fargo Bank, N.A.; and
- Principal Financial Group.

INVESTMENT DISCRETION

The Advisers have discretionary authority to manage investments on behalf of the applicable Fund. As a general policy, the Advisers do not allow limited partners to place limitations on this authority, provided that the Partnership Agreement of a Fund often will impose certain restrictions on investing in certain types of securities. Pursuant to the terms of the Partnership Agreement, however, Advisers have entered, and expect to enter, into “side letter” arrangements with certain limited partners whereby the terms applicable to such limited partner’s investment in the Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Advisers assume this authority pursuant to the terms of (i) the Partnership Agreement and (ii) powers of attorney executed by the limited partners of each Fund.

VOTING CLIENT SECURITIES

The Advisers have adopted the Lincolnshire Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how they will vote proxies, as applicable, for the Funds’ portfolio investments. The majority of “proxies” received by the Advisers will be written shareholder consents (or similar instruments) for private companies, although the Advisers expect to also receive traditional proxies from public companies. The Proxy Policy seeks to ensure that the Advisers vote proxies (or similar instruments) in the best interest of the Funds, including where there are material conflicts or potential conflicts of interest in voting proxies. The Advisers generally believe their interests are aligned with those of the Funds’ investors through the Principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is a conflict or potential conflict of interest in voting proxies, the Proxy Policy provides that the Advisers are authorized to address the conflict using several alternatives, including by seeking the approval or concurrence of any advisory committee, on the proposed proxy vote, or through other alternatives set forth in the Proxy Policy. The Advisers do not consider service on portfolio company boards by Lincolnshire personnel or the Advisers’ receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by the Advisers when voting proxies on behalf of the Funds. A limited partner of a Fund may obtain a copy, free of charge, of Lincolnshire’s complete Proxy Policy and information regarding how the Advisers voted proxies for particular portfolio companies by contacting Kevin Nappi, the Lincolnshire Chief Compliance Officer, at (212) 319-3633.

FINANCIAL INFORMATION

LMI does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.