

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



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This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of SPC Management Co., Inc. (the "Management Company" or "SPC"). If you have any questions about the contents of this Brochure, please contact us at (908) 719-2322. 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.

The Management Company 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 the Management Company is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There are no material changes since the last annual update to this Brochure was filed on March 30, 2023. However, this Brochure has been updated in its entirety to reflect SPC's current business practices.

In this year's filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023 and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

Current and prospective investors are urged to review the Brochure in its entirety.

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Item 4 – Advisory Business

Advisory Business

SPC Management Co., Inc. (the “Management Company” or “SPC”), a California S-corporation, is a private equity manager that invests in private companies in the consumer sector. Founded in 1996, SPC focuses on building and growing consumer businesses. SPC is operated by partners with a diverse combination of private equity, consulting, investment banking and operating experience.

The Management Company provides discretionary investment advisory services to its clients, which consist of the following private investment-related funds: SPC Partners IV, L.P.; SPC Partners V, L.P., SPC Partners VI L.P.; SPC Partners VII L.P.; and Swander Pace Capital CT Fund I, L.P. In limited circumstances, as more fully described in Item 7 below, the Firm permits certain investors and third parties to co-invest alongside a Fund directly into a portfolio company (or its holding or blocker entity). Such direct co-investments are not considered Funds or clients of SPC.

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. The General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”), pursuant to SPC’s registration in accordance with SEC guidance. The applicable General Partner retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, SPC has been designated the role of investment adviser. For purposes of this Brochure, references to SPC shall include the General Partners, unless the context otherwise requires. For more information about the Funds and General Partners, please see SPC’s Form ADV Part 1, Schedule D, Section 7.A. and Section 7.B.(1).

Advisory Services

SPC provides investment advisory services as a private equity fund manager to its Funds. The Funds generally invest through negotiated transactions in operating companies, generally referred to herein as “portfolio companies”, in the consumer industry. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although (i) when a control investment, members of SPC or representatives appointed by the Firm are expected to serve on the boards of, or otherwise act to influence control of the management of, such portfolio companies and will therefore have a significant impact on the long-term direction of the company, including the selection of management team members and (ii) in some cases, SPC will more directly influence the day-to-day management of a portfolio company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. SPC’s 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 of such investments. Investments are made predominantly in non-public companies,

although investments in public companies are permitted in certain instances.

SPC's investment advice and authority for each Fund is tailored to the investment objectives of that Fund; SPC does not tailor its advisory services to the individual needs of investors in its Funds. The Fund investment objectives are described in and governed by, as applicable, the private placement memorandum, limited partnership agreement, subscription agreements, investment advisory agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents") and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek nor require investor approval regarding each investment decision.

Investors in the Funds participate in the overall investment program for the applicable Fund, but may be excused from a particular investment due to legal, regulatory or other applicable constraints. In accordance with industry common practice, the Funds or SPC have entered into side letters or similar agreements with certain investors that have the effect of establishing rights under, or altering or supplementing a Fund's Governing Document, including by providing, among others, notification provisions, reporting requirements and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all investors, consistent with the Governing Documents and general market practice. Commencing in March 2025, SPC will make required disclosure of certain side letters to all investors (and in certain cases, to prospective investors) in accordance with the new Private Fund Rule. Side letters are negotiated at the time of the relevant investor's capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

Principal Ownership

The Management Company is owned by Andrew Richards.

Regulatory Assets Under Management

As of December 31, 2023, SPC managed \$1,165,086,284 in client assets on a discretionary basis. SPC does not manage any client assets on a non-discretionary basis.

Item 5 – Fees and Compensation

SPC and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation, or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees,

compensation, and expenses of the Funds. Investors should refer to the Governing Documents of the applicable Fund for a complete understanding of how SPC is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

SPC charges each Fund a management fee (the “Management Fee”), charged on a specified percentage per annum of non-affiliated investor’s commitments or invested capital, depending on the life cycle of the Fund and as further detailed in each Fund’s Governing Documents. Certain Management Fees will be charged on a basis that generally is not tied to the Fund’s then-current net asset value. As specified in the relevant Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the end of the Fund’s defined commitment period (the “Stepdown Date”)), Management Fees generally will be charged based on a percentage of the relevant Fund’s aggregate commitments. After the Stepdown Date, Management Fees generally will be charged based on a percentage of investment contributions made by the relevant Fund that have not been disposed of or permanently written down for federal income tax purposes, minus the aggregate amount of permanent writedowns.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund’s net asset value, including following the investment period, and will not be reduced in connection with write downs, except in the case of investments permanently written down for federal income tax purposes. 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). In many circumstances, the Management Fee base will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions, or partial write-downs that occur partway through the relevant measurement period.

Assessed quarterly in advance, Management Fees are collected through a capital call, through a draw-down on the line of credit or offset against a distribution to limited partners. All Management Fees were negotiated with investors during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. If investors participate in a subsequent closing after the initial closing date, they generally will be assessed Management Fees retroactive to the effective date plus additional fees, as described in the relevant Governing Documents. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with or notified to investors.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Management Fees can differ from one Fund to another as well as among investors in the same Fund. Such differences arise from the size of an investor’s commitment to a Fund, provisions of side letter agreements or other negotiated terms. Management Fees are generally waived for SPC employees investing in a Fund (either as direct investors or through a General Partner), affiliates, Operating Partners and their respective families investing in a Fund (although in each case, these

investors generally pay their pro rata share of certain Fund expenses).

Management Fees will generally be reduced by, as applicable: (i) the amount of fees paid by a Fund to entities or persons acting as a placement agent in connection with the offer and sale of interests in such Fund; (ii) costs incurred by SPC in connection with the organization of a Fund that exceed a limit as specified in such Fund's Governing Documents; (iii) certain supplemental fees and compensation with respect to portfolio companies, including director's fees, consulting fees, commitment fees, monitoring fees, transaction fees, break-up fees and success fees or other remuneration (including any options, warrants or other equity securities). The receipt of such supplemental fees is offset against the Management Fee paid by a Fund as described below and in each Fund's Governing Documents, net of any expenses incurred in connection with any consummated or unconsummated transaction in connection with generating such fees. Any supplemental fees received with respect to an investment or potential investment (including a transaction not consummated) are allocated to a Fund (and offset against the Management Fee) only to the extent of the Fund's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis, as set forth in the Governing Documents. Accordingly, a Fund will only benefit from the Management Fee reduction described above with respect to its allocable portion of any such supplemental fees and not the portion allocable to any other investor (which could include other Funds, co-investors, third parties, portfolio company management or employees and/or others) that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment. Receiving an allocable amount of supplemental fees that do not offset the Management Fee gives SPC an incentive to maximize such amounts and to make and structure and potentially syndicate investments that could generate such amounts.

For clarity, the following fees and expenses do not offset Management Fees, in each case as applicable: (i) any fees or compensation received by or on behalf of Operating Partners; (ii) reimbursements from a portfolio company; (iii) fees or expenses borne by a Fund; (iv) broken deal expenses; (v) fees paid to third parties (and not to SPC or its employees) who SPC appoints to the board of a portfolio company; (vi) portfolio company directors' or board fees paid by a former portfolio company to a SPC employee or former employee who remains on the company's board of directors following the Fund's disposition of its investment in the company or otherwise.

SPC generally has discretion over whether to charge portfolio company fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method 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. The amount of such supplemental fees is paid by the Funds (directly, or indirectly by the portfolio companies) and are determined by SPC on a transaction by transaction basis, subject to the terms set forth in each Fund's Governing Documents. In most circumstances, such compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of fees charged will be proportional to the amount of work performed on behalf of a portfolio company.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) SPC determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of supplemental fees received from a portfolio company. SPC endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and SPC will defer or forego the payment of such fees if too burdensome for the portfolio company or at such time a senior credit agreement prohibits the payment of such fees. In the case of amounts deferred, such payments will generally be payable in the future, which can result in a single payment or installments of repayment amounts that are larger than if the fees had originally been paid in increments. SPC makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly situated portfolio companies.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons.

Carried Interest

Each General Partner generally is entitled to receive a carried interest ("Carried Interest") with respect to the relevant Fund as fully described in the Governing Documents. The Carried Interest distributed to a General Partner is subject to a potential clawback or giveback at the end of life of a Fund if the respective General Partner has received excess cumulative distributions.

Fund Expenses

In addition to the Management Fee and Carried Interest payable to the General Partners, each Fund bears certain expenses. As set forth more fully in, and subject to, the Governing Documents, each Fund will typically pay all other costs and expenses of a Fund that are not reimbursed by portfolio companies (which portfolio company reimbursements may be for travel and any other out-of-pocket expenses incurred in connection with: (i) the making, monitoring and/or disposing of such portfolio company investments, including follow-on investments and refinancings; (ii) utilizing the services of Operating Partners and third parties to perform general and specific subject matter research in, and surveys of, the consumer sectors in which a portfolio company is active; (iii) assisting with the search and evaluation of potential portfolio company acquisition targets; (iv) legal and other consultants for due diligence; (v) performing other duties on behalf of portfolio companies as necessary, generally including legal, auditing, consulting, financing, accounting, administrative (including expenses related to third party administrators), travel, business development and custodian fees and expenses; (vi) expenses associated with a Fund's financial statements, tax returns and Schedule K-1s; (vii) out-of-pocket expenses incurred in connection with transactions not consummated, including those offered to co-investors (such expenses hereinafter referred to as "Broken Deal Expenses"); (viii) expenses of the advisory board and meetings with any limited partner(s); (ix) insurance, including directors and officers and other insurance; (x) other expenses associated with the acquisition, holding and disposition of its investments, including

extraordinary expenses (such as litigation, if any); (xi) software and reporting tools; (xii) advisory board meetings and other meetings with LPs; (xiii) activities with respect to winding down a Fund; and (xiv) any taxes, fees or other governmental charges levied against a Fund. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in side letters relating thereto. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. Brokerage fees may be incurred in accordance with the practices set forth in Item 12. Current or prospective investors are urged to review the applicable Fund's Governing Documents for a detailed description of the expenses that such Fund is permitted to bear (the above disclosure is qualified in its entirety by the expense allocation terms set forth in the applicable Fund's Governing Document).

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions ("broken deal expenses") are paid by the relevant Fund(s) selected as proposed investors in such transaction, including broken deal expenses incurred before a limited partner's admission into a Fund.

Organizational Expenses

As described in the Governing Documents, a Fund will reimburse the applicable General Partner for the Fund's organizational and start-up expenses up to a specified amount, including legal, travel, accounting, filing, printing, capital raising and other organizational expenses ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of such permitted limit are either borne by SPC or offset dollar for dollar against Management Fees.

Expense Reimbursement

Certain expenses related to SPC's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by SPC and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which can include expenses for chartered or first-class travel and subscriptions, meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time include cancellation charges or waiting time and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings,

conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (ix) certain subscriptions; (x) similar out-of-pocket expenses; (xi) consulting fees; and (xii) other consideration and expenses.

In addition, to the extent a Fund or SPC initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, SPC will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or SPC for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by SPC, a General Partner, their respective affiliates or the Operations Group will not offset the Management Fee payable by the Funds.

Co-Investment Fees and Expenses

As described above, in certain circumstances, SPC permits certain investors to co-invest directly into a portfolio company, subject to SPC's related policies and procedures, the relevant Governing Documents and/or side letter(s) or similar arrangements. Expenses incurred for direct co-investments are borne directly at the portfolio company.

In the event a proposed co-investment transaction is not consummated, the full amount of any fees and expenses generated in the course of evaluating such investment, including any broken deal expenses, would generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. As a result, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a co-investment in connection with such transaction (such as for a follow-on investment), such proposed co-investor is expected to bear its share of such broken deal expenses (which is typically recorded at the portfolio company). 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 always be reimbursed separately by co-investors for use of the facility.

Operating Partner Fees and Expenses

One or more senior professionals associated with SPC (the "Operating Partners") currently do, and may from time to time in the future, provide certain key value-added services to the portfolio companies of

the Funds (including, but not limited to, serving as senior executives of such portfolio companies on an interim and/or part-time basis). Such senior professionals may receive compensation (including but not limited to reimbursement of out-of-pocket expenses such as travel expenses) directly from Fund portfolio companies for such services. Such compensation is typically negotiated by and between such senior professionals and the applicable Fund portfolio companies, and any such compensation is typically not offset against the Management Fee, except as otherwise specifically agreed to in the applicable Fund's Governing Documents. Additionally, from time to time, one or more of the aforementioned senior professionals may also provide investment advisory or other consulting services to SPC relating to SPC's investment advisory business (which services may (and do) encompass portfolio company investments made by one or more Funds). The compensation for such consulting services is paid either by SPC, a Fund or a portfolio company and, for the avoidance of doubt, is in addition to the compensation such senior professionals receive directly from Fund portfolio companies for the separate services such professionals provide directly to such portfolio companies (as described above).

None of these fees, bonuses, profits interests, other compensation or reimbursements received by Operating Partners are offset against Management Fees.

Expense Allocation

As a general matter, Fund expenses typically will be allocated among all relevant Funds, to the extent such Funds are required to reimburse (or otherwise pay) expenses of that kind pursuant to the terms of their respective Governing Documents and in accordance with SPC's internal expense allocation policies and procedures. Subject to the applicable Governing Documents, Fund expenses relevant to multiple Funds will, in SPC's good faith determination, be allocated to such Funds typically on a pro-rata basis (generally based on: (i) the relative size of a Fund's invested capital, in the case of investment-related expenses and (ii) in the case of other expenses, the relative size of a Fund's Commitments (in the case of a Fund whose investment period has not yet ended) or the relative size of a Fund's actively invested capital (in the case of a Fund whose investment period has ended). In all cases, subject to applicable legal, contractual or similar restrictions, SPC or its affiliates using their best judgment, may allocate expenses in a different manner than that described above where they believe such an allocation is in the best interests of the relevant Funds. The allocation of such shared expenses may not be proportional in each and every case. Different Funds may (and, in certain instances, do) have different expense reimbursement terms, which could (and, in relevant instances, do) result in the Funds bearing different levels of expenses with respect to the same investment.

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

A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the Funds it manages. Each General Partner generally is entitled to receive a Carried Interest allocation on certain realized profits of the Funds subject to an annually compounded preferred return (or hurdle) and subject to reimbursement of all capital called to pay relevant Fund expenses, including Management Fees. Calculated based on cumulative realized gains and income only, Carried

Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential after-tax giveback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each investor prior to investment in such Fund.

The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Funds or investors in a Fund. Specifically, if principals and employees and their respective family members and/or Operating Partners are investors in a Fund, they will generally pay reduced Carried Interest or none at all.

The existence of performance-based compensation has the potential to create an incentive for the relevant General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although SPC generally considers performance-based compensation 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.

SPC manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to SPC's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although SPC generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which SPC or an affiliate has a greater financial interest. To the extent that SPC manages Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or SPC personnel are assigned different percentages of Carried Interest in different Funds, SPC and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, SPC allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with SPC's policies and procedures regarding investment allocation and the applicable Governing Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by SPC. SPC's procedures are designed to ensure that all investment decisions are made in accordance with SPC's fiduciary duties to its Funds and without consideration of SPC's (or its affiliates' or employees') pecuniary interest. SPC will not allocate investment opportunities based in whole or in part on the relative fee

structure or amount of fees paid by any Fund or the profitability of any Fund. Investment allocation decisions are determined by the investment committee.

Item 7 – Types of Clients

SPC provides investment advice solely to its Fund clients, which are exempt from registration under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, investors in the Funds must be (i) “accredited investors” as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) for certain Funds, either “qualified purchasers” or “knowledgeable employees” as defined under the Investment Company Act or (iii) if applicable, “qualified clients,” as defined in the Advisers Act. Investors in the Funds must also meet certain suitability and net worth qualifications prior to making an investment in the Funds. The Funds generally have a minimum investment amount of \$5 million for third-party investors, although individual commitments of lesser amounts have been accepted at the discretion of the General Partner.

The investors participating in Funds include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and may include, directly or indirectly, employees of SPC and its affiliates, as well as executives of portfolio companies.

As referenced in Item 4 above, from time to time, SPC offers certain current or prospective investors or other persons the opportunity to invest alongside a Fund in certain Fund portfolio companies, typically in circumstances when a Fund requires additional capital in order to complete a transaction. These co-investments are not managed by SPC, are not subject to custody by SPC and are not deemed to be clients of SPC. Nevertheless, SPC will perform management, advisory and other services for the portfolio companies in which these co-investment vehicles invest alongside the Funds, generally at no additional cost to such vehicles except portfolio company fees and expenses (which such expenses are recorded at the portfolio company). Co-investment vehicles and co-investors typically invest and dispose of their investments in the applicable portfolio company at the same time and on the same terms (although co-investors are generally subject to different economic terms) as the SPC Fund making the investment. However, from time to time, for strategic and other reasons, a co-investment vehicle or co-investor purchases a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investment vehicle or co-investor generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund’s initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund’s General Partner in its sole discretion. Where appropriate, and in SPC’s sole discretion, SPC 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 seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. The

price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the then-current value of such investment.

In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Fund is throughout the investment process. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a Management Fee offset and are thus retained by SPC, the opportunity to receive such fees presents a conflict of interest in that SPC could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement. SPC seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments. In addition, to the extent that SPC engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

In the event SPC is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

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

General

SPC pursues a strategy of investing in non-durable consumer products companies, across a wide range of consumer industries, which possess strong growth potential. SPC's investment strategy and process is based on the belief that value can be created in private equity investments by maintaining a specialized investment focus, being proactive in generating deal flow, performing rigorous due diligence, actively adding value to companies, leveraging synergies between portfolio companies, and selling to buyers for cash.

The following is a summary of the investment strategies and methods of analysis generally employed by SPC on behalf of the Funds. More detailed descriptions of the Funds' investment strategies and methods

of analysis are included in the applicable Governing Documents for each Fund. There can be no assurance that SPC will achieve the investment objectives of the Funds and a loss of investment is possible.

Investment and Operating Strategy

SPC's investment strategy is to create value by acquiring growing middle-market consumer products companies with leading market positions and definable, defensible niches across a wide range of consumer industries. SPC follows a formal process in evaluating investment opportunities that it believes leads to thorough and consistent investment decision-making:

Structured, Rigorous Process. SPC's investment decisions are made and approved by an investment committee comprised of SPC senior management. Formal meetings of the entire investment staff are held at the following times during the pursuit of an investment: (i) weekly, to review investment opportunities; (ii) in advance of any submitted letters of intent; and (iii) after completion of due diligence prior to the final investment decision by the investment committee. SPC's managing directors all work closely with investment staff to evaluate investment opportunities. Each investment opportunity is analyzed and managed by a three- to five-person investment team, which typically consists of at least two managing directors. Each investment team creates a number of formal documents during the review process, including an investment summary, a pre-letter of intent presentation, a due diligence presentation, and an investment committee binder that summarizes all aspects of due diligence. SPC believes this structured, rigorous process leads to thorough and consistent investment decision-making.

Proactive Deal Flow Generation. SPC's sourcing strategy is focused on identifying management teams and owners of existing businesses that are seeking a partner that can add value to their companies both during the transaction and post-closing.

Direct Sourced Transactions. SPC has developed a comprehensive and proactive deal sourcing program that includes the following major initiatives:

- A structured program for the SPC senior management to devote considerable time to deal flow sourcing through an industry team approach;
- Aggressive and direct targeting of potential investment candidates;
- Active courting of senior management contacts;
- Active participation in trade shows; and
- Networking with the investment banking and business brokerage community.

Each industry team consists of two to three investment professionals who concentrate their efforts on building contacts, identifying target acquisitions, accumulating expertise, and exhausting potential acquisition opportunities within a defined sector.

Extensive Due Diligence. SPC's due diligence process involves an extensive analysis of a target company's

competitive position and future outlook. Key components of SPC's due diligence process include:

- **Historical Analysis:** Details a thorough history of the target company's past performance to understand any challenges or limitations that need to be considered in the development of the company.
- **Market Position Assessment:** Determines the relative strength of the target company's current position and helps direct where future competitive advantage can be established. Given SPC's focus on acquiring companies with a definable, defensible niche, this assessment takes place early in the due diligence process to ensure a fit with SPC's investment strategy.
- **Operations Assessment:** Identifies any critical issues in manufacturing and highlights opportunities for consolidation and/or cost reduction.
- **Distribution Analysis:** Provides an assessment of the target company's distribution strength from a product line, geographic scope, and channel depth perspective.
- **Competitor Analysis:** Directs future strategies to exploit competitor limitations and helps assess the relative strength of the target company across a range of factors including cost structure, customer loyalty, and performance.
- **Management Evaluation:** Provides a combination of reference and background checks and an assessment of strengths and weaknesses to determine if any key positions need to be addressed upon closing.

SPC works with strategic third-party advisors across a wide variety of due diligence areas including accounting, information systems, legal issues, manufacturing operations, human resources practices, insurance coverage, environmental issues, and, where appropriate, food safety.

Hands-On Portfolio Company Development. Post-acquisition, SPC actively develops its portfolio companies by working with management teams to create focused revenue and profit growth strategies. SPC typically serves as the lead and control investor and is in a position to exercise control over the strategic direction and major decisions of its portfolio companies.

Portfolio Synergies. Due to its sector focus, SPC believes it frequently identifies opportunities to increase revenue and profit growth at portfolio companies through active collaboration and partnering across the portfolio. SPC's portfolio CEOs meet annually at an executive summit session to build rapport and share specific ways to mutually create value.

Selling to Buyers for Cash. In general, SPC targets companies where internal growth and improved company performance is anticipated to lead to an exit in five to six years. SPC typically acquires companies with the expectation of exiting those companies through sales to larger, well-funded strategic or financial buyers for cash consideration. SPC's exit prospects are therefore less dependent on capital market conditions than some other private equity firms. For strategic buyers, an SPC portfolio company typically represents a relatively small, strategic add-on acquisition that can easily be financed through the buyer's

balance sheet. For financial buyers, an acquisition of an SPC portfolio company generally can be completed without access to high-yield debt and represents a relatively small equity investment for the buyer.

Risks of Investment

The Funds and their investors bear the risk of loss that SPC's investment strategy entails. Although the following risk factors are generally applicable to SPC's Funds, investors should also refer to each Fund's Governing Documents for risk factors specific to their Fund. The risks involved with SPC's investment strategy and an investment in the Funds 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, which can result in substantial losses.

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

Concentration of Investments; Lack of Diversification. A Fund will participate in a limited number of investments and intends to make most of its investments in consumer products and consumer-related industries. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified. As a result of the foregoing, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings in the consumer products and consumer-related industries, or the timing of the Fund's investments, may substantially affect the Fund's aggregate return.

Lack of Sufficient Investment Opportunities. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, limited partners will be required to pay annual Management Fees during the Commitment Period based on the entire amount of their commitments.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment may be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual Management Fee payable to the respective General Partner) may exceed its income, thereby requiring that the difference be paid from a Fund's

capital, including, without limitation, unfunded commitments.

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 a portion of its investment. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests 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.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for Fund 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 Governing Documents, including the value used to determine the amount of carried interest available to SPC with respect to such investment.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund will typically decide to provide additional funds to such portfolio company or have 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 to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may

have a substantial negative effect on a portfolio company in need of such an investment. Additionally, such failure to make such investments may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of such Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Non-U.S. Investments. A Fund is permitted to invest in portfolio companies that are organized or headquartered 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 a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil 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.

Director Liability. The Funds will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which they invest. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. While portfolio companies generally obtain insurance with respect to such liability, the insurance that portfolio companies generally obtain may be insufficient to adequately protect officers and directors from such liability.

Uncertain Economic and Political Environment. The current global economic and political climate is one of uncertainty. Prior acts of terrorism in the United States, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of an economic downturn. The availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, continues to be restricted. This may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of their businesses. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which a Fund makes investments.

Market Conditions. Any material change in the economic environment, including a slow-down in economic

growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of a credit crisis or the downgrading of the credit rating of the United States, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the General Partners will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values have the potential to significantly differ from values that would have been determined had an active market existed for such securities and can significantly differ from the prices at which such securities ultimately are sold. The Firm has established a valuation policy, which it will follow when performing portfolio company valuations. Each General Partner will determine the value of the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. 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. While the valuation of the Funds' assets are performed internally by SPC's own team and such valuations are not reviewed by an independent third-party valuation consultant, all valuations are subject to an annual review by the Funds' auditors as part of each Fund's annual financial statement audit. The exercise of discretion in valuation by the Firm has the potential to give rise to conflicts of interest, including excess valuations which would impact the amount and timing of distributions of Carried Interest and the calculation of Management Fees. In particular, where the Management Fee is calculated based on the valuation of an investment, or a determination of whether an investment has been written-off or otherwise permanently impaired, SPC will have an incentive to make determinations that result in the continued payment of the, or a higher, Management Fee. In situations where the Management Fee is calculated based on committed capital, contributed capital or the cost basis of investments, the Management Fee generally will not be reduced based on reductions in investment value. Absent bad faith or manifest error, valuation determinations in accordance with SPC's valuation policy will be conclusive and binding. Moreover, because SPC will determine in its discretion

the value of any such assets, SPC will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Fund's performance results. Generally, there will be no retroactive adjustment in the valuation of any investment or the fees and/or performance-based compensation paid to the Firm to the extent any valuation proves to not accurately reflect the realizable value of an investment.

Material, Non-Public Information; Other Regulatory Restrictions. As a result of the operations of SPC and its affiliates, as well as in connection with officerships or directorships of SPC personnel, SPC may come into possession of confidential or material, non-public information. If such information is relevant to an investment decision to be made by a Fund, a Fund may be restricted from initiating a transaction or selling an investment.

Public Health Risk. 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 market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. A Fund's ability to generate attractive investment returns may be adversely affected to the extent such Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

Cybersecurity Risk. SPC, the Funds and each Fund's portfolio companies generally rely on information technology systems for current and planned operations. Information and technology systems of SPC and each Fund's portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, SPC, a Fund and/or a portfolio company may have to make a significant investment to fix or replace them. Any disruption in any of these systems or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect the

Fund's investment results and its ability to make distributions to its partners. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in SPC's, the Funds' and/or a portfolio company's operations 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). Such a failure could harm SPC's, the Funds' or a portfolio company's reputation, subject them and their respective affiliates to legal claims and otherwise affect their business and financial performance and result in 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.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner, or SPC 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 SPC 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.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact SPC, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute their investment strategy or achieve their investment objectives.

In perhaps the most sweeping of rulemaking changes, on August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rule") to existing rules under the Advisers Act

specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rule is expected to have a significant effect on SPC, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rule, which potentially will detract from the time and resources dedicated to the Funds.

In addition, in recent years, the Antitrust Division of the Department of Justice and the Federal Trade Commission have been more aggressive in evaluating potential anti-competition concerns with respect to certain strategies of private equity sponsors, including “roll-up” strategies where a sponsor ultimately acquires a significant share of an industry through a series of smaller transactions. Such regulatory focus (including enforcement activity) could result in additional costs in connection with acquisitions and dispositions and other adverse impacts to a Fund’s investments.

Secondaries and other GP-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by SPC following the transaction. Such transactions are 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 SPC believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by the SPC and its affiliates). However, certain of such transactions are expected to require a limited partner to invest additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio company, and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of SPC or any buyer group that typically are not applicable to more traditional

investment sales. For example, in circumstances where SPC or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction, their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, SPC, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the investment(s) subject to the transaction. Further, the relevant General Partner is expected to be incentivized 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 SPC reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that SPC 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, SPC reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, 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 or accounting irregularities. In the event a Financial Institution experiences a Distress Event, SPC, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. 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 ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk 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 SPC to manage the Funds and their investments, and on the ability of SPC, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and

dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able 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 investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although SPC expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

Conflicts of Interest

Investors should be aware that various actual and potential conflicts of interest will arise from the overall investment activities of a Fund, the relevant General Partner and their respective affiliates, as well as their respective employees, partners, members, shareholders, officers, directors and managers. In addition, investors should be aware that such persons may in the future engage in further activities that could result in additional conflicts of interest not addressed below. The below list is not a comprehensive list of all existing conflicts of interest. There can be no assurance that SPC will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to a Fund.

During the commitment period of a Fund, SPC will, and is contractually obligated pursuant to such Fund's Governing Documents to, pursue all appropriate investment opportunities to invest in new portfolio companies exclusively through such Fund, subject to certain limited exceptions. As such, except as otherwise provided in the Fund's Governing Documents, until such Fund's commitment period has expired, SPC will typically not be permitted to raise a "successor" Fund (*i.e.*, a Fund with investment strategies and objective substantially similar to those of the current Fund). Such a policy minimizes conflicts of interest that could arise when simultaneously managing multiple Funds with similar/overlapping investment strategies. SPC's investment staff will continue to manage and monitor each Fund and its respective investments in accordance with the time commitment requirements set forth in the applicable Fund's Governing Documents. SPC's significant investment in the Funds, as well as SPC's interest in the Carried Interest, in SPC's belief, operate to align, to a large extent, the interest of SPC with the interest of Fund investors. SPC personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. As a corollary to the successor Fund-related

restrictions described above, following the commitment period of a particular Fund, SPC may and likely will focus its investment activities on other opportunities and areas unrelated to such Fund's investments (*i.e.*, SPC will likely focus on seeking new investment opportunities for, and pursuing investment activities on behalf of, its successor Fund). Unless restricted by the Governing Documents, SPC personnel are permitted to serve on boards or act in other roles unaffiliated with SPC, 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 Funds primarily make controlling investments in portfolio companies. As a result of these controlling interests, SPC typically has the right to appoint portfolio company board members (including current or former General Partner personnel and Operating Partners), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to SPC and/or its affiliates in connection with services provided by SPC and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the Governing Document's offset provision, are in addition to the Management Fee or Carried Interest discussed herein. SPC's authority to appoint or influence the appointment of portfolio company board members who will be involved in approving compensation payable to SPC subjects SPC and any such portfolio company board appointees to potential conflicts of interest. Additionally, a portfolio company typically will reimburse SPC, Operating Partners, and other service providers retained at SPC's discretion for expenses (including travel expenses) incurred by such persons in connection with the performance of services for such portfolio company. This subjects SPC to conflicts of interest because 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. Subject to the Governing Documents and its internal reimbursement policies and practices, the Management Company determines the amount of these reimbursements for such services in its own discretion.

Notwithstanding any of the above, from time to time, SPC will be presented with investment opportunities that would be suitable for more than one of the Funds (such a follow-on opportunity for a successor Fund to cross-invest in a prior Fund's portfolio company). In determining which Funds should participate in such investment opportunities, SPC and its affiliates are subject to conflicts of interest. SPC attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and seeks to allocate investment opportunities in a fair and equitable manner consistent with the terms set forth in the Governing Documents of such Funds. Where necessary, SPC consults with, and receives consent to pursue activities giving rise to conflicts from, each applicable Fund's advisory board (which is comprised of representatives of certain limited partners of the Fund).

In circumstances where an entire investment could be made by a Fund, SPC is permitted to still allocate a portion of such investment to one or more co-investors in accordance with such Fund's Governing Documents and SPC's policies and procedures if SPC believes in its good faith judgment that it would be in the best interests of the Fund or that a particular co-investor would add value to the Fund or the

investment. Investors that participate in co-investments may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the applicable Fund.

SPC'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 SPC will allocate investment opportunities in a manner that it believes is fair and equitable to its Funds 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 SPC expects to be subject, discussed herein, did not exist.

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 may 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. 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. SPC and its affiliates reserve the right, from time to time, 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 may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the Governing Documents, SPC will allocate fees and expenses in a manner that it believes is fair and equitable to the Funds 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, SPC expects to be faced with a variety of potential conflicts of interest. Since SPC is permitted to retain certain supplemental fees (as described in Item 5 above) in connection with Fund investments, it has a conflict of interest in connection with approving transactions and setting such compensation. SPC seeks to resolve such conflict by offsetting the Management Fee by a portion of such supplemental fees. There can be no assurance that the amount of supplemental fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company.

Additionally, a portfolio company typically will reimburse SPC or service providers retained at SPC's discretion for expenses (including, without limitation, travel expenses) incurred by SPC or such service

providers in connection with its performance of services for such portfolio company. This subjects SPC and its affiliates to conflicts of interest because 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. SPC determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Fees paid or expense reimbursed to SPC or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

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

SPC generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contracts for services with certain service providers, and from time to time such service providers are expected to include: (i) SPC or a related person of SPC (which may include a portfolio company of such Fund); (ii) an entity with which SPC or its affiliates or current or former members of their personnel has a relationship or from which SPC or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where SPC personnel are seconded, or from which SPC receives secondees; or (iii) certain Fund investors or their affiliates. For example, SPC expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain investors or their affiliates that are engaged

in lending or related business. This discretion subjects SPC to conflicts of interest, because, although SPC selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, SPC has a potential incentive to recommend the related or other person (including an investor) because of its financial or other business interest. There is a possibility that SPC, 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 SPC), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. SPC will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although SPC generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to Operating Partners and other consultants (including consultants introduced or arranged by SPC and/or its affiliates that regularly provide services to one or more portfolio companies), and such fees do not offset or reduce the Management Fee as described herein. Operating Partners generally make use of SPC resources or otherwise are associated with SPC. SPC and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Operating Partners generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein, and the use of Operating Partners is expected to fluctuate and/or expand over time. To the extent that Operating Partners are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operating Partner's services at a time when fewer portfolio companies or Funds make use of such Operating Partner. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or written work product generated by the Operating Partner. However, cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) may result if the cost of the Operating Partner is lower than market rates for the services provided and/or if the services of the Operating Partner align with SPC's model for the portfolio company and improve portfolio company performance. Although SPC seeks to retain Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. SPC also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that SPC believes will align such persons' interests with those of the Funds' investors, and seeks to retain only Operating Partners and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although SPC generally structures Funds to avoid cross-guarantees and other circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any SPC affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, SPC intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties 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 SPC 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 SPC affiliate, whether or not related to the Fund in which such limited partners have invested.

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

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

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as Carried Interest (which generally will be made using the value of the relevant securities on the date of contribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's investors. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than SPC 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 investors 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 investors.

Because there is a fixed investment period after which capital from investors in a Fund may 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 SPC may not otherwise have done so.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, SPC reserves the right to accrue, defer or forego payments of any supplemental fees, and reserves the right to charge interest at then-available rates with respect to such amounts. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

SPC and/or its affiliates reserve the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures (including discounted or rebated compensation terms, 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, and liquidity or transfer rights. Side letters may also relate to strategic relationships under which an investor agrees to make commitments to multiple Funds. Other side letter rights are likely to confer benefits on the relevant investor at the expense of the relevant Fund or of investors 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.

SPC has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as SPC has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements.

From time to time SPC its affiliates and personnel may receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than SPC and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, SPC believes that the potential for conflicts of interest relating to such discounts is mitigated. SPC, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to SPC, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

The Governing Documents of each Fund and related documents are detailed agreements that establish complex arrangements among SPC, the investors, the Fund, the General Partner and other entities and individuals. Questions can arise under these agreements regarding the parties’ rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements’ drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While SPC will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations SPC adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

Any of these situations subjects SPC and/or its affiliates to potential conflicts of interest. SPC attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by SPC’s advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an

investment or relationship raises particular conflicts of interest, SPC will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, SPC consults and receives consent to conflicts from an advisory board consisting of investors of the relevant Fund(s).

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

As described in Item 4 above, SPC is affiliated with the General Partners which are deemed registered with the SEC under the Advisers Act pursuant to SPC's registration. These General Partners together with SPC operate as a single advisory business and share common owners, officers, partners, employees, consultants or persons occupying similar positions. The General Partners do not have employees of their own.

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

Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, SPC has adopted a Code of Ethics and Securities Trading Policy (the "Code"), which sets forth standards of conduct that are expected of SPC supervised persons and addresses conflicts that arise from personal trading. The Code requires all supervised persons to place Fund interests ahead of the Management Company's interests and to maintain full compliance with the federal securities laws. The Code requires SPC personnel to:

- Report their personal securities transactions;
- Pre-clear certain securities transactions, including restricted list transactions and 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 investor or prospective investor upon request to Virginia Calvo, the Chief Compliance Officer of SPC, at (908) 719-2322.

SPC's supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. SPC and its affiliated persons may come into possession, from time to time, of material non-public 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, SPC and its 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 SPC.

SPC and its affiliates, senior management and employees carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. In addition, consistent with the Governing Documents, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds.

Participation or Interest in Client Transactions

Certain SPC employees and their family members have invested in the Funds either through the General Partner and/or as Fund investors. As mentioned in Item 5 and Item 6 above, SPC generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. SPC does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of limited partners in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. SPC will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This applies to any affiliates or controlling persons of the adviser (i.e., an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of SPC's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or SPC or a Fund General Partner purchasing the interest of an existing investor. Cross transactions occur when an adviser or an affiliate arranges a transaction (i.e., acts as broker) between two or more funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of SPC's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to SPC.

In the event SPC were to recommend a principal transaction or cross transaction, it would only be after: (i) the Management Company has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory board or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Management Company ensures that best execution is achieved for the transaction.

Conflicts of Interest

If any matter arises that SPC determines in its good faith constitutes an actual conflict of interest, SPC will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what SPC believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

Item 12 – Brokerage Practices

While SPC generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds are permitted to engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. SPC has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, SPC will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, SPC selects a broker-dealer or investment banker based on SPC's judgment regarding a variety of factors, including but not limited to: SPC's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Management Company; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services providers; and the commission rates, among other factors.

Although SPC generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a

competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

SPC does not receive research or other soft dollar benefits in connection with securities transactions for the Funds, does not receive investor referrals in connection with selecting or recommending broker-dealers for the Funds and does not engage in directed brokerage. In the event SPC were to aggregate the purchase or sale of securities for client accounts, it would do so on a pro rata basis.

Item 13 – Review of Accounts

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. SPC investment professionals closely monitor the portfolio companies in which the Funds invest. Decisions as to when to purchase or sell a portfolio company are made by the investment committee. SPC holds board seats for most of the investments it makes or otherwise acts to influence control of the management of the investments. Moreover, a team of investment professionals assigned to the portfolio company monitor performance through regular management meetings, as well as detailed reviews that occur as needed. The team includes principals and other investment professionals of SPC at differing levels of seniority. The Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Investor Reporting

SPC will generally provide to its investors on behalf of the Funds the following written reports: (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner's U.S. tax returns, and (iv) descriptive investment information for each portfolio company at least semi-annually. The Management Company also has contact with investors (e.g., personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, investors periodically request information pertaining to SPC's investments and track record. SPC responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations, certain investors receive additional information and reporting that other investors do not receive. As a result, certain investors will have more information about a Fund than other investors. SPC will ensure that the disclosure of preferential information rights complies with the Private Fund Rule commencing with its effective date in March 2025.

Item 14 – Client Referrals and Other Compensation

As described in Item 5 above, SPC and its affiliates provide certain business or consulting services to companies in a Fund’s portfolio and receive compensation from these companies in connection with such services. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that SPC believes will ultimately enhance the value of the companies and benefit the Funds and their investors.

These types of fee arrangements present potential conflicts of interest and provide SPC with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by SPC or its employees (but not Operating Partners) in connection with services rendered to portfolio companies or transactions of the Funds are offset against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund’s Governing Documents.

From time to time, SPC enters into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Fund. Fees payable to such placement agents generally will be borne by SPC indirectly through an offset against the Management Fee, 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) as part of the organizational expenses of such Fund.

Item 15 – Custody

SPC is deemed to have custody of the Funds’ assets because the General Partners are not operationally independent from SPC: each Fund’s General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the “Custody Rule”), SPC will cause each Fund with assets over which it is deemed to have “custody” to be audited annually by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board and distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), to investors no later than 120 days after the end of each fiscal year. In addition, upon the final liquidation of any such Fund, SPC will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all investors promptly after completion of the audit. Investors are encouraged to carefully review such financial statements.

SPC does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund’s bank account maintained with a qualified custodian and public securities, if any, are held with broker-dealers or transfer agents who act as custodians for such securities. SPC receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds’ qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

Item 16 – Investment Discretion

SPC has discretionary authority to manage investments on behalf of the Funds pursuant to the terms of each Fund's Governing Documents. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with a Fund. Such documents generally contain a power of attorney that grants SPC or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Fund. Once an investor executes these documents, with limited exceptions discussed elsewhere in this Brochure, SPC is not required to contact such investor prior to transacting business in a Fund.

As a general policy, SPC does not allow clients to place limitations on this authority. Pursuant to the terms of the Government Documents, however, SPC has entered into side letter arrangements with certain investors whereby the terms applicable to such investor's investment in a Fund may be altered or varied. All limitations and restrictions placed upon SPC's investment authority with respect to an investor's investment must be presented to SPC and the relevant Fund's General Partner in writing and agreed to by all applicable parties.

Item 17 – Voting Client Securities

By virtue of the applicable Governing Documents, SPC has the authority to vote proxy statements on behalf of the Funds. SPC has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how it will vote proxies, as applicable, for a Fund's portfolio investments. The Proxy Policy seeks to ensure that SPC votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. SPC generally believes its interests are aligned with those of a Fund's investors through their beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that SPC may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board may approve SPC's vote in a particular solicitation. SPC does not consider service on portfolio company boards by SPC personnel or SPC's 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 SPC when voting proxies on behalf of a Fund. If you would like a copy of SPC's complete Proxy Policy or information regarding how SPC voted proxies for particular portfolio companies, please contact Virginia Calvo the Chief Compliance Officer of SPC, at (908) 719-2322, and it will be provided to clients at no charge.

Item 18 – Financial Information

SPC 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.