

Item 1: Cover Page



Catterton Management Company, L.L.C.

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Part 2A of Form ADV: Firm Brochure

March 30, 2024

This brochure provides information about the qualifications and business practices of Catterton Management Company, L.L.C. If you have any questions about the contents of this brochure, please contact us at (203) 629-4901 and/or compliance@lcatterton.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Catterton Management Company, L.L.C. is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2: Material Changes

L Catterton is required to identify and discuss material changes made to this brochure since its last annual update, which was filed on March 31, 2023. This brochure reflects updated regulatory assets under management and contains certain routine updating changes, including certain enhancements to disclosures. In addition, *L* Catterton routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices. You are encouraged to review this brochure in its entirety.

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Item 4: Advisory Business

For purposes of this brochure, unless otherwise noted or made clear by the context, “*L Catterton*” means each of Catterton Management Company, L.L.C. (“CMC”) and Catterton Latin America Management Co. (“CLAM”). As used in this brochure, “we,” “us” and “our” refer to *L Catterton* and its investment advisory business.

L Catterton is a Greenwich, Connecticut-based investment advisory firm founded in 1989. *L Catterton* provides investment advice to a series of private investment funds regarding the selection, monitoring and realization of investments in early to middle-market consumer growth companies.

CMC provides investment advisory services to:

- a series of affiliated buyout funds that focus on portfolio investments exceeding \$250 million of expected invested equity (“Buyout Funds”);
- a series of affiliated growth-oriented funds that focus on portfolio investments below \$250 million of expected invested equity (“Growth Funds”); and
- an impact fund that focuses on portfolio investments in impact-driven consumer businesses believed to offer the potential for positive social and/or environmental impact (“Impact Fund”).

CLAM provides investment advisory services to:

- a series of affiliated funds that focus on portfolio investments in companies in the South American, Central American and Mexican consumer sector (“LatAm Funds”).

CMC and CLAM are registered as investment advisers under the Investment Advisers Act of 1940, as amended (“Advisers Act”), and satisfy the requirements of filing an umbrella registration as set forth in Form ADV’s General Instructions. For purposes of this brochure, and unless otherwise noted, CMC is the filing adviser and CLAM is the relying adviser.

The Buyout Funds, Growth Funds, Impact Fund, LatAm Funds, and any other funds managed, sponsored or advised by CMC or CLAM, including any fund-of-funds established to facilitate certain investors’ indirect investments in one or more other funds sponsored by *L Catterton* (“Vintage Fund” or “Fund-of-Funds”), together with any parallel funds and alternative investment vehicles related thereto, are collectively referred to herein as the “*L Catterton Funds*,” the “Funds” or “our clients” and each individually as a “Fund.” Where required by applicable regulation, the term “our clients” also includes special purpose vehicles that we may form for tax, regulatory or other purposes in connection with specific portfolio investments (“Special Purpose Vehicles”).

CMC is principally owned by *L Catterton Management Limited* (“LCML”), a limited company formed under the laws of England and Wales. CLAM is a wholly-owned subsidiary of CMC. References herein to *L Catterton* or LCML may, where the context so requires, be inclusive of activities performed solely outside the United States by other direct or indirect subsidiaries of LCML. Additional disclosure about the global activities of LCML are included in Sections 5, 10 and 11 of this brochure.

CMC and CLAM provide advisory services solely to the *L Catterton Funds*. The relationship between us and each Fund is governed by the limited partnership agreement (or equivalent organizational document) of such Fund (“Organizational Documents”), separate investment management agreements between *L Catterton* and each Fund (each a “Management Agreement”), and/or side letters with investors (“Side Letters”). Our advisory services are not tailored to individual investors in a Fund, but are provided in accordance with the investment strategy of each *L Catterton Fund*, which is to participate in investments in early to middle-market consumer growth companies or similar investment vehicles, including, without

limitation, acquisitions, management buyouts, recapitalizations and other investment activities within the investment objectives set forth in the Organizational Documents for each Fund. Any investment restrictions on our advisory services are imposed in the Organizational Documents or Management Agreements for a Fund or in Side Letters.

Side Letters refer to agreements that we or our affiliates have entered into with specific Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Organizational Documents, in respect of the investor to whom such Side Letter is addressed. The terms of Side Letters vary and include, but are not limited to, the following:

- impose restrictions on participation in certain investments or types of investments made by the Fund in accordance with the excuse provisions of the applicable Organizational Document;
- provide access to information or impose additional notification or reporting requirements on the general partner of the Fund;
- provide consent to certain transfers or withdrawals by an investor;
- provide different fee structures or other economic arrangements;
- provide the right to serve on a Fund's limited partner advisory committee or advisory board (herein referred to as "Advisory Committee");
- provide confidentiality protections and disclosure rights;
- limit indemnification obligations of an investor;
- acknowledge an investor's desire to be offered co-investment and/or secondary opportunities, priority co-investment rights or targeted co-investment amounts;
- provide rights or terms necessary in light of particular legal, public policy or regulatory characteristics of an investor, including agreements to various sovereign immunity, jurisdiction and venue provisions applicable to certain governmental, sovereign, or other types of investors;
- waive any requirements of investors to execute acknowledgements or other documents in connection with any subscription line or other credit facility; and/or
- otherwise provide benefits to certain investors, including those investors who may provide sourcing or services including strategic benefit to *L* Catterton, not provided to or electable by investors in such Fund generally.

We expect to enter into additional Side Letters with investors in any future funds that may include similar or different terms. We will not enter into a particular Side Letter if we determine that the provisions contained in such Side Letter would be disruptive to the applicable Fund or its investment strategy. *L* Catterton is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services including strategic benefit to *L* Catterton, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to *L* Catterton, its affiliates and personnel, or the Funds). Further, Side Letters may also relate to strategic relationships under which, for example, an investor agrees to make commitments to multiple Funds. Disclosure of applicable Side Letter practices is made to investors in accordance with the Organizational Documents of the applicable Fund, the relevant Side Letters and applicable law or regulation.

L Catterton has entered in the past and reserves the right to enter into arrangements with investors or potential investors that result in economic or other concessions that are more advantageous than those applicable to investors in the Fund generally. In addition to economic concessions, these arrangements may provide other terms different from and potentially more advantageous than terms offered to investors generally, including with respect to participation in co-investment opportunities, and as a general matter, the other investors have no recourse against a Fund, *L* Catterton, the relevant general partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as

a result of such Side Letters. Side Letters subject *L* Catterton to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's Advisory Committee results in the investor receiving additional information relative to other investors. Although *L* Catterton believes it to be unlikely, excuse rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns, or to influence or affect the investment strategy and pursuit of investment opportunities by the relevant general partner on behalf of the relevant Fund as a whole.

Additionally, as permitted by the applicable Organizational Documents, *L* Catterton expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons. *L* Catterton has sole discretion in offering such investment opportunities (through a co-invest vehicle or otherwise), and such investment opportunities typically will be offered to some and not to other Fund, third party or other investors. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor (or co-invest vehicle) or another Fund may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor (or co-invest vehicle) or another Fund generally occurs within a period of time after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in the *L* Catterton's sole discretion, *L* Catterton reserves the right to charge interest on the purchase to the applicable co-investor, co-invest vehicle or "main" Fund (e.g., in connection with a transfer from a Growth Fund to a LatAm Fund), 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 to the extent determined to be fair and equitable by *L* Catterton in its sole discretion. For additional information regarding allocation of investment opportunities, please refer to Item 11(c). For additional information regarding co-investment opportunities and co-invest vehicles, please refer to Item 5 and Item 11(c).

The information provided above about the investment advisory services provided by *L* Catterton is qualified in its entirety by reference to the Organizational Documents and the Funds' subscription agreements.

As of December 31, 2023, we managed approximately \$25,631,066,001 in regulatory assets under management, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

A. Fees

Each of the *L* Catterton Funds is exempt from registration under the Investment Company Act of 1940, as amended (“Company Act”). The securities of each of the *L* Catterton Funds are not registered under the Securities Act of 1933, as amended, (“Securities Act”) and are offered only to qualified investors, typically institutional investors and eligible high-net-worth individuals. As a result, this brochure will be delivered only to “qualified purchasers” and “knowledgeable employees” as those terms are defined in the Company Act.

The Funds pay *L* Catterton a management fee either directly or indirectly (e.g. Vintage Fund). The precise amount of, and the manner and calculation of, the management fees for each Fund are established by *L* Catterton through negotiations with investors in the applicable Fund and are set forth in the Organizational Documents for each Fund. The amount of the management fees for each Fund are typically reduced following expiration of each Fund’s commitment period, in the event a successor fund is closed and starts to accrue management fees or under other circumstances set forth in the Organizational Documents for each Fund. Management fees are payable quarterly in advance and are paid by capital contributions from investors in each Fund made pursuant to capital call notices delivered by the general partner of each Fund. Alternatively, management fees may be drawn from subscription facilities established pursuant to borrowing provisions set forth in the Organizational Documents for each Fund (which facilities are repaid by investors), and/or paid out of cash otherwise distributable to the investors, including when a portfolio investment of a Fund is sold and the proceeds are distributed to investors. Upon termination of the Management Agreement with any *L* Catterton Fund, we will return to such Fund’s investors any paid but unearned portion of the management fee. In general, such fees are pro-rated from the date of termination to the end of the period to which the advance fee applied. Management fees are otherwise generally subject to waiver or reduction by *L* Catterton in its sole discretion. The provisions of the Organizational Documents for each Fund allow *L* Catterton to collect management fees from a limited partner that has defaulted on its capital commitment even after such limited partner has committed such default.

The amount of the management fee payable is offset against a portion of certain other fees received by *L* Catterton net of unreimbursed expenses, regardless of whether the unreimbursed expenses were incurred in connection with activities for which the fees were received, (“Management Fee Offset”), each of which are described more fully below. Each Management Fee Offset results in a reduction of the management fee payable by an investor in a Fund. The portion of other fees received by *L* Catterton and the types of other fees received by *L* Catterton that reduce the management fee payable by an investor varies across the *L* Catterton Funds and is disclosed in and governed by, in each case, the Organizational Documents for each Fund. Generally, under the Organizational Documents, the management fee will be calculated and charged on a basis that is not tied to a Fund’s then-current net asset value. As described above and as further specified in the Organizational Documents, management fees will initially generally be charged based on a formula tied to the amount of the relevant Fund’s aggregate commitments. However, after a certain date specified in the Organizational Documents, a Fund’s management fee generally will be charged and calculated based on a formula tied to the amount of contributed capital or the cost basis of the unrealized investments made by the Fund. As a result, the amount of management fees will not correspond with fluctuations in a Fund’s net asset value or the net asset value of individual investments, including where the fair market value of an investment exceeds or falls below the total amount of contributed capital or the cost basis relating to such investment. Therefore, the management fee generally will not be reduced in connection with any partial distributions, partial realizations, reorganizations and write-downs except as required by the Organizational Documents, which set forth the full list of terms under which a Fund’s management fee will be reduced, offset or otherwise be limited including in the event of a write off of a portfolio investment for tax purposes. Furthermore, management fees generally will not be reimbursed or

refunded under the Organizational Documents in the event of realizations, reorganization, dispositions or write-downs that occur partway through the relevant calculation period. Consequently, investors should expect to bear the full specified management fee in the Organizational Documents until reduced in the circumstances and on the date(s) specified therein.

L Catterton provides services to and receives fees from certain portfolio companies of the Funds pursuant to agreements between *L Catterton* and individual portfolio companies (“Monitoring Services”). Monitoring Services provided by *L Catterton* are generally provided through *L Catterton*’s representative(s) on the portfolio company’s board of directors with assistance from *L Catterton*’s investment professionals. Services provided are broadly related to strategic planning, oversight and support of senior management both broadly and in specific functional areas, planning the company’s financing arrangements and acquisition or disposition activity, bolstering risk management processes and improving the company’s capture and reporting of performance metrics and other similar services. Fees due for the provision of Monitoring Services are generally fixed and due in periodic installments but may be (and have been in the past) waived, or deferred and paid in a lump sum at the exit of the portfolio company, at *L Catterton*’s sole discretion. Additional information about the circumstances under which *L Catterton* has waived or deferred fees due for the provision of Monitoring Services is included in Item 11 of this brochure. The amount of fees for Monitoring Services is usually agreed upon at the time of a Fund’s initial investment in a portfolio company.

L Catterton is also reimbursed for out-of-pocket expenses incurred by *L Catterton* personnel in connection with serving on the portfolio company’s board of directors or equivalent and the provision of Monitoring Services, including expenses for travel (including expenses associated with first-class or business-class airfare or travel by private plane, rail or other means of transportation, including ground transportation (including car rentals, car services and other private transportation to and/or from *L Catterton*’s offices in connection with the performance of Monitoring Services)), lodging (including expenses associated with lodging near *L Catterton*’s offices incurred in connection with the performance of Monitoring Services), the cost of meals and entertainment expenses (including, as applicable, expenses incurred in relation to events with portfolio company management and/or employees, customers, clients, borrowers, brokers, service providers or other relevant parties, including meals at *L Catterton*’s offices), expenses related to meetings or other events other than meetings of a board of directors (including expenses associated with holding or attending such meetings telephonically or over other video conferencing or other similar technology), expenses related to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), certain legal, tax, accounting or consulting expenses and similar out-of-pocket expenses, as well as other expenses, incurred by *L Catterton* in connection with or related to its performance of Monitoring Services for a portfolio company. Fees received by *L Catterton* for Monitoring Services are subject to the Management Fee Offset. However, reimbursements for expenses incurred in connection with the provision of Monitoring Services are not subject to the Management Fee Offset.

L Catterton has received fees and expects to receive fees in the future in connection with mergers, acquisitions, add-on acquisitions, refinancings, public offerings, sales, unconsummated transactions and similar transactions involving portfolio companies of the Funds or fees received in connection with an unconsummated transaction (“Activity-Based Fees”). Activity-Based Fees may also be received in connection with a Fund’s initial investment in a portfolio company. Activity-Based Fees received by *L Catterton* are subject to the Management Fee Offset.

The *L Catterton* Funds may jointly own a portfolio company with another individual or entity, including another *L Catterton* Fund or investment vehicles managed, sponsored or advised by an affiliate of *L Catterton*, including *L Catterton* Europe SAS or *L Catterton* Asia Advisors (the pooled investment vehicles managed, sponsored or advised by these entities, the “Foreign Funds”). In the event a portfolio company is jointly owned with a co-investor, including another *L Catterton* Fund or a Foreign Fund, the amount of

any fees received for Monitoring Services and any Activity-Based Fees will not reduce the management fee payable by any Fund(s) or Foreign Funds that have also invested in such investment, and, as a result, a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion on a fully diluted basis of any fee that relates to (i) the relevant general partner or affiliated partners commitments, (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by *L Catterton* or its affiliates, service providers, third parties, current or former portfolio company management or employees, sellers who have rolled their interest or reinvested proceeds in the relevant portfolio company and/or others), or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, each of which have the potential to be significant. Similarly, *L Catterton* may enter into economic and/or other fee sharing arrangements with respect to one or more co-investors with respect to Monitoring Services or Activity-Based Fees that would otherwise be received entirely by *L Catterton* and subject to the Management Fee Offset. In these instances, it is anticipated that in most cases allocation of fees otherwise receivable entirely by *L Catterton* will be pro rata based on the relative investment amounts of each *L Catterton* Fund (excluding the portion attributable to commitments made by a Fund's general partner) and Foreign Fund or co-investor, in which case the portion of fees subject to the Management Fee Offset will be reduced.

Fees are also received by *L Catterton* Portfolio Operations (i.e., Vault Co.) ("Vault"), a business consulting and operations improvement services firm wholly owned by CMC that provides services solely to portfolio companies or in relation to portfolio companies of the *L Catterton* Funds. The nature of services provided by Vault includes detailed consulting on matters related to the improvement of a company's operational and financial results. These detailed services are focused on one or more functional areas and may be in relation to pricing, marketing, sales, e-commerce, information technology, manufacturing/supply-chain, procurement, talent management and executive recruitment, or similar services that are otherwise provided by third-party operational consulting firms. Vault is also reimbursed for out-of-pocket expenses incurred in connection with performing services to these portfolio companies. Fees received by Vault are not subject to the Management Fee Offset. In the event Vault experiences a loss, as is typical, any excess costs of operating Vault are borne solely by the management fee otherwise described in this section. Additional information about conflicts that arise with respect to Vault is included in Item 11.

L Catterton or portfolio companies engage and retain senior advisors, senior operating executives, advisors, consultants and other similar professionals ("Senior Advisors") who have longstanding professional relationships with *L Catterton*. In certain cases, Senior Advisors may be former employees of *L Catterton*, Vault, or certain portfolio companies. Similarly, but in the case of the LatAm Fund only, *L Catterton* has engaged the services of Regional Executive Directors. Senior Advisors and Regional Executive Directors may provide a variety of services to *L Catterton* or portfolio companies, including supplementary deal sourcing, company monitoring and operating skills, senior executive experience, regional market expertise and assistance with conducting due diligence of targeted investments. These Senior Advisors and Regional Executive Directors are not employees or affiliates of *L Catterton*. In certain cases, these Senior Advisors and Regional Executive Directors have attributes of *L Catterton* personnel (for instance, they may have dedicated office space, receive administrative support services, participate in meetings or events for *L Catterton* personnel work on *L Catterton* matters as their primary or sole business activity, have *L Catterton* e-mail address or business cards and participate in certain benefit arrangements typically reserved for *L Catterton* employees), even though they are not employees, affiliates, or personnel of *L Catterton*. The nature of the relationship with each such Senior Advisor and Regional Executive Director and the amount of time devoted or required to be devoted by them varies significantly.

In addition to compensation and expense reimbursement that these Senior Advisors and Regional Executive Directors may receive from *L Catterton*, these Senior Advisors and Regional Executive Directors may also receive payments from a portfolio company, holding company, special purpose vehicle, the Funds, and/or

other entities, including payments related to service on the board of directors of a portfolio company by a Senior Advisor or the Regional Executive Directors. Additionally, Senior Advisors and Regional Executive Directors are expected to receive compensation and reimbursement of expenses, including, but not limited to, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, remuneration from *L Catterton* and/or its Funds, affiliates, or holding company, guaranteed minimums or other compensation including pursuant to negotiated arrangements. Any such compensation in the form of profits, participation or equity interests in or relating to the relevant portfolio company will generally have a dilutive impact on the Fund that holds such portfolio company. *L Catterton* will, where applicable, allocate the compensation, expense reimbursement or any other payment received by a Regional Executive Director or Senior Advisor or any other advisor, consultant or other similar professional to the applicable Fund(s) and/or applicable portfolio companies, and to the extent allocated to the Fund(s) would be treated as Fund expenses, and in either event will be deemed paid to or received by *L Catterton* or subject to a Management Fee Offset.

Additional information about conflicts that arise with respect to the fees discussed in this section is included in Item 11.

B. Expenses

L Catterton bears the costs and expenses associated with the performance of services under the Management Agreements. The Organizational Documents for each Fund provide that certain other expenses will be borne by the relevant Fund. Such expenses generally include the costs and expenses incurred in developing, identifying, evaluating, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of any transaction by a Fund (including those related to transactions that are not consummated); costs, fees and expenses of monitoring, holding, restructuring, taking public, selling, winding up, liquidating, dissolving or otherwise disposing of any investment by a Fund, including record-keeping expenses, expenses associated with establishing and maintaining related entities including alternative investment vehicles, feeder funds, their respective direct or indirect subsidiaries, special purpose vehicles and other acquisition, holding or intermediate entities including associated audit and custodial expenses, travel and accommodation expenses related to such entities, including the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, interest, fees and other obligations arising out of any borrowing, hedging, currency conversions, or guarantee or the incurrence of indebtedness by the Funds permitted under the Organizational Documents of a Fund; fees and expenses of outside advisors to the fund (including custodians, outside counsel, consultants, Senior Advisors), accountants, valuation services, and other similar professionals or advisors, including third-party fund administrators (including costs associated with compliance with any anti-money laundering laws and regulations and any third-party Fund administrator and administration, tracking or reporting software, if any); recruiting of consultants (including executive recruiters for portfolio companies and any costs associated with recruiting, including headhunter fees, background checks or relocation expenses), service providers and advisors related to environmental, social and governance (“ESG”), and any costs or expenses incurred in connection with a Fund’s compliance with any impact or ESG initiatives, principles or other investment considerations and policies applicable to a Fund including ESG and/or impact assessments, depositaries (including those appointed pursuant to the EU Alternative Fund Managers Directive), Swiss representative and paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), and other jurisdictional regulatory compliance requirements and the implementation thereof, valuation (including third-party valuations, fairness opinions, appraisals or pricing services, including costs related to the establishment or maintenance of such services), the costs of implementing or maintaining computer software and hardware and other technological systems used in connection with the pursuit, consummation, holding or selling of any investment by a Fund; expenses associated with making capital calls from and distributions to investors, including fees and expenses of information technology used to facilitate all such activities, costs of

reporting to investors in the Funds and of any annual or other meetings of investors in the Funds (including limited partner advisory boards, which costs and expenses include set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses including those of certain investor participants at such meetings) regardless of whether all investors are invited to participate in or attend such meetings, including the costs associated with attendance at such meetings by personnel affiliated with *L Catterton* and persons that assist with logistical details associated with such meetings and expenses associated with holding or attending such meetings telephonically or over other video conferencing or other similar technology; taxes, fees, duties, penalties or other governmental charges levied against a Funds or a Fund's income or assets or in connection with a Fund's business or operations, including all out-of-pocket fees, costs and expenses, if any, incurred in connection with a Fund's or its investor's legal, tax, regulatory and statutory compliance with U.S. federal, state, local, non-U.S. or other law or regulation (including regulatory filings and ongoing compliance requirements of *L Catterton* and its affiliates relating to a Fund and its activities); insurance (including premiums of any director and officer liability or other insurance, including insurance of which *L Catterton* and/or its affiliates are also beneficiaries, investment-related representation and warranty insurance and cybersecurity) and cybersecurity insurance premiums, indemnity or litigation costs (including discovery requests), expenses, judgments and settlements; costs associated with the winding-up and liquidation of a Fund, other fees and expenses approved by a Fund's advisory board, and the management fee.

The costs and expenses incurred in developing, identifying, evaluating, diligencing, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of any transaction by a Fund (including those related to transactions that are not consummated) may include, without limitation, research expenses (including the fees and expenses of third party providers of consumer or other industry research or survey work performed and/or used in connection with the decision to consummate or not consummate a transaction, including fees related to the retainer of such third party providers through the entire investment period of a specific Fund, subscriptions to and services provided by data providers and data analytics firms, third party research or expert network firms, third parties engaged to create and perform surveys and other qualitative research, the costs associated with attendance at, participating in or sponsoring conferences or similar events, the cost and expenses of technological systems, software or other databases used to identify and monitor potential target investments by a Fund, and other similar expenses), travel expenses (including expenses associated with first-class or business-class airfare or travel by private plane, rail or other means of transportation, including ground transportation (including car rentals, car services and transportation to and/or from *L Catterton's* offices in connection with pursuit of any transaction)), lodging (including expenses associated with lodging near *L Catterton's* offices incurred in connection with the pursuit of a transaction), the costs of meals (including meals at *L Catterton's* offices), fees and expenses due for any transaction diligence or transaction-related services provided by legal, financial, accounting, consulting or other third party advisors or any lenders, investment banks and other financing sources (including borrowing, financing, commitment, origination and similar fees and expenses and the costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowing and commitments and interest arising therefrom), finder's fees, and other out-of-pocket costs and expenses related to the pursuit of a transaction. The terms of agreements with certain transaction diligence service providers retained to provide services throughout the entire investment period of a specific Fund require the payment of such fees and expenses through a combination of cash and equity in transactions undertaken by a Fund, even where the service provider has not provided services in connection with a specific investment. Further, in certain circumstances, a portion of the cash fee payable is paid in the form of a co-invest participation alongside the Buyout Funds and Growth Funds in portfolio investments, even where the service provider has not provided services in connection with a specific investment. We expect to offer similar compensation arrangements to certain of our other consultants and advisors in the future.

Costs and expenses associated with completed transactions generally will be reimbursed by portfolio companies, capitalized as part of the acquisition price of the transaction, or reimbursed by the Fund or an investment entity formed in connection with a transaction in which a Fund is invested to *L Catterton* at the time a transaction is consummated. Amounts reimbursed by portfolio companies, capitalized as part of the acquisition price of the transaction, or reimbursed by the Fund or a special purpose vehicle to *L Catterton*, may also include certain prepaid costs, fees and expenses of holding or selling the investment by the Fund, including those related to financial audits, tax preparation and tax advisory services, insurance premiums and advisory and other operations-oriented services and other expenses determined on a case-by-case basis at the time of the investment. *L Catterton* has in the past offered and expects in the future to offer the opportunity to co-invest directly in a portfolio company to a party that ultimately elects not to participate in the investment. In these instances, the non-participating investors do not share in the costs and expenses associated with the consummated transaction. In other instances, *L Catterton* has in the past and may in the future enter into fee-sharing arrangements whereby the opportunity to co-invest directly in a portfolio company is offered to a party that agrees to share in the costs and expenses associated with a transaction, even if that transaction is not consummated. In these circumstances, the party sharing in the costs and expenses of an unconsummated transaction may receive a portion of any “break fees” that would otherwise be receivable solely by the participating *L Catterton* Fund. Where appropriate, and in the *L Catterton*’s sole discretion, *L Catterton* 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 to the extent determined to be fair and equitable by *L Catterton* in its sole discretion.

In addition, *L Catterton* engages one or more fund administrators or similar service providers to perform certain functions in relation to a Fund, which services may include tasks related to fund accounting and reporting, including assistance with preparation of the Funds’ financial statements, coordination of the Funds’ legal entity management function, execution and recordkeeping associated with applicable tax elections and filings, support for the valuation process and investor correspondence, investor data management and reporting requests as well as data collection required for various regulatory reporting with which the Funds are required to comply. In certain instances, employees of such service providers dedicate substantially all of their time to the Funds or spend all or a significant majority of their business time at *L Catterton*’s offices. These expenses related to such service provider employees are borne by the Funds. The Funds will bear the expenses of all third-party administrator service providers even if there is some overlap in services performed by such third-party administrator and *L Catterton* personnel.

Costs and expenses associated with transactions that are not consummated will be reimbursed by the Fund to *L Catterton* or, if not reimbursed by the Fund, will reduce the amount of the Management Fee Offset. *L Catterton* has in the past and may in the future establish one or more co-investment vehicles that are required or permitted to invest alongside certain of the *L Catterton* Funds in all portfolio companies in which those Funds invest. Separately, *L Catterton* has in the past and may in the future offer the opportunity to co-invest directly in a portfolio company to one or more parties. If the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will be borne by the *L Catterton* Fund(s) allocated the investment and the co-investment vehicle, but not to the party to which the co-invest opportunity was offered, unless such party has previously contractually agreed to share in any such expenses and fulfilled such contractual agreement. For more information on co-investment opportunities, including how *L Catterton* allocates these co-investment opportunities, please see the conflicts of interest disclosures in Item 11 of this brochure.

L Catterton will be required to decide whether certain other fees, costs and expenses should be borne by *L Catterton*, a Fund (including any parallel fund, alternative investment vehicle or feeder fund thereof), a portfolio company, or Special Purpose Vehicles formed in connection with a specific portfolio investment

of an *L Catterton* Fund, co-investors and/or a third party (each, an “Allocable Party”) and if so, how such fees costs and expenses should be allocated among the relevant Allocable Parties. Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party or, fees, costs and expenses may be allocated among multiple Allocable Parties. *L Catterton* allocates fees, costs and expenses in accordance with a Fund’s Organizational Documents. Typically, where fees, costs and expenses are incurred for the benefit of one Allocable Party, (for instance, with respect to a feeder fund created for the benefit of certain Fund investors), *L Catterton* will allocate 100% of such fees, costs and expenses to such Allocable Party, subject to the terms of the Organizational Documents and the discretion of *L Catterton*. Similarly, to the extent fees, costs and expenses are incurred in connection with regulatory, tax, accounting, marketing or similar requirements applicable to a particular Allocable Party, *L Catterton* will typically allocate 100% of such fees, costs and expenses to such Allocable Party subject to any requirements in the Organizational Documents and the discretion of *L Catterton*. To the extent not addressed in the Organizational Documents of a Fund, *L Catterton* will make allocation determinations among Allocable Parties it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other equitable method as determined by *L Catterton* in its sole discretion). *L Catterton* will make any corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance.

Funds also reimburse *L Catterton* for expenses related to the organization and marketing of the Fund (“Organizational Expenses”), including, without limitation, fees and disbursements of attorneys and other professionals, including certain costs associated with the performance of activities related to the organization and marketing of the Fund performed by employees of *L Catterton*, travel and lodging expenses consistent with those previously described in this Item 5, the costs incurred in connection with participation in capital introduction conferences, research expenses associated with the identification of prospective investors in the Funds, the costs of maintaining computer software and hardware and other technological systems provided by outside advisors and used in connection with the organization and marketing of the Fund, and expenses associated with the preparation and filing of any forms, schedules and filings required by various U.S. and non-U.S. laws and regulations. Organizational Expenses incurred by *L Catterton* in excess of a limit set forth in the Organization Documents of a Fund are the sole responsibility of *L Catterton* and, for certain Funds, are treated as a reduction of the management fee otherwise payable by a Fund.

The Organizational Documents for certain *L Catterton* Funds permit the allocable share (as determined by *L Catterton* in good faith) of the compensation (including, without limitation salary, compensation, benefits and other overhead expenses) of any personnel or employees of *L Catterton*, Vault or their respective affiliates or other overhead expenses (including, without limitation, rent, property taxes and utilities allocable to workspaces) associated with the provision of services including legal, tax, technology, reporting, accounting, investor servicing, valuation, risk management, ESG-related programs, initiatives, disclosure and other activities, compliance (including compliance with ESG-related policies and reporting), administrative services, finance, oversight of fund leverage and credit facilities, capital markets execution and asset-level legal, technology, analytics, finance, accounting and tax matters, administrative and other related services to the Fund to be treated as an expense of the applicable Fund, in each case as specifically set forth in the Organizational Documents of specific *L Catterton* Funds. These personnel are employees of *L Catterton*, Vault or their respective affiliates and provide, among others, including those specified in the foregoing sentence, accounting services (including preparation of financial statements and financial

administration of the Funds and their investment holding vehicles, valuation of the assets of the various *L Catterton Funds* in accordance with requirements set forth in the Organizational Documents of the various *L Catterton Funds*, treasury and other cash management functions related to accounting of a Fund's assets and related activities), tax services (including the preparation and review of tax returns and fulfillment of tax reporting obligations related to operation of the various *L Catterton Funds*, the determination, payment and administration of any taxes levied against the Funds and their investment holding vehicles, including Special Purpose Vehicles), legal services and activities undertaken in connection with the development, identification, evaluation, sourcing, bidding on, negotiation, structuring, obtaining regulatory approvals for, and pursuing the consummation of portfolio investments by the various *L Catterton Funds* (regardless of whether such portfolio investments are subsequently consummated), the monitoring, holding or selling of portfolio investments of the *L Catterton Funds* (including activities that are performed for or on behalf of portfolio investments of the *L Catterton Funds* in the ordinary course of business of the portfolio investments), recruiting activities related to portfolio investments of the *L Catterton Funds*, fulfillment of reporting obligations to limited partner investors in the *L Catterton Funds*, including obligations originating from Side Letters, and related activities. Such personnel may provide these services in respect of multiple *L Catterton Funds*, portfolio investments or matters, including in respect of matters related solely to *L Catterton* or *Vault* and in any such circumstance the benefits or costs of any such personnel and related overhead expenses will be allocated in *L Catterton's* sole discretion taking into consideration a variety of factors including the usage of such personnel, which may change over time. These allocation methodologies may include: requiring personnel to periodically estimate and allocate their time with respect to the *L Catterton Funds* and/or the portfolio companies; *L Catterton* approximating the portion of time a person has spent with respect to a particular *L Catterton Fund* and/or portfolio investment or other matter; the assessment of an overall dollar amount (for instance, based on a fixed fee) that *L Catterton* believes represents a fair recoupment of expenses and a market rate for such services, taking into consideration amounts paid to persons recruited into the relevant positions with *L Catterton* or *Vault* as indicative of market terms for personnel filling the responsibilities of such positions; a proportionate allocation based on a variety of factors determined in *L Catterton's* sole discretion, including the number of investors in an individual *L Catterton Fund*, the number of portfolio investments held by an individual *L Catterton Fund*, and the assets under management of an individual *L Catterton Fund*, as compared to the aggregate number of investors, number of portfolio investments, and assets under management of all relevant Funds with respect to which a person has responsibilities; and any other methodology determined by *L Catterton* in its sole discretion to be appropriate under the circumstances. Any methodology chosen by *L Catterton* involves subjective determinations and inherent conflicts of interest and could result in a greater exposure to the Funds and portfolio companies than would be the case if such services were provided by third parties. The particular methodology used to allocate such amounts where services are provided are expected to vary depending on the types of services provided and could, in certain circumstances, change from one period to another.

In circumstances where *L Catterton* determines to seek "market" or "arms-length" rates or terms, *L Catterton* will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be generally reflective of the range of rates in the applicable or related markets. *L Catterton* reserves the right to deem third party investment in a transaction to be verification that the transaction was entered into at a value that is "arms-length." *L Catterton* is not required, and does not commit, to undertake any market survey or study or obtain any benchmarking data regarding the rates or other terms required, charged or quoted by third parties for similar services. *L Catterton* is generally permitted to determine that third-party benchmarking is unnecessary, including where *L Catterton* believes it has access to adequate market data to make the determination without reference to third-party benchmarking. In the event *L Catterton* determines in its sole discretion to seek benchmarking data or otherwise use benchmarking data available to it, *L Catterton* undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate or comparable or relate specifically to the assets or services to which such rates or terms relate. Where such rates or terms include hourly components, *L Catterton* reserves

the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Under certain 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. Any methodology, or choice among methodologies, involves potential conflicts of interest. Expenses to obtain benchmarking data will be borne by the Fund and/or the portfolio company, as applicable and will not reduce the management fee. No amounts paid in connection with these services will reduce the management fee or otherwise be shared with investors. Relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a market of providers or users of such services or the confidential and/or bespoke nature of such services. Even where information is available to *L Catterton* in order to perform comparisons, such information does not take into account specific characteristics of individual portfolio investments held by the *L Catterton* Funds, specific characteristics of the *L Catterton* Funds and other factors specific to the services that are performed by persons employed by *L Catterton* or Vault. For these reasons, any such methodology (including the choice thereof) may result in an attribution and allocation of expenses that could be approached or concluded in a manner different than that selected and/or determined by *L Catterton*. Conflicts may arise in the allocation of personnel and their time among the *L Catterton* Funds, particularly in connection with funds that may involve substantially more time and resources than other funds. Additionally, certain of these services may also be performed by third parties that provide the same or similar services, and the expenses associated with engaging such third parties may also qualify as fund expenses under the Organizational Documents of the *L Catterton* Funds. There can be no assurances that any personnel or employees of *L Catterton*, Vault or their respective affiliates is more qualified to provide the applicable services or could provide such services at lesser cost than any third party service provider.

A Fund has in the past, and may in the future, form a new investment and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases such Fund will generally bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform company. Such expenses may be borne directly by the applicable *L Catterton* Fund as Fund expenses (or broken deal expenses, if applicable) or indirectly as the Fund will bear the start-up and ongoing expenses of the newly formed platform portfolio company. There can be no assurance that such management team will lead to a successful platform portfolio company or other portfolio company investments. In certain cases, the services provided by a management team may overlap with the services provided by *L Catterton* to the Fund. The compensation of management of a platform portfolio company may include interests in the profits of the portfolio company, including profits realized in connection with the disposition of an asset. Although a platform portfolio company may be controlled by an *L Catterton* Fund, members of a management team will not be treated as affiliates of the Fund's general partner for purposes of the Organizational Documents. Accordingly, none of these expenses will offset any management fee.

Furthermore, in the course of *L Catterton*'s operations, *L Catterton* receives and generates various kinds of data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. As a result, *L Catterton* may be better able to anticipate macroeconomic and other trends and opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies. *L Catterton* may also utilize such data for the purposes of identifying new investment opportunities for the Funds. Although *L Catterton* believes these activities generally improve its investment management activities on behalf of the Funds, information obtained from the Funds and their investments also provides material benefits to *L Catterton* and the Funds without compensation or other benefit accruing to such Funds or their respective investors. Entities owned by the Funds may incur incremental expenses in collecting and organizing information requested or required to be furnished to *L Catterton* (which expenses are indirectly borne by the Funds). Therefore, *L Catterton* may have an incentive to pursue investments based on the data and information expected to be

received or generated. Ultimately, except for (i) contractual obligations to third parties to maintain confidentiality of certain information, (ii) policies, practices and procedures designed to ensure confidentiality of trade secrets and (iii) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, *L Catterton* is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of *L Catterton* and other Funds.

Additional information about conflicts that arise with respect to the expenses discussed in this section is included in Item 11.

Given the nature of the *L Catterton* Funds' investment program, transactions through broker-dealers are limited. Therefore, investors in *L Catterton* Funds do not generally incur brokerage costs and circumstances in which brokerage costs are incurred directly by an *L Catterton* Fund are infrequent and primarily incurred in connection with disposition of public securities following consummation of an initial public offering by a portfolio investment of a Fund. A discussion of our brokerage practices may be found in Item 12 of this brochure.

Additional information about expenses that may be incurred directly or indirectly by investors in the *L Catterton* Funds is included in policies and procedures adopted by *L Catterton*. These policies and procedures are available to current or prospective investors upon request.

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

The *L Catterton Funds* are typically subject to a “carried interest” or performance fee that is paid to the Fund’s general partner. The “carried interest” is assessed in connection with the disposition of an underlying investment by a Fund according to each Fund’s Organizational Documents and is paid out of cash otherwise distributable to investors. Carried interest is typically measured as a percentage of the profits of an *L Catterton Fund* and is negotiated separately for each Fund at a rate consistent with industry standards and in compliance with the Advisers Act. The Impact Fund has a specific consideration where a portion of the carried interest is contingent on the achievement of certain impact-related targets with respect to portfolio investments, which is calculated pursuant to the Fund’s Organizational Documents.

While performance fee arrangements create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities, each of the *L Catterton Funds* generally have materially identical fee structures. In addition, we have implemented procedures designed to ensure that the *L Catterton Funds* are treated fairly in the allocation of investment opportunities, and to prevent this potential conflict of interest from influencing the allocation of investment opportunities among or between the *L Catterton Funds*. Our investment allocations are documented as part of our regular investment processes, taking into account our allocation policy and the terms of the Organizational Documents of the applicable *L Catterton Funds*. Please see Item 11 below for additional information relating to how conflicts of interests are generally addressed by *L Catterton*.

Item 7. Types of Clients

CMC and CLAM provide investment advice solely to the *L* Catterton Funds. Investment advice is provided directly to the *L* Catterton Funds and not individually to investors in any such Fund.

Each of the *L* Catterton Funds is exempt from registration under the Company Act. The securities of each of the Funds are not registered under the Securities Act and are offered only to qualified purchasers as defined in the Company Act, and include, among others, institutional investors and eligible high-net-worth individuals. We have also offered the opportunity to invest in the *L* Catterton Funds to our personnel that qualify as knowledgeable employees as defined in Rule 3c-5 of the Company Act and to certain other qualified institutions or individuals, including consultants, advisers, value-added resources to the Funds and LCML, CMC, CLAM or their affiliates, personal references, family members and personal friends of personnel of *L* Catterton or its affiliates and former employees that have left *L* Catterton in good standing, and any trust, estate and family investment vehicle, wealth planning vehicle and other investment vehicle associated with any of the foregoing persons, each of which, directly or indirectly, provide services to, or assist with the provision of, services provided by LCML, CMC, CLAM, Vault or their affiliates to the *L* Catterton Funds and, in each case, where otherwise eligible to invest in a Fund. We expect to continue these practices in connection with any new Funds.

We typically impose a minimum investment in connection with participating in an *L* Catterton Fund although these minimums generally may be (and have been in the past) waived in our sole discretion.

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

A. Methods of Analysis and Investment Strategies

The *L Catterton Funds* primarily participate in investments in early to middle-market consumer growth companies or similar investment vehicles, including, for example, acquisitions, management buyouts or recapitalizations. We seek to closely partner with entrepreneurial owners and/or management teams of portfolio companies to grow their companies. *L Catterton's* investment approach is based on: (i) its extensive network of differentiated relationships developed over its long history; (ii) a highly analytical proprietary investment process for identifying and screening investment opportunities; and (iii) a value creation approach predicated on operational improvements. Our investment approach generally follows a five-step process described more fully below:

Vertical Process: *L Catterton* performs research and consumer insights to analyze the root drivers of consumer behavior, including key consumer demographic, cultural, and lifestyle trends, as well as economic and market fundamentals, and uses the results of this analysis to develop a list of targeted segments, or verticals, within the consumer market. The Vertical Process is performed by dedicated resources within *L Catterton* and through the engagement of third parties to assist on particular topics.

Deal Sourcing: Using the results of research performed during the Vertical Process, *L Catterton* prioritizes the relative attractiveness of various categories within each vertical and develops a proactive list of targeted companies. Additionally, *L Catterton* sources potential transactions through a network of lenders, investment bankers, brokers, lawyers, accountants, other investment firms, strategic partners, companies operating in the consumer space and management and directors of these companies, and others that refer potential transactions to *L Catterton*, including *L Catterton's* Senior Advisors and Regional Executive Directors.

Underwriting: Once target companies are identified, we engage in a detailed due diligence process for each potential investment that may include, but not be limited to: (i) visiting the company and meeting with its management team; (ii) an in-depth evaluation of operations, infrastructure, staffing, cost structure, financial controls, and the company's overall business model; (iii) aggregating and evaluating primary and secondary research on the company and industry; (iv) speaking with industry experts, customers, retailers, suppliers, and individual references for the management team and key shareholders; (v) performing consumer research to validate the consumer demand and value proposition of the target company; (vi) developing a financial model, including various sensitivities on the operating economics and exit assumptions in order to seek to determine the appropriate valuation and capital structure for the proposed investment; and (vii) deploying outside professionals for such areas as legal review, accounting and tax review, and insurance and environmental assessments. Execution of our due diligence efforts includes both internal and external resources, the expenses of which are addressed in Item 5.

Active Portfolio Management: Following the closing of any new investment transaction, *L Catterton* typically initiates a series of activities aimed at increasing the value of the investment. These activities may include, but not be limited to, execution of a post-investment business plan developed prior to the investment; providing strategic, operating, financial, industry or other advice; identifying and recruiting key members of management; serving on the Board of Directors of the portfolio company; among others. Where agreed-to by a portfolio company, Vault may be involved in the performance of activities during this phase of the investment lifecycle. Any fees received in relation to performance of these activities are described in Item 5.

Exit: L Catterton continuously measures the prospects of any specific investment against its value in the public equity and private acquisition markets with a focus on realization and takes advantage of exit opportunities as it deems appropriate.

B. Risks

The performance of prior investments made by the L Catterton Funds is not indicative of any expected future results. Investments in the L Catterton Funds involve significant risks. There can be no assurance that any investment will meet its objectives, or that an investor will receive a return of all or any portion of its capital. Investors in an L Catterton Fund are encouraged to review the private placement memorandum and Organizational Documents applicable to each Fund for a discussion of the specific risks applicable to such Fund and should also consider the following risks:

1. *Risks Applicable to all L Catterton Funds*

a) Partnership Risks

Each of the L Catterton Funds is generally formed as a partnership. The following risks describe those related to investment in a partnership generally and those risks related to investment in a partnership with the terms generally applicable to the L Catterton Funds.

Long-Term and Illiquid Investments; Market Risks. An investment in an L Catterton Fund requires a long-term commitment with no certainty of return. Interests in the Funds have not been registered under the Securities Act, as amended, or any other applicable securities laws, and therefore are subject to restrictions on transfer. In addition, the Funds are not obligated to redeem any investor's interest and each Fund's Organizational Documents contain significant restrictions on the ability of any investor to assign, sell, exchange or transfer any of their interests, rights or obligations with respect to their investments in a Fund without the prior written consent of the general partner of the respective Fund, which may give or withhold consent in its sole and absolute discretion. No market exists for the interests in the Funds, and none is expected to develop. Consequently, an investor should not expect to liquidate its investment in any Fund readily and must be able to bear the economic risk of its investment in a Fund for a substantial period of time. Many of each Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner. Distributions in kind of illiquid securities to investors may be made in certain circumstances. Although certain investments by the Funds may generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, this will occur typically a number of years after the investment is made. In addition, in some cases, the dispositions of a Fund's investments may be subject to contractual, regulatory and other limitations on transfer, or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Certain investments by the Funds may be in securities that are or become publicly traded (but there can be no assurances that such securities will ever be listed on a securities exchange). Such investments may involve economic, political, interest rate and other risks, any of which could result in an adverse change in the market price, including, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, increased risk of regulatory action by the SEC, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including employees and representatives of L Catterton, and increased costs associated with each of the aforementioned risks. In addition, in some cases the Funds may be prohibited by contract, legal or regulatory reasons or other limitations from selling such securities for a period of time so that the Funds are unable to take advantage of favorable market prices. Investments in publicly-traded companies or assets held by the Funds may also be subject to legal, contractual, regulatory, practical, applicable company policy

or other restrictions on resale, including the possibility that the Fund will be in possession of material non-public information about a company as well as statutory volume limitations. In addition, the ability to exit an investment through the public markets (and the terms of such exit) will depend on market conditions, and particularly the market for public offerings.

Changes in Environment. Each of the *L Catterton Funds'* investment programs are intended to extend over a period of years, during which the business, economic, political, regulatory, consumer and technology environment within which the Funds operate are expected to undergo substantial changes, some of which may be adverse to the Funds. In particular, changes in consumer trends can occur rapidly and with little notice. Any such changes may be adverse to the Funds and portfolio companies, and the Funds may not be able to respond effectively to such changes over the remainder of the Funds' investment program. The relevant general partner will have the exclusive right and authority (within limitations set forth in the Organizational Documents) to determine the manner in which a Fund responds to such changes. Prospective investors are particularly cautioned that the investment sourcing, selection, management and liquidation strategies and procedures previously exercised by *L Catterton* in the past may not be successful, or even practicable, during a Fund's term.

Management by a General Partner. All decisions with respect to the management of each Fund's assets and the operation of the Funds are ultimately made exclusively by the general partner of the respective *L Catterton Fund*. Investors have no right to participate in the management of a Fund or to make any decisions with respect to the investments to be made by a Fund. Consequently, investors must rely entirely on the general partner with respect to the selection of investments and management of each Fund. The success of each Fund will depend greatly upon the skill and expertise of the *L Catterton* professionals managing each Fund and its investment program, but there can be no assurance that the professionals associated with *L Catterton* today will continue to be associated with *L Catterton* throughout the life of the current *L Catterton Funds* or any future *L Catterton Fund*.

Limited Operating History. At formation, each *L Catterton Fund* is established as a new entity with no operating history and the private equity investment industry in which each Fund is engaged is highly competitive. There can be no assurance that any Fund will be able to locate and complete investments which satisfy a Fund's rate of return objectives or that investments by a fund will achieve targeted returns or returns comparable to those achieved by *L Catterton Funds* in the past.

Availability of Investments. *L Catterton* expects to be highly selective in applying the Fund's investment criteria. There can be no assurance that any Fund will be able to locate and complete investments that satisfy its investment objectives and criteria. Scarcity of appropriate investment opportunities may also impact the terms on which any such opportunities are made available. The activity of identifying, structuring, completing and realizing attractive private equity transactions is highly competitive and involves a high degree of uncertainty. Each Fund may be competing with other funds, investors and corporate buyers for investments in desirable portfolio companies. As a result, there may be fewer attractively priced investment opportunities than would otherwise be available, which could have an adverse impact on the length of time required for each Fund to become fully invested.

Limited Number of Investments. Since each Fund may only make a limited number of investments and since many of each Fund's investments involve a high degree of risk, poor performance by a single investment could substantially and adversely affect the total returns to investors in an *L Catterton Fund*.

Limited Diversification. Each of the *L Catterton Funds* intends to concentrate on investments in the consumer industry and related businesses and, as a consequence, the Fund will be less diversified for industry risk than other, more broadly focused funds. As a result of the Fund's sector focus, the effect on the Fund's returns of certain factors that have a greater impact upon the sectors than on other industry

sectors may be more pronounced than in more broadly focused funds. In addition, there can be no assurance as to the degree of diversification of the *L Catterton Funds*' investments, either by geographic region, asset type, or domain. To the extent an *L Catterton Fund* concentrates investments in a particular issuer, security, or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic and business conditions with respect thereto.

Fund-of-Funds. *L Catterton* has established one or more Fund-of-Funds to facilitate certain investors' indirect investments in one or more underlying Funds ("Underlying Funds"). The returns of an investment in a Fund-of-Funds will depend almost entirely on the performance of such Underlying Funds, and there can be no assurance that Underlying Funds will be able to implement their investment objectives and strategies or avoid substantial losses. Generally, Underlying Funds will concentrate on investments in the consumer industry and related businesses, and as a consequence a Fund-of-Funds will, despite its investments through multiple Underlying Funds, be less diversified for industry risk than other, more broadly focused funds. In addition, Underlying Funds will have different geographical focus and investment focus (e.g., buyout vs. growth), and there is no guarantee that any investor will achieve its desired investment allocation and exposure through its indirect investment in Underlying Funds. Additionally, organizational expenses and operating expenses of a Fund-of-Funds, which will be in addition to those costs and expenses borne by such Fund-of-Funds as an investor in each Underlying Fund (e.g., carried interest, management fees, Underlying Fund organizational and fund expenses and other costs, expenses and liabilities borne by investors in Underlying Funds), generally will be borne by the Fund-of-Funds and its investors with a corresponding impact on the returns to such investors. Any fund-level expenses allocated solely to the Fund-of-Funds but not any Underlying Fund or any other person will be in addition to each investor's capital commitment to the Fund-of-Funds (i.e., such expenses are outside of capital commitments). Such additional layer of expenses would not be applicable to investors that invest directly in each Underlying Fund, thus negatively affecting the performance return of the Fund-of-Funds investors as compared to the investors that invest directly in the Underlying Funds. Ultimately, a variety of other factors may contribute to deviations (which may be significant) between the performance of the Fund-of-Funds and any Underlying Funds, including, but not limited to, the frequency and magnitude of the Fund-of-Funds using cash reserves (either through borrowing, capital contributions or withholding of distributable proceeds) that are not invested in the Underlying Funds. Although a Fund-of-Funds will be an investor in Underlying Funds, investors in a Fund-of-Funds will not themselves be equity holders of the Underlying Funds and will have no privity of contract with, and not be entitled to enforce any rights or assert any claims against, any Underlying Funds (or their general partners) or any of their respective affiliates. In addition to the risks described above, a Fund-of-Funds, as an investor in Underlying Funds, is subject to all the risks relating to each Underlying Fund's investments.

Global Economic Conditions; Market Dislocation. Economic conditions globally may affect each of the Fund's activities. Interest rates, general levels of economic activity, the price of securities, commodities and other assets and participation by other investors in the financial markets may affect the value and number of investments made by a Fund or considered for prospective investment. Global market and economic conditions have been, and continue to be, disrupted and volatile and could materially and adversely impact the Funds in a variety of ways and may include impacts that cannot be anticipated at this time.

Risks Arising from Provision of Managerial Assistance. Each of the Funds (or the general partner of a Fund or its management and employees on behalf of the Fund) expects to obtain rights to participate substantially in, and to influence substantially the conduct of, the management of portfolio companies held by a Fund (including, but not limited to, rights to board seats). Accordingly, the designation of directors and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders and its creditors and/or indemnification obligations in connection therewith. While the general

partner of each Fund and *L Catterton* intend to manage each of the Funds in a way designed to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Indemnification. Each of the respective general partners of the *L Catterton* Funds, *L Catterton* and the members, partners, employees, agents and affiliates of each of them, will be entitled to indemnification from the Funds, except in certain circumstances. The assets of the applicable Fund will be available to satisfy these indemnification obligations, and investors may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of each *L Catterton* Fund.

Side Letters. Each of the *L Catterton* Funds, or the general partner on behalf of the respective *L Catterton* Fund, may enter into a number of Side Letters with one or more investors. Additional information regarding Side Letters is disclosed in response to Item 4. To the extent required by applicable law or otherwise agreed by *L Catterton* or the Fund, material terms of certain Side Letters may be made available to certain investors on a redacted basis without making such terms available to all investors. Investors generally will not otherwise receive disclosure of Side Letter agreements unless required by law or regulation. As a result of certain Side Letters, investors holding the same Fund interests will have different returns, or receive different information, depending on any arrangements applicable to a given investor's interest. In addition, if *L Catterton* enters into a Side Letter entitling an investor to be excused or excluded from a particular investment, (a) any election to be excused or excluded by such investor will increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, future investments, and reduce the overall size of a Fund and/or (b) a Fund's ability to consummate certain investments may be inhibited.

Consequences of a Default. If an investor in an *L Catterton* Fund fails to pay when due installments of its capital commitment to the respective Fund, and the contributions made by non-defaulting investors and borrowings by the Fund are inadequate to cover the defaulted capital contribution, the Fund may be unable to pay its obligations when due. As a result, a Fund may be subjected to significant penalties that could materially adversely affect the returns to investors (including non-defaulting investors) in the applicable Fund. If an investor defaults, it may be subject to various remedies as provided in the applicable Fund's Organizational Documents, including, without limitation, reductions in its capital account balance, preclusion from further investment in the Fund, forced sale of its investment at a discount to actual value and forfeiture of its investment.

Investments Longer than Term. The Funds may make investments that may not be advantageously disposed of prior to the date the applicable Fund will be wound up and dissolved, either by expiration of the applicable Fund's term or otherwise. Although *L Catterton* expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution during the winding up and dissolution of a Fund and each Fund has a limited ability to extend its term, a Fund may have to sell, distribute or otherwise dispose of Investments at a disadvantageous time as a result of the commencement of its winding up and dissolution.

Tax Matters. It is intended that each of the Funds will be treated as a partnership for U.S. federal income tax purposes, and not as an association taxable as a corporation, and will be operated in a manner such that the Funds should not be treated as a "publicly traded partnership" taxable as a corporation for U.S. federal income tax purposes (however, no ruling on this question will be obtained from the Internal Revenue Service). As a result of the Funds being treated as partnerships for U.S. federal income tax purposes, each partner in the Fund, in determining its U.S. federal income tax liability, will take into account annually its allocable share of items of income, gain, loss, deduction and credit of the Funds, without regard to whether it has received distributions from a Fund. As is generally the case for similar private equity investment vehicles, an investment in the Funds will give rise to a variety of complex U.S. federal income tax and other tax issues for limited partner investors. Certain of those issues may relate to special rules applicable to

certain types of investors, such as tax-exempt entities, life insurance companies, banks, individuals, dealers in securities and non-U.S. persons and entities. It is anticipated that the Funds will not be able to furnish the partners' Schedule K-1s for completing their U.S. tax returns prior to April 15th of each year. In such event, each partner will have to file requests for extension of the time for the filing of their U.S. tax returns. Limited partner investors in the Funds should carefully consider disclosures made in the Organizational Documents for each *L Catterton* Fund regarding this and other tax matters before making a decision to invest.

Additionally, various countries have adopted regulations and entered into intergovernmental agreements concerning the multilateral exchange of information as a means to combat tax evasion. Included among these new regulations and intergovernmental agreements are the U.S. Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standard ("CRS") adopted by the Organization for Economic Cooperation and Development (the "OECD"). One or more of these regimes apply to the *L Catterton* Funds and require the relevant general partner to collect and share with applicable taxing authorities information concerning limited partner investors. A limited partner investor's failure to provide the required information may result in the application of withholding taxes. These withholding taxes could also, under certain limited circumstances, apply to the *L Catterton* Funds if they fail to comply with certain reporting obligations to authorities in the U.S., the Cayman Islands, Canada and the United Kingdom.

FOIA and Similar Laws. To the extent that the general partner of a Fund determines in good faith that, as a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an investor or any of its affiliates may be required to disclose information relating to the Fund, its affiliates or any entity in which an investment is made (other than certain fund-level, aggregate performance information as described in the Organizational Documents applicable to each Fund), the general partner of a Fund may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor. This may result in certain investors receiving less information about a Fund than other investors in the same Fund.

Impact of Government Regulation and Reform. Certain industry segments in which a Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

Cyber Security Breaches and Identity Theft. Information and technology systems of *L Catterton* and its portfolio companies and service providers 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. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, *L Catterton*, a Fund and/or a portfolio company may incur a significant time and/or expense investment to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in *L Catterton's*, a Fund's and/or a portfolio company's and/or service providers' 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). In certain events, a failure or deemed failure to address and mitigate

cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at *L Catterton* or one of its service providers holding its financial or investor data, *L Catterton*, its affiliates or the Funds may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “Privacy Laws”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of *L Catterton*, the general partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for *L Catterton*, the general partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place. Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include *L Catterton*, the general partners, the Funds and/or their portfolio companies.

Risks of Artificial Intelligence (“AI”). *L Catterton*’s ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit *L Catterton*’s ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While *L Catterton* may restrict certain uses of third-party and open source AI tools, such as ChatGPT, *L Catterton*’s employees and consultants and a Fund’s portfolio companies may use these tools, which poses additional risks relating to the protection of *L Catterton*’s and such portfolio companies’ proprietary data, including the potential exposure of *L Catterton*’s or such portfolio companies’ confidential information to unauthorized recipients and the misuse of *L Catterton*’s or third-party intellectual property, which could adversely affect *L Catterton*, a Fund or its portfolio companies. Use of AI tools may result in allegations or claims against *L Catterton*, a Fund or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in *L Catterton*’s and its employees’ and consultants’ decision-making, portfolio management or other business activities, which could have a negative impact on *L Catterton* or on the performance of a Fund and its portfolio companies. Such AI tools could also be used against *L Catterton*, a Fund or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed

or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of *L Catterton*, a Fund or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of *L Catterton*, a Fund or its portfolio companies to continue to operate as intended.

Risk Management. The Fund's methods of seeking to minimize investment strategy and other risks may not accurately address future risk exposures. Risk management techniques are based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted. In certain situations a Fund may be unable to, or may choose not to, implement risk management strategies because of the costs involved or other relevant circumstances or business judgments, and even if risk management strategies are utilized, such strategies cannot fully insulate a Fund from the risks inherent in its planned activities. No risk management system is fail-safe.

Follow-On Investments. Following its initial investment in a given portfolio company, a Fund is permitted to provide additional funds to such portfolio company or increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There is no assurance that any Fund will make such follow-on investments or that any 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 impact on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made) or may result in a lost opportunity for such Fund to increase its participation in a successful operation. To the extent a portfolio company receives additional investments or other funding and the applicable Fund does not participate, such Fund's interest in such portfolio company would be diluted.

Additionally, *L Catterton* at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Fund (or another Fund) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Funds and/or *L Catterton* at the expense of the current Fund(s) investing in such follow-on investment.

In addition, *L Catterton* will, from time to time, consider an investment opportunity for one Fund and then subsequently determine to have another Fund or fund advised by *L Catterton's* affiliates make the investment. In making any such reallocation determination, *L Catterton* will consider a variety of factors, including those set forth above under "*Allocation of Investment Opportunities among the L Catterton Funds and the Foreign Funds.*" Conflicts of interest arise in connection with such a reallocation, including those set forth above under "*Allocation of Investment Opportunities among the L Catterton Funds and the Foreign Funds.*" In addition, a conflict of interest exists because the investing Fund will benefit from the initial evaluation, investigation and due diligence undertaken by *L Catterton* on behalf of the original Fund for which the investment was initially considered. In certain cases, such reallocation determination can be expected to occur after a significant period of time has passed and the Fund to which the investment was originally allocated has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Fund typically will not be required to reimburse the original Fund for such expenses. In the event that the investing Fund does reimburse the original Fund for out-of-pocket expenses incurred in connection with evaluating, investigating and diligencing such investment, the investing Fund typically will not pay interest on any such amounts reimbursed to the original Fund. Alternatively, if the investing Fund does pay interest on such amounts to

the initial Fund, there can be no assurance any such interest will be paid over at the same time as such reimbursement or that the amount of such interest will be sufficient to compensate the original Fund for the time since it deployed capital to pay such expenses. *L Catterton* experiences conflicts of interest in connection with causing one Fund to incur expenses that may ultimately benefit another Fund (or fund advised by its affiliate), and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of a liability that one Fund (or fund of *L Catterton's* affiliate) owes to another Fund, and in all such cases these determinations, calculations, and terms are not arm's length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Funds. There can be no assurance that the amounts reimbursed to the original Fund will be commensurate with the benefit received by the investing Fund.

Use of Leverage. The *L Catterton* Funds are permitted to borrow funds or enter into other financing arrangements for various reasons, including, depending on the *L Catterton* Fund, to pay certain fees and expenses otherwise discussed in Item 5 of this brochure, to make or facilitate new or follow-on investments, to fund capital contributions at the closing of an investment, or in other circumstances that may arise from time to time and are otherwise permitted by the Organizational Documents applicable to the *L Catterton* Funds. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all partners in such Fund on a pro-rata basis, including the general partner. In addition, debt facilities for certain *L Catterton* Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by the applicable Fund.

Although borrowings by the Funds have the potential to enhance overall returns that exceed such Fund's cost of funds, such borrowings may, during limited periods, increase the potential exposure of the Funds to a particular investment above the level that the Fund would typically have had an investment been limited to equity. Any such borrowings may further diminish returns (or increase losses on capital) to the extent overall returns are less than a Fund's cost of funds. In addition, borrowings by a Fund are secured by capital commitments made by investors in a Fund and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing. To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through a Fund facility, such Fund's investors generally make correspondingly later capital contributions and the Fund bears the expense of interest on such borrowed funds. As a result, the use of borrowed funds at the Fund level can impact the calculation of returns and reduce the preferred return hurdle thereby accelerating the timing of the payment of carried interest.

The Funds will also utilize various borrowing arrangements whereby a Fund will borrow to fund a co-investment party's pro rata share of an investment or expense related to an investment. In connection therewith, co-investment parties are generally not required to act as guarantors under the relevant credit facility or borrowing arrangement and will not bear any portion of the costs of establishing, negotiating, and maintaining the relevant Fund's credit facility or borrowing arrangement, which will be borne entirely by the relevant Fund. *L Catterton* reserves the right to allocate any interests and any other expenses, costs and/or liabilities associated with any such extension of credit among all parties (including the general partner and any co-investment party) in its sole discretion considering such factors it deems relevant, including allocating a non-pro rata share (including 100%) of such interests, expenses, costs and/or liabilities to the relevant Fund(s). Additionally, a Fund borrowing in this capacity will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties.

In addition to Fund-level borrowing, and subject to any limitations set forth in the Organizational Documents, a Fund is permitted to act as guarantor in *L Catterton's* sole discretion, including when *L Catterton* considers it necessary, appropriate or incidental to the accomplishment of the purposes of the

Fund. For example, *L* Catterton may determine that a Fund guarantee is potentially beneficial for increasing the availability, type or amount of financing for the borrower or allowing the borrower to negotiate more favorable terms from the lenders. Such a Fund guarantee will include “qualified borrower” structures, where a portfolio company (or Special Purpose Vehicle) could join the Fund’s credit facility and borrow amounts directly under it as a “qualified borrower,” with the Fund providing a guarantee of the borrowing. The portfolio company or Special Purpose Vehicle would be an obligor under the loan, receive the loan proceeds and have responsibility for its repayment. However, in the event of default, the lender would have recourse to the Fund under the guarantee without a requirement to first attempt to collect from the portfolio company or Special Purpose Vehicle. Co-investors are generally not required to act as guarantors under any such “qualified borrower” structures and accordingly will not bear any portion of the costs of establishing and maintaining the relevant borrowing arrangement or any risk of loss in the event of default, all of which will be borne entirely by the relevant Fund.

A Fund may engage in financings where several investments (including investments held through one or more asset-level entities) are cross-collateralized, thereby subjecting multiple investments to the risk of loss. As a result, such Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. Additionally, a Fund may use back leverage for certain portfolio investments including back leverage that is guaranteed by such Fund. The use of back leverage potentially enhances the return profile of investments, and accordingly, of the Fund overall, but also increases the risk profile of such investments.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund’s investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant general partner’s right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund’s obligations to a subscription line’s creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line’s interest rate is based in part on the creditworthiness of the relevant Fund’s limited partners and the terms of the Organizational Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner’s cost of capital is lower than the relevant Fund’s cost of borrowing, Fund-level borrowing can negatively impact a limited partner’s overall individual financial returns even if it increases the Fund’s reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund’s return calculations and thereby may be deemed to benefit the marketing efforts of the general partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund’s carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund’s management fee calculation, such as during periods where management fees are based in whole or in part on an acquisition

cost that includes a borrowing component. Since management fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant general partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's management fee calculation under the Organizational Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

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

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant general partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Organizational Documents, this scenario potentially incentivizes the relevant general partner to

permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).]¹

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

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, *L Catterton* 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, valuations are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and differs from the prices at which such securities may ultimately be sold. Third party pricing information may at times not be available regarding certain of a Fund's assets, and there can be no assurance that *L Catterton* will have all information necessary to make valuation decisions or that any information provided by third parties on which such decisions are based will be correct. Valuations cannot necessarily be substantiated by comparison to available market data, including public markets. Additionally, there is no assurance that the valuation decision of a Fund's general partner with respect to an investment will represent the value ultimately realized by the 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 valuation. Furthermore, with respect to the Funds, the exercise of discretion in valuation by *L Catterton* gives rise to conflicts of interest, including that valuations impact *L Catterton's* track record. Ultimately, whether an investment should be deemed worthless will affect the amount of management fees payable by a Fund during the period the management fee is calculated and charged on invested capital. There can be no assurance that when a Fund's general partner in its discretion determines an investment to have value and not be worthless, a third-party would not otherwise determine such investment to be worthless, or if such investment will eventually be realized for any distributable

proceeds to the Fund's limited partners. *L Catterton* is not obligated to follow any third-party methodology in making its determination on whether an investment is worthless and is entitled to make its own determination taking into account all facts and circumstances it deems relevant. Accordingly, *L Catterton* may be incentivized to increase valuations or assign undue importance to factors that would justify an investment not being deemed worthless.

Disease and Coronavirus Outbreak Risks. The impact of disease and epidemics may have a negative impact on our business as well as the Funds and their performance. Coronavirus (or new variants thereof), renewed outbreaks of other epidemics or pandemics or the outbreak of new epidemics or pandemics could result in health or other government authorities requiring the closure of offices or other businesses, and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, *L Catterton* operations and those of the Funds or portfolio companies could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively affect market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the business of *L Catterton*, the Funds or portfolio companies.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one or more of the Fund's banks, brokers, hedging counterparties, lenders to 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 various factors, including eroding market sentiment, significant withdrawals (e.g., a bank run in which depositors collectively withdraw their balances within a short period of time), fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, *L Catterton*, 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, in the case of banks, or the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance (including Fund assets maintained with qualified custodians pursuant to Rule 206(4)-2 under the Advisers Act) 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 *L Catterton* to manage the Funds and their investments, and on the ability of *L Catterton*, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Although *L Catterton* seeks to do business with Financial Institutions it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, *L Catterton* is under no obligation to use a minimum number of Financial Institutions with respect to any Fund or to maintain account balances at or below the relevant insured amounts. Furthermore, such balances maintained by *L Catterton* and the Funds are generally expected to fluctuate, including with respect to the Funds in connection with capital calls to limited partners and dispositions of investments, and certain balances will substantially exceed applicable deposit insurance.

Global Conflicts. Various ongoing or future armed conflicts (including the Russian Invasion of Ukraine and the Israel-Hamas War) could have a negative impact on various economies and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of the Funds' investments. Furthermore, given the ongoing and evolving nature of these conflicts and the potential for escalation, it is difficult to predict any of these conflicts' ultimate impact on global economic and market conditions, and, as a result, these conflicts present material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

Recent Regulatory Developments for Private Funds and their Advisers. In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the "Private Funds Rules") under the Advisers Act specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of *L Catterton* and its affiliates, a Fund and/or its investments. As a result of the new rules, *L Catterton* will under certain circumstances be restricted or refrain from providing information regarding a Fund in response to investor requests. *L Catterton* will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Fund (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact *L Catterton's* decisions with respect to agreeing to certain preferential rights. The Private Funds Rules include certain audit requirements, which may require *L Catterton* to select a different auditor or obtain an additional audit, even if *L Catterton* does not believe it is in the best interest of a Fund or its investors to do so. Further, many provisions of the Private Funds Rules require *L Catterton* to make a variety of subjective determinations as to whether and how such rules apply to a Fund and *L Catterton's* related obligations. *L Catterton* will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. *L Catterton's* and a Fund's compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. *L Catterton* also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Fund's reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

b) Portfolio Company Risks

The following risks describe those related to the specific portfolio investments made by the *L Catterton* Funds.

Growth Company Investments. The strategy of each of the *L Catterton* Funds includes investing in high-growth companies. High-growth companies may be more volatile due to their limited product lines,

markets or financial resources, or their susceptibility to major setbacks or downturns. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle-market companies, could make it difficult for a Fund to react quickly to negative economic or political developments.

Risks in Effecting Operating Improvements. In some cases, the success of each Fund's investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that a Fund will be able to identify or implement such restructuring programs and improvements successfully.

Reliance on Portfolio Company Management. Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although *L Catterton* will be responsible for monitoring the performance of each investment by the respective Fund and generally intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company in accordance with the Fund's plans and/or objectives.

Additional Capital. Certain of the portfolio companies may be expected to require additional financing to satisfy their working capital requirements or growth or acquisition strategies. The amount of such additional financing needed will depend upon the maturity and objectives of the particular portfolio company. A portfolio company may have to raise additional capital at a price unfavorable to the existing investors in the Fund invested in the portfolio company. In addition, a Fund may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company in order to preserve the Fund's proportionate ownership when a subsequent financing is planned, or to protect the investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that portfolio companies of the Funds will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

Leverage Below a Fund. Many portfolio companies of the *L Catterton* Funds employ leverage at the portfolio company level. While investments in leveraged companies offer the opportunity for greater capital appreciation, such investments may also involve a higher degree of risk, including the risk of recessions, operating variances and other general business and economic risks, as well as the other risks described within this section. Rising interest rates may significantly increase interest expense owed by portfolio companies, which may cause losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the *L Catterton* Funds may suffer a partial or total loss of capital invested in the portfolio company.

Joint Venture Investments. The Funds may co-invest with third parties through joint ventures or other entities. Such investments may involve risks in connection with such third-party involvement, including the possibility that a third-party co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the participating Fund, or may be in a position to take (or block) action in a manner contrary to the applicable Fund's investment objectives. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements. The Funds may also hold a non-controlling interest in certain

portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies.

Bridge Financing. Each of the Funds may provide bridge financing in connection with one or more of its equity investments including in connection with any co-investment opportunity allocated to co-investors. The Fund providing such bridge financing will bear the risk of any changes in capital markets which may adversely affect the ability of a portfolio company to refinance any bridge investments. If the portfolio company were unable to complete a refinancing, the Fund could have a long-term investment in a junior security or that junior security might be converted to equity.

Contingent Liabilities on Dispositions. In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of any business. The Fund also may be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate or for other matters. These arrangements may result in contingent liabilities for which the general partner of the applicable Fund may establish reserves or escrows or which might ultimately have to be funded by the investors in the Fund making contributions to the Fund out of previous distributions from the Fund. Additionally, investors receiving a distribution from the Fund in violation of certain applicable laws or regulations will, under certain circumstances, be obligated to recontribute such distribution to the Fund.

Investment in Restructurings. The Funds are permitted to make investments in restructurings, which involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause any such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the applicable Fund to certain additional potential liabilities that may exceed the value of the Fund's original investment therein. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to the investors in the Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or recharacterize investments made in the form of debt as equity contributions.

Fraud. There can be no assurance that the general partner of a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor its investments on an ongoing basis. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or other investments in such portfolio company. In certain investments, a Fund will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners, if applicable, in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Anti-Corruption Laws and Regulations. Economic sanction laws in the United States and other jurisdictions may prohibit L Catterton, L Catterton's professionals and the Funds from transacting with or in certain countries and with certain individuals and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders

and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. These types of sanctions may restrict a Fund's investment activities.

The U.S. Department of Justice, the SEC and foreign authorities vigorously enforce the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.K. Bribery Act and similar regulations adopted by various other countries. Any determination that *L Catterton* has violated the applicable anti-corruption laws or anti-bribery laws could subject *L Catterton* to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect *L Catterton's* business prospects and/or financial position, as well as a Fund's ability to achieve its investment objective and/or conduct its operations.

Environmental, Social and Governance Matters. While ESG is only one of the many factors *L Catterton* will consider in making an investment, there is no guarantee that *L Catterton* will successfully implement and make investments in companies that creates ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that *L Catterton* engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of *L Catterton* will depend on *L Catterton's* skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on *L Catterton's* view of certain ESG-related and other factors, and carries the risk that *L Catterton* may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by *L Catterton*.

Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by *L Catterton* or any judgment exercised by *L Catterton* will reflect the beliefs or values of any particular investor. In evaluating a company, *L Catterton* is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause *L Catterton* to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or *L Catterton's* assessment of such practices may change over time.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of *L Catterton*, service providers to *L Catterton* or the *L Catterton* Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such *L Catterton* Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such *L Catterton* Funds. *L Catterton* has controls and procedures

through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that *L Catterton* will be able to identify or prevent such misconduct.

Market Disruption, Health Crises, Terrorism and Geopolitical Risk. *L Catterton* is subject to the risk that war, terrorism, global health crises or similar pandemics, and other related geopolitical events may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of *L Catterton*'s investments. War, terrorism and related geopolitical events, as well as global health crises and similar pandemics have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. Those events as well as other changes in world economic, political and health conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of *L Catterton*'s investments. At such times, *L Catterton*'s exposure to a number of other risks described elsewhere in this section can increase.

Climate Change. The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Special Purpose Acquisition Companies. A Fund may invest in units of, shares of, warrant to purchase stock of, and other interests in special purpose acquisition companies or similar special purpose entities that pool funds to seek potential acquisition opportunities (collectively, "SPACs"). SPACs and similar entities have no operating history or ongoing business other than seeking to complete a business combination with one or more companies, and as a result, the value of each of their securities is particularly dependent on the ability of the entity's management to identify and complete a successful business combination.

Because SPACs are not permitted to have selected or approached any prospective target businesses with respect to a business combination at the time "at-risk" capital has been contributed, the decision to enter into a business combination may be affected by numerous risks inherent in the business operations of the acquired company or companies and be further impacted by the desire to avoid the risk of loss of the "at-risk" capital. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

2. *Risks Applicable to the Buyout and Growth Funds Only*

Non-U.S. Investments. Each of the Buyout and Growth Funds may invest in portfolio companies that are organized, 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 the partnership), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the applicable Fund and/or investors in the applicable Fund with respect to the Fund's income and possible non-U.S. tax return filing requirements for the Fund and/or the investors in the Fund. Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. 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. In particular, investments in United Kingdom-based businesses may be impacted by the legal, political and economic uncertainty generally resulting from the exit of the United Kingdom from the European Union.

3. *Risks Applicable to the Growth and Impact Funds Only*

Seed Investments. Certain of the Growth Funds may engage in financing transactions involving debt and/or equity securities entered into between the Growth Fund and very early stage companies that operate in categories and with attributes that make them attractive investment candidates but for their nascent stage of development (a "Seed Investment") to facilitate a potential future investment by the Growth Fund or another investment fund or managed account managed or sponsored by L Catterton, including the Growth Fund's successor fund. Such Seed Investments may be made with the consent of only one member of the Growth Fund's Investment Committee after limited due diligence. As a result, Seed Investments will have relatively higher risk of a loss of the Fund's investment than other investments made by L Catterton.

Early-Stage Investments. The Growth Funds may make investments in companies that are in a conceptual or early-stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that may have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. Substantial operational risks to which these companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources and the potential for rapid organizational or strategic change. Early-stage investments may also need additional capital to support growth or to maintain their competitive position. Such capital may not be available on attractive terms from private sources to the same extent as more mature businesses and the public market for early-stage companies is highly volatile. Such volatility may adversely affect the ability of portfolio companies to raise capital when needed, the ability of the Funds to dispose of investments and the value of a Fund's investment securities on the date of sale or distribution.

4. *Risks Applicable to the LatAm Fund Only*

Hedging Policies/Risks. In connection with certain investments, the LatAm Fund is authorized to employ hedging techniques designed to reduce the risk of adverse movements in interest rates, securities prices and currency exchange rates. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while the LatAm Fund may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. The general partner of the LatAm Fund may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilization of hedging and risk management transactions requires skills that are separate from the skills used in selecting and monitoring investments.

Political and Sovereign Risk. Governments of certain Latin American nations have exercised and continue to exercise considerable influence over many aspects of their respective private sectors. In many cases, the government owns or controls many companies, including some of the largest (such as energy and utility companies), with the potential to impact the broad economic and market conditions in the country. In addition, companies operating in Latin America potentially face a political environment characterized by extensive and rapid change, with heightened risk of rapid regulatory shifts, social instability or diplomatic developments (including war) which could adversely affect the economies of such countries or the value of the LatAm Fund's portfolio investments in such countries.

Nationalization/Expropriation. Historically, foreign-owned businesses operating in much of Latin America have faced threats or action by national and provincial-level governments amounting to nationalization, expropriation or confiscatory taxation rates. If a portfolio company of the LatAm Fund were to face such government action, there can be no assurance that the LatAm Fund would receive adequate compensation for any losses incurred.

Risks from Economic Reform. Over the last two to three decades, Latin American governments generally have sought to enact reforms loosening state control over the economy and moving towards a more market-oriented system. This process has resulted in economic dislocations leading, in some cases, to severe inflation, socio-political pressures, currency depreciation and lower production, which in turn have caused the governments in certain Latin American countries to re-evaluate the nature and pace of market reforms. There can be no assurance that these reforms will continue or, if continued, will be successful. Furthermore, there can be no assurance that the process will not be reversed.

U.S. Dollar Denomination of Interests. Interests in the LatAm Fund are denominated in U.S. dollars. Investors subscribing for interests in the LatAm Fund in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be non-U.S. exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions. Each prospective investor should consult with his or her own counsel and advisors as to all legal, tax, financial and related matters concerning an investment in the interests.

Currency and Exchange Rate Risks. A substantial portion of the LatAm Fund's investments, and the income received by the LatAm Fund with respect to such investments, may be denominated primarily in currencies other than U.S. dollars. However, the books of the LatAm Fund will be maintained, and capital contributions to and distributions from the LatAm Fund generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of investments, interest and dividends received by the LatAm Fund, gains and losses realized on the sale of investments and the amount of distributions, if any, to be made by the LatAm Fund. In addition, the LatAm Fund will incur costs in converting investment proceeds from one currency to another.

Investment and Repatriation Restrictions. Certain Latin American countries have laws and regulations that currently limit or preclude direct foreign investment, and occasionally governments in the region have proposed or debated increasing capital controls on financial inflows and outflows. Prior government approval for foreign investments or inflow of follow-on foreign capital for an existing portfolio investment may be required under certain circumstances, and the process of obtaining these approvals may require a significant expenditure of time and resources. Repatriation of investment income, capital and the proceeds of sale by foreign investors may require governmental registration and approval in some countries. Investments in Latin American entities may require significant government approvals under corporate, securities, exchange control, foreign investment and other comparable laws and may require financing and structuring alternatives that differ significantly from those customarily used in the United States. In

addition, Latin American governments from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities transfers or the imposition of exchange controls making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the LatAm Fund to distribute the amounts realized from such investment at all or may force the Fund to distribute such amounts other than in U.S. dollars, and therefore a portion of the distribution may be made in foreign securities or currency.

Taxation Risks. Tax laws and practices in some Latin American nations are undergoing rapid change and reform and are not as clearly established as in the United States and most of Western Europe. These tax regimes are subject to varying interpretations, frequent changes and inconsistent enforcement at all levels of government. Tax changes could occur during the term of the LatAm Fund that may adversely affect the LatAm Fund and its investments. The LatAm Fund intends to invest in a number of different taxing jurisdictions, any of which may change their tax laws and enforcement policies, possibly with retroactive effect. Consequently, the LatAm Fund may face unfavorable tax treatment in various Latin American countries, which may have a material adverse effect on the LatAm Fund's investments or the feasibility to make investments in certain countries. Each prospective investor should carefully review the tax matters discussed in the Organizational Documents for the LatAm Fund and is advised to consult its own tax advisor as to the income tax consequences to an investment in the LatAm Fund.

Sovereign Debt Risks. While many Latin American governments have made attempts to reduce debt, several governments in the region have high levels of outstanding debt and/or negative fiscal balances. If these governments are unsuccessful in reducing their debt, improving their debt management policies or increasing their fiscal balances, interest rates may remain high, foreign investment may be discouraged, investment grade status may not be attainable and continued improvement in the macroeconomic environment may not materialize. Certain countries have either defaulted or undertaken extensive restructuring of their sovereign debt in recent years. Each of these factors may negatively affect the performance of the LatAm Fund and of its Latin American investments.

Enforcement of Civil Liabilities and Legal Rights. It is likely that most of the directors and officers of Latin American portfolio companies will reside outside the United States. It is also likely that all or substantially all of the assets of such portfolio companies will be located in Latin America. As a result, it may be difficult for the LatAm Fund to effect service of process within the United States on these persons or to enforce judgments against them in U.S. courts. In addition, many Latin American countries provide inadequate legal remedies for breaches of contract, including settling disputes with local partners with whom the LatAm Fund may enter into joint ventures. The LatAm Fund may have difficulty in successfully pursuing certain claims as the effectiveness of the judicial systems in the countries in which the LatAm Fund may invest may be low or vary, particularly as compared to the judicial system of the United States and other developed countries. Additionally, to the extent that the LatAm Fund may obtain a judgment but is required to seek enforcement in the courts of a Latin American market there can be no assurance that a court will enforce such judgment.

Economic Interdependence; Market Dislocation. The interdependence of economies in some Latin American nations has deepened over the years, with the effect that economic difficulties in one country often spread throughout Latin America. A significant decline in the economic growth or a sustained economic downturn in any one Latin American country could cause a material adverse impact on its trade partners or the general balance of trade and remittances inflows in the region, resulting in lower economic growth and impaired business results for companies operating in the region. A contagion effect, in which an entire region or class of investment is disfavored by international investors, could negatively affect the economies of countries where the LatAm Fund may invest. Further, impacts from the United States can disproportionately impact Latin America. Negative events in the U.S. economy, such as the sub-prime

mortgage downturn and shocks in the U.S. fixed income markets, have caused significant dislocations, illiquidity and volatility in the U.S. structured credit, leveraged loan and high-yield bond markets, the effects of which spilled over into the wider global financial markets. To the extent that similar marketplace events occur, this may lead to an overall weakening of Latin American economies. Any resulting economic downturn could adversely affect the financial resources of the LatAm Fund's portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the LatAm Fund could lose both invested capital in and anticipated profits from affected portfolio companies. Such marketplace events may also cause a decrease in the availability of financing (and an increase in the interest cost) for investment in Latin America, which may impair the LatAm Fund's ability to consummate certain transactions or cause the LatAm Fund to enter into transactions on less attractive terms. No assurance can be given that the LatAm Fund's portfolio will not be adversely affected by effects in countries outside of where investments are located.

Inflation and High Interest Rates. Latin American countries have experienced substantial real and nominal interest rates and, at times, debilitating rates of inflation in the recent past. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economy and the securities markets of Latin American countries. There can be no assurance that significant inflation and interest rates increases will not have a material adverse effect on the LatAm Fund's investments.

FCPA and Anti-Bribery Considerations. In certain Latin American countries, there is generally a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. The general partner of the LatAm Fund, L Catterton's professionals and the LatAm Fund are committed to complying with the FCPA, the UK Bribery Act and other anti-corruption laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the LatAm Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the LatAm Fund to act successfully on investment opportunities and for certain portfolio companies to obtain or retain business. In addition, the LatAm Fund may in certain circumstances be held liable under these anti-corruption laws and regulations for the activities of the portfolio companies.

Corporate Disclosure; Accounting Standards; Lack of Transparency and Market Data. Accounting standards, practices and procedures of Latin American portfolio companies may not necessarily meet generally accepted accounting principles, and accounting, auditing and reporting practices of Latin American portfolio companies may not conform to the standards commonly applied in the United States or Western European countries. A lack of consistent accounting practices and procedures may result in less reliable and less detailed information than investors expect in other countries with more developed market economies and regulation. The LatAm Fund may be required to make investment decisions and valuations on the basis of information that is less complete and less reliable than customarily available elsewhere. While the LatAm Fund will endeavor to conduct appropriate due diligence in connection with each investment, no guarantee can be given that the LatAm Fund will be able to obtain the information or assurances that an investor in the United States or Western Europe would obtain before proceeding with an investment. In addition, the LatAm Fund may not be able to obtain as much publicly available information with respect to Latin American issuers of securities as is regularly published by U.S. issuer of publicly traded securities. Latin American reporting standards, which differ from U.S. GAAP in a number of respects, will typically be used by Latin American portfolio companies. Since accounting, auditing, financial and other reporting standards, practices and disclosure requirements in Latin American countries are not equivalent to those in the United States and certain European countries, less information may be available to the LatAm Fund.

Minority Shareholder Protections. In Latin American countries, the protections afforded to minority shareholders are different from, and may be less than, those afforded to minority shareholders in the United

States. If the LatAm Fund were to make a minority investment, it may be more difficult for the LatAm Fund to enforce its rights against directors or controlling shareholders than it would be for minority shareholders of a U.S. company.

Standards of Care for Directors and Officers. Although an effort has been made in some Latin American countries to improve standards pursuant to which directors and officers of public and certain private companies act, neither Latin American business practices nor a body of case law has sufficiently developed that may give directors or officers guidance as to how to act. This may make it more difficult for the LatAm Fund to hold directors and officers of its portfolio companies accountable.

Corruption and Security. Crime and corruption (including extortion and fraud) continue to be prevalent in certain countries in Latin America and pose a risk to businesses in the region. In certain countries, the threat of kidnapping for senior executives will likely create additional costs, which will be borne by the LatAm Fund or the local portfolio company, for the provision of adequate security for company personnel or other personnel monitoring the portfolio company. Threats or incidents of crime and corruption may force the LatAm Fund to cease or alter certain activities or to liquidate certain investments, which may cause losses or have other negative impacts on the LatAm Fund or its investments.

Item 9. Disciplinary Information

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

Certain entities controlled by or under common control with *L Catterton* serve as general partners of the *L Catterton Funds*.

As discussed in Item 1, CMC is affiliated with CLAM, a separate investment adviser. CMC and CLAM satisfy the requirements of filing an umbrella registration as set forth in Form ADV's General Instructions. CLAM and CMC each advise only private funds, CMC has its principal office and place of business in the United States, CMC, CLAM and the Fund's general partners are under common supervision and control, are operated as a single investment advisory firm, and are subject to the same Code of Ethics and compliance program, both of which are administered by our Chief Compliance Officer, pursuant to the requirements of the Advisers Act.

Each of CMC and CLAM file as exempt commodity pool operators under Commodities Futures Trading Commission Regulation 4.13.

In addition, and as discussed in Item 1, CMC is principally owned by LCML. LCML is also the sole direct or indirect owner of *L Catterton Europe SAS*, *L Catterton Real Estate Sàrl* and *L Catterton Asia Advisors* and partial owner of *LCH Partners Limited* (collectively, the "Foreign Advisors"). Each of the Foreign Advisors operate separately from CMC and CLAM. The Foreign Advisors have sought and received regulatory permissions, authorizations and registrations that correspond to the specific nature and location of the business of the Foreign Advisors, including the following:

- *L Catterton Europe SAS*, an investment advisory business registered with the French Autorité des Marchés Financiers that also reports as an exempt reporting adviser under Section 203(m) of the Advisers Act under SEC file number 802-76687;
- *L Catterton Asia Advisors*, an investment advisory business registered with the Financial Services Commission of Mauritius that also reports as an exempt reporting adviser under Section 203(m) of the Advisers Act under SEC file number 802-75565 and its direct subsidiary, *L Catterton Singapore Pte Ltd.*, an investment advisory business registered with the Monetary Authority of Singapore; and
- *LCH Partners Limited*, an investment advisory business licensed by the Guernsey Financial Services Commission.

For a description of certain conflicts of interest created by these activities, see Item 11 below.

Neither we nor any of our management persons are registered, or have an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, or an associated person of the foregoing types of entities.

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

A. Code of Ethics

L Catterton has adopted a written Code of Ethics designed to comply with Rule 204A-1 under the Advisers Act. The Code of Ethics establishes standards of conduct and personal trading procedures, including certain pre-clearance and reporting obligations, applicable to all persons that *L Catterton*'s Chief Compliance Officer has designated as an access person. All employees of *L Catterton* have been designated as access persons. Additionally, the Chief Compliance Officer is permitted to designate other non-employees of *L Catterton* as access persons by virtue of the services that they provide for or alongside *L Catterton*. Under the Code of Ethics, access persons are prohibited from trading in the securities of any issuer that appears on a restricted list maintained by the Chief Compliance Officer. All access persons are required to file certain periodic reports with *L Catterton* as required under Rule 204A-1 under the Advisers Act. Violations of the Code of Ethics may subject an access person to disciplinary action. A copy of the Code of Ethics is available to any investor or prospective investor in the *L Catterton* Funds upon written request to: Chief Compliance Officer, *L Catterton*, at the address listed on the front page of this brochure.

In addition to the Code of Ethics, *L Catterton* has adopted policies and procedures to address other potential conflicts of interest arising with respect to the personal activities of *L Catterton* personnel. These policies and procedures provide guidance and set standards related to the giving and receipt of gifts and entertainment, engagement in outside business activities, appropriate characterization of professional qualifications, personal investments, personal political activities, the use of social media and other matters specifically relevant to *L Catterton*'s business.

B. Participation or Interest in Client Transactions

L Catterton personnel, or entities affiliated with such personnel or *L Catterton*, invest in the *L Catterton* Funds through the general partner. Consultants, advisers, value-added resources to the Funds and *LCML*, *CMC*, *CLAM* or their affiliates, personal references, family members and personal friends of personnel of *L Catterton* or its affiliates and former employees that have left *L Catterton* in good standing, and any trust, estate and family investment vehicle, wealth planning vehicle and other investment vehicle associated with any of the foregoing persons, each of which, directly or indirectly, provide services to, or assist with the provision of services provided by *LCML*, *CMC*, *CLAM*, *Vault* or their affiliates to the *L Catterton* Funds and, in each case, where otherwise eligible to invest in a Fund, also invest through the general partner. No management fee is charged nor carried interest taken on investments held by such persons. These investors do, however, pay for their pro rata share of certain expenses in the same manner as other investors in the Funds. However, such investments are otherwise made on substantially the same terms and conditions as those otherwise applicable to investors in the *L Catterton* Funds.

Neither *L Catterton* nor any of its advisory affiliates or their employees anticipates selling a security to any of the Funds or purchasing a security from any of the Funds. These types of transactions are generally referred to as principal transactions. However, in the event that *L Catterton* seeks to enter into a principal transaction, *L Catterton* is required by the terms of the Organizational Documents of the *L Catterton* Funds to first make written disclosure to the advisory board formed for each Fund and obtain its prior consent to the transaction.

L Catterton may cause a Fund to make an investment in a portfolio company in which *L Catterton* personnel may otherwise have a personal financial interest. In the event the personal financial interest is more than de minimis, the Organizational Documents of the *L Catterton* Funds require advisory board approval for such investments. In addition, *L Catterton* has adopted policies and procedures to address these situations. Those policies and procedures generally require that the *L Catterton* personnel owning such a financial

interest is restricted from selling the interest as part of a transaction involving an *L Catterton Fund* and, to the extent that the individual is a member of the investment committee for the *L Catterton Fund*, must abstain from voting on whether to consummate the transaction.

L Catterton personnel are permitted to invest in funds or other entities managed by limited partners of a Fund, which could incentivize such *L Catterton* Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

The general partner of a Fund may, in its discretion, under certain circumstances elect to increase its commitment to such Fund prior to the final close of the Fund without the consent of the limited partners. Any increased commitment by the general partner will dilute the interests of the limited partners. Although the general partner will pay interest in respect of prior capital contributions in the same manner as is paid by the limited partners, the general partner has information about the Fund's investments, including regarding their valuation and performance expectations, which the limited partners do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the general partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the general partner receiving value that would have otherwise benefitted limited partners.

C. Conflicts of Interest

L Catterton, its related entities and its personnel engage in a broad range of activities. In the ordinary course of conducting these activities, the interests of an *L Catterton Fund* may conflict with the interests of other *L Catterton Funds*, *L Catterton* or its related entities and personnel, including those of the Foreign Advisors and the Foreign Funds. To address certain specific conflicts, *L Catterton* has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest and the Organizational Documents for each of the *L Catterton Funds* contain specified procedures for managing or obtaining client consent for conflicts of interests, including obtaining consent for any conflict from an Advisory Committee comprised of investor representatives that is given the power to waive such conflicts after disclosure of material information related to the conflict. However, conflicts of interest arise that are not specifically addressed in the Organizational Documents for a Fund. *L Catterton's* determination as to the appropriate resolution of such conflicts will be made using *L Catterton's* best judgment, in good faith, and in a manner consistent with its legal obligations, but in its sole discretion. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Certain of the conflicts of interest arising in the course of *L Catterton's* business, and in the course of the operation and management by *L Catterton* of any of the *L Catterton Funds*, are described below.

Allocation of Investment Opportunities among the L Catterton Funds and the Foreign Funds. CMC and CLAM manage the Buyout Funds, the Growth Funds, the Impact Fund, the Vintage Fund, and the LatAm Funds. The Foreign Advisors manage the Foreign Funds, which consist of a series of European funds, Asia funds, RMB funds and Real Estate funds (together with the Buyout, Growth, LatAm Funds and any other *L Catterton Funds*, the "Permitted Funds"). In addition, to facilitate investment by various types of investors, *L Catterton* generally may create two or more Permitted Funds for the purpose of participating in the same investments ("Parallel Vehicles"). Allocations among Parallel Vehicles are generally made based on their relative capital commitments, subject to limitations contained in the Organizational Documents for each of these Parallel Vehicles.

The Organizational Documents for each of the Buyout, Impact, and Growth Funds permit limited investments in Latin America, Europe and Asia. The Organizational Documents for each of the LatAm Funds and each of the European funds and Asia funds will permit limited investments in the United States and Canada. As a result, *L Catterton* may encounter situations in which it must determine how to allocate investment opportunities among the various Permitted Funds.

The Permitted Funds may invest together in new investments, subject to the allocation principles set out in their respective Organizational Documents. *L Catterton* has adopted written policies and procedures relating to the allocation of investment opportunities and will make allocation determinations consistently therewith. Those policies and procedures incorporate the allocation principles set out in the Organizational Documents for the *L Catterton* Funds. In general, those principles require *L Catterton* to allocate investment opportunities on a basis that *L Catterton* reasonably determines in good faith to be fair and reasonable taking into account the location of the principal executive offices or a majority of the assets or facilities of a target portfolio company or the location in which the target portfolio company generates their revenue or profits from sales and the amount of equity capital necessary to complete the investment. Other factors considered in making an allocation determination may include, but not be limited to, one or more of the following: portfolio construction considerations generally and the risk/return profiles of investments in a particular Permitted Fund; the relative amounts of capital available for investment; the currency required or preferred by the issuer; composition of each Permitted Fund's portfolio and each Permitted Fund's investment concentration parameters; the expected investment size taking into account potential follow-on capital; certainty or expediency of closing; suitability for follow-on investments; diversification (including the actual, relative or potential exposure of a Permitted Fund to the type of investment opportunity in terms of its existing portfolio), industry and other allocation targets; the nature and extent of involvement in the transaction on the part of the respective teams of each Permitted Fund, including in due diligence efforts; centrality of an investment to a Permitted Fund's investment strategy; stage of development of the potential investment; the availability of other suitable investments for each Permitted Fund; potential need and ability to meet needs for follow-on investments; the ability of the deal team of a particular Permitted Fund to complement or be helpful in efforts to consummate a transaction; the extent to which participation by a particular Permitted Fund or deal team of a particular Permitted Fund is seen as positive by the seller; the extent to which participation by a particular Permitted Fund may facilitate opportunities to expand the business of a portfolio company into new geographies generally within the primary investment mandate of a Permitted Fund; the extent to which participation by a particular Permitted Fund may make available particular geographic or other specialized expertise of professionals otherwise dedicated to a particular Permitted Fund, including those involved in either a deal team or operating capacity; risk considerations, transaction sourcing, cash flow considerations, tax implications, legal, contractual or regulatory constraints (including foreign exchange controls) and any other relevant limitation imposed by or condition set forth in the organizational documents of a particular Permitted Fund; and other considerations deemed relevant by *L Catterton*, including the business and strategy of the target company, its current and planned market opportunities, target consumers/customers, and primary counter-parties. The relevance of each factor will vary from investment opportunity to investment opportunity, with no single criteria consistently outweighing others.

From time to time certain investment opportunities involve interests in portfolio companies of one or more Funds that are part of a restructuring or similar transaction. In such instances, investors in the Funds involved in such a transaction are typically given priority rights to roll over their existing interests or otherwise reinvest in such investment opportunities (for instance, through a newly formed "continuation fund"). As a result, other Funds may not be allocated all or any portion of such an investment opportunity, even if such opportunity falls within a Fund's investment objectives or strategy.

The factors above are not listed in order of importance or priority and *L Catterton* is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be

more or less important depending upon the nature of the particular investment and attendant circumstances. Each investment opportunity is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation.

L Catterton will not allocate investment opportunities based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Permitted Fund or (ii) the profitability of any Permitted Fund. The application of the factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Permitted Fund will participate in all investment opportunities that fall within its investment objectives. In certain circumstances, *L Catterton* may allocate an investment opportunity falling within the investment objectives of multiple Permitted Funds solely to a single Permitted Fund, such that other Permitted Funds will not be allocated any portion of such investment opportunity. Generally, this decision will be based on a consideration of the factors listed in the immediately preceding paragraph. *L Catterton* makes allocation determinations based solely on *L Catterton's* expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Permitted Fund in hindsight.

In the event that a Permitted Fund participates in the same portfolio investment as another Permitted Fund, such participation will be made on substantially the same terms and conditions, subject to applicable legal, tax, accounting, regulatory or other similar considerations. However, any one participating Permitted Fund may not be in a position to assume a pro rata share of subsequent investments in a portfolio company. Co-investments by multiple Permitted Funds will generally be sold or otherwise disposed of at substantially the same time in like proportions by all participating Permitted Funds, and only on substantially the same terms and conditions, subject to applicable legal, tax, accounting, regulatory or other similar considerations. However, there can be no assurance that any particular Permitted Fund will dispose of an investment at the same time or on the same terms as other participating Funds.

L Catterton may encounter situations in which it must determine how to allocate investment opportunities among the various Buyout, Growth, Impact or LatAm Funds. Since the investment strategy of a successor fund will overlap with the investment strategy of a predecessor Fund, not all investment opportunities suitable for such Fund will be allocated to such Fund, which may create certain conflicts of interest in respect of the allocation of time, resources and investment opportunities. Generally, new investment opportunities are allocated to a successor Buyout, Growth, Impact or LatAm Fund upon the acceptance of commitments into the successor fund. However, in certain circumstances, *L Catterton* may elect to allocate a new investment opportunity to an existing Buyout, Growth, Impact or LatAm Fund even after the acceptance of commitments into a successor Buyout, Growth, Impact or LatAm Fund. Where *L Catterton* makes this decision, it will do so in accordance with the Organizational Documents of the applicable Funds and on a basis that *L Catterton* reasonably determines in good faith to be fair and reasonable, taking into account the factors previously identified in this section.

In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other Permitted Funds (including a “main” Fund) prior to or following the closing of the acquisition (also known as a post-closing sell-down or transfer). In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when *L Catterton* believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by any Permitted Fund. To the extent such a syndication is made, *L Catterton's* interest in limiting a Fund's exposure to a given investment while providing a potential benefit to co-investors or other Permitted Funds investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed syndication process or a syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any broken deal

or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of *L Catterton* and its affiliates make capital investments in or alongside certain Funds, *L Catterton* and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Where multiple Permitted Funds invest or acquire an interest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds (either upfront or permanently). Similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Permitted Funds could or would have invested in the company in a sell-down or other potential future transactions. For additional information regarding allocation of certain fees, costs and expenses, please refer to Item 5(b).

Finally, pursuant to the Organizational Documents for certain of the Growth Funds, the relevant Growth Funds are permitted to make investments in portfolio companies, subject to certain limitations, to facilitate a potential future investment in the same portfolio company by the same Growth Fund, a successor Growth Funds, or other Permitted Funds ("Seed Investments"). In the event a successor Growth Fund or other Permitted Fund makes an investment in a portfolio company that has been designated as a Seed Investment, the Growth Fund that made the Seed Investment is permitted to sell all or a portion of the investment to a successor Growth Fund or other Permitted Fund. The decision to allocate a future investment opportunity in a portfolio company in which a Seed Investment has been made will be made on a basis that *L Catterton* reasonably determines in good faith to be fair and reasonable, taking into account the factors previously identified in this section.

Allocation of Investment Opportunities to Other Parties. It is *L Catterton's* policy that investment opportunities are first offered to the Permitted Funds. To the extent that the Permitted Funds do not fully subscribe to the investment opportunity, or as otherwise agreed to in writing with any Allocation Party (as defined below), *L Catterton* is permitted to offer the investment opportunity, or a portion thereof, to other Allocation Parties and/or co-investors.

In certain cases, *L Catterton* may agree or commit to provide a portion of one or more investment opportunities to one or more clients and other parties with a relationship with *L Catterton*, including single investor vehicles, to which *L Catterton* may agree or commit to provide a portion of one or more investment opportunities alongside a Permitted Fund or Permitted Funds on terms to be determined by *L Catterton* in its sole discretion ("Allocation Parties") on terms to be determined by *L Catterton* in its sole discretion. In exercising its discretion to allocate investment opportunities with respect to a particular investment to and among Allocation Parties and the terms thereof, *L Catterton* may consider some or all of a wide range of factors set forth in "Allocation of Investment Opportunities among the *L Catterton* Funds and the Foreign Funds" above.

Allocation of Discretionary Co-Investment Opportunities. Pursuant to the terms of the Organizational Documents for each *L Catterton* Fund, co-investment opportunities may be offered in relation to certain investments by an *L Catterton* Fund. *L Catterton* will first determine if the amount of an investment opportunity exceeds the amount *L Catterton* determines would be appropriate for the Permitted Funds and any such excess may be offered to one or more co-investors and any Allocation Parties. *L Catterton* does not expect to offer co-investment with respect to all investments made by the Funds and an investment in

an *L Catterton Fund* does not entitle any investor to allocations of co-investment opportunities. Opportunities to co-invest may, and typically will, be offered to some and not other investors or to third parties who are not investors in a Fund (including consultants, joint venture partners, persons associated with a portfolio company and other third parties). The allocation of co-investment opportunities may involve a benefit to *L Catterton* including, without limitation, fees or carried interest from the co-investment opportunity and commitments to the Permitted Funds. There may be circumstances where an amount that could have otherwise been invested by a particular *L Catterton Fund* is instead allocated to one or more co-investors. *L Catterton* makes allocation determinations consistent with its Organizational Documents and in accordance with its written policies and procedures relating to the allocation of co-investment opportunities. In general, these policies and procedures require a determination of the appropriate size of investment for a Fund (and thereby the amount of available co-investment), a determination of those investors most appropriate to participate in the co-investment as determined in *L Catterton's* sole discretion, and a documentation of the reasons specific investors were selected to participate in the co-investment. Factors considered in selecting which investors to contact regarding a specific co-investment opportunity or in selecting which investor should be selected to participate in a particular co-investment opportunity include, but are not limited to, one or more of the following: an investor's stated desire to evaluate co-investment opportunities, including the size and type of opportunities of interest to a potential co-investor and terms agreed to with specific investors in an *L Catterton Fund* related to their interest in co-investment opportunities; contractual obligations to present co-investment opportunities; *L Catterton's* evaluation of the size and financial resources of a potential co-investor and *L Catterton's* perception of the ability of that potential co-investor to participate effectively and expeditiously in the investment opportunity and follow-on financings (including whether the potential co-investor has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required); any confidentiality concerns *L Catterton* may have that may arise in connection with providing potential co-investors with specific information related to the investment opportunity or in order to permit such potential co-investor to evaluate the investment opportunity; the ability of a potential co-investor to aid in operating or monitoring an investment opportunity or the possession of certain expertise by a potential co-investor and whether the potential co-investor has any existing positions in the investment opportunity; *L Catterton's* past experiences and relationships with the potential co-investor, including an evaluation of whether the investment opportunity may subject the potential co-investment party or the transaction to legal, regulatory, reporting, public relations, media or other burdens that make it less likely that the potential co-investment party would act upon the investment opportunity if offered or that the transaction would close on the contemplated schedule; *L Catterton's* evaluation of whether a particular potential co-investment party has provided value in the sourcing or establishment of relationships, participating in diligence and/or negotiations for such potential transaction; *L Catterton's* evaluation of whether the profile or characteristics of the potential co-investor may have a positive or negative impact on the viability or terms of the proposed investment opportunity and whether the co-investor may provide strategic value to the portfolio company and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry as a target company in which an *L Catterton Fund* wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of an *L Catterton Fund* being able to capitalize on a potential investment opportunity); whether the potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment); the character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry); the level of demand for participation for such co-investment opportunity; any interests the potential co-investor has in any competitors of the portfolio company; whether *L Catterton* believes, in its sole discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen and/or cultivate relationships with an existing or prospective investor in the Permitted Funds, including those that may indirectly provide longer-term benefits (including strategic, sourcing or similar benefits) to the Permitted Funds and/or *L Catterton* and whether the potential co-investor has

demonstrated a long-term and/or continuing commitment to the potential success of current or future Permitted Funds and/or *L Catterton*.

The factors above are not listed in order of importance or priority and *L Catterton* is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation. *L Catterton* expects that these factors will lead *L Catterton* to favor some potential co-investors with respect to the frequency and quantum with which *L Catterton* offers them co-investment opportunities. *L Catterton* also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

L Catterton may present co-investment opportunities to certain limited partners and other third-party potential co-investors at any time and with respect to any particular co-investment opportunity, at different times. Thus, one or more limited partners and/or other third-party potential co-investors may have a longer period of time to evaluate a co-investment opportunity relative to other potential co-investors being offered the same opportunity.

If an investment is made contemporaneously among a Fund and one or more co-investment vehicle(s), the transaction expenses will generally be allocated pro rata among the entities that made the investment, although *L Catterton* reserves the right to cause the Fund to bear a non-pro rata share (including 100%) of such transaction expenses. However, in the event an investment fails to close, the full amount of any expenses relating to such potential but not consummated investment will be borne pro rata by the Fund and, solely to the extent determined by *L Catterton* as for such allocation, any *L Catterton*-related funds, accounts or vehicles formed to invest in such co-investment opportunity, but not by any other the party to which the co-invest opportunity was offered. *L Catterton* will evaluate the facts and circumstances including, without limitation, timing of the transaction, benefit to the Funds to have co-investors participate in a particular transaction and relative negotiating power. *L Catterton* will have discretion in determining whether a particular allocation among the Funds and co-investors or co-investment vehicles is fair and equitable. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result in a Fund bearing more than its pro rata portion of certain fees, costs and expenses associated with transactions that are not consummated. If co-investors have already executed definitive documentation to invest in such transaction, each such co-investor is typically expected to bear its pro rata share of such expenses.

Cross Transactions. In certain cases, *L Catterton* may cause a Fund to purchase investments from another Fund, or it may cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because such buy and sell transactions may not fully expose such transactions to market forces and a Fund may therefore not receive the best price or terms otherwise possible. *L Catterton* will approach these scenarios in accordance with the Organizational Documents for each Fund, each of which provide for approval of certain transactions that may qualify as cross transactions, and in its sole discretion, in each case using good faith and its best judgment.

Continuation Transactions. From time to time *L Catterton* may determine that it is in the best interest of a Fund holding an investment (the “selling Fund”) to transact with another Fund (the “purchasing Fund”) in order to provide the selling Fund’s investors with an option to either: (1) receive cash proceeds from the selling Fund’s sale or transfer of such portfolio company and/or (2) “roll” (i.e., retain) their indirect interest in such portfolio company. These types of transactions are often referred to as “continuation transactions”. In connection with such continuation transactions, *L Catterton* may require the investors in the purchasing Fund to make an additional investment in a Fund or commit to invest a future Fund. In addition to those

conflicts of interest described above under “Cross Transactions,” conflicts of interest arise in these continuation transactions because: (i) *L Catterton* and its affiliates are charging investors in the purchasing Fund a management fee and carried interest which economics are likely to be different than the selling Fund and the transactions have the potential to result in the receipt of additional management fees and carried interest by *L Catterton* and its affiliates; (ii) *L Catterton* and *L Catterton* personnel are expected to have the ability to make material investments in the purchasing Fund, which may cause them to take actions that benefit the purchasing Fund; (iii) *L Catterton* is actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (iv) of the requirement for an investor in the purchasing Fund to make an investment in a Fund or a commitment to invest in a future Fund, which (a) incentivizes *L Catterton* to favor such investors because of the potential for *L Catterton* and its affiliates to earn additional management fees and carried interest with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and *L Catterton* might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to the “rolling investors” or “new investors” in the purchasing Fund or vice versa.

To the extent not addressed in a Fund’s Organizational Documents, *L Catterton* will address conflicts of interest that arise in connection with continuation transactions as set forth under “Cross Transactions.”

Secondary Transactions. Where *L Catterton* or its affiliates have discretion over a secondary transfer of interests in an *L Catterton* Fund pursuant to such Fund’s Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, *L Catterton* will do so in its sole discretion and in accordance with any requirements set forth in the Organizational Documents for the applicable Fund. Factors considered in performing these activities include, but are not limited to, one or more of the following: *L Catterton*’s evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations; *L Catterton*’s past experiences and relationships with the potential purchaser, including a consideration of whether the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future *L Catterton* Funds and/or *L Catterton*; the existence of investments by the prospective purchaser in other *L Catterton* Funds or the likelihood that the prospective purchaser may commit to a future *L Catterton* Fund, the expected amount of negotiations required in connection with a potential purchaser’s investment; whether the potential purchaser would subject *L Catterton*, the applicable Fund, or its or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; and such other facts and considerations as *L Catterton* deems appropriate under the circumstances in exercising such discretion. The relevance of each factor will vary in each circumstance, with no single criteria consistently outweighing others.

Allocation of Fees and Expenses. *L Catterton* will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or *L Catterton* on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or, expenses may be allocated among multiple Funds and entities. *L Catterton* will allocate fees and expenses incurred in connection with the organization and management of a Fund in accordance with the Organizational Documents for each Fund or to the extent not addressed in such documents or agreements in its sole discretion, in each case using good faith and its best judgment. A conflict of interest could arise in *L Catterton*’s determination whether certain costs or expenses incurred in connection with the organization and management of a Fund are to be borne by *L Catterton*, a Fund, multiple *L Catterton* Funds, or some combination thereof. In addition, determinations made by *L Catterton* in this regard could later be determined by *L Catterton* after a subsequent review of allocations to be inaccurate, in which case *L*

Catterton will undertake measures to correct such circumstance. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

In particular, *L Catterton* has in the past caused and expects in the future to cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, *L Catterton* and/or their respective directors, officers, employees, agents, representatives, members of the Advisory Committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by *L Catterton* that cover one or more Funds and/or *L Catterton* (including their respective directors, officers, employees, agents, representatives, members of the Advisory Committee and other indemnified parties). *L Catterton* will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or *L Catterton* on a fair and reasonable basis and reserves the right to make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

In addition, in certain instances, a Fund has borne and may in the future bear expenses in respect of an existing or prospective portfolio company that was not or will not be borne by other owners or investors in such portfolio company (including co-investment parties), where *L Catterton* has determined such arrangement to be in the interest of such Fund (e.g., such Fund engages or pays for a consultant for services in respect of a portfolio company without reimbursement by the portfolio company or other owners of the portfolio company).

Devotion of Time. *L Catterton*’s personnel will devote such time as may be reasonably necessary to conduct the business affairs of any particular *L Catterton* Fund in an appropriate manner. However, such personnel will work on other projects, including the operations of *LCML*, the other *L Catterton* Funds, as well as other affiliated or unaffiliated advisory clients, including the Foreign Funds or on other, unrelated matters, and conflicts may arise in the allocation of *L Catterton*’s resources, the allocation of investment opportunities and in the operations and disposition of investments. In addition *L Catterton* expects in the future to organize, sponsor, manage, and operate additional investment funds, including funds with investment objectives that may overlap to some extent with those of the *L Catterton* Funds and *L Catterton* personnel will work on these additional funds. Finally, *L Catterton*’s personnel have in the past and may in the future leave the employment of *L Catterton* to become an officer or employee of a portfolio company, a third party with which *L Catterton*, an *L Catterton* Fund or a portfolio company maintains a business relationship, or Vault. While the devotion of time of certain *L Catterton* personnel is governed by the Organizational Documents of the *L Catterton* Funds, there can be no assurance that personnel will remain employed by *L Catterton* and that such personnel will, after departure, not be compensated directly or indirectly by a portfolio company or an *L Catterton* Fund for services similar to those previously provided by the person while employed by *L Catterton*. In certain circumstances, personnel that have been compensated directly or indirectly by a portfolio company or an *L Catterton* Fund may join or return to *L Catterton* as an employee.

Related Services. As described in Item 5, *L Catterton* provides additional services, including Monitoring Services, to portfolio investments of the *L Catterton* Funds for which it receives fees, including Activity-Based Fees. These fees are generally established upon the initial consummation of an investment, are paid in cash and a portion of these fees are generally subject to a Management Fee Offset. Particularly in instances where a Fund’s investment will result in control of the portfolio company, a potential conflict of interest exists in the determination of any such fees with the portfolio company because any portion of fees

not subject to a Management Fee Offset are retained by *L Catterton* and there may not be an independent third party involved on behalf of the relevant portfolio company.

Additionally, and as described in Item 5, in certain cases *L Catterton* has provided the management of a portfolio company with the opportunity to defer, reduce or eliminate the fees due from such portfolio company for provision of Monitoring Services. The decision to waive or defer these fees is made by *L Catterton* in its sole discretion. *L Catterton* has elected to waive or defer fees due from a portfolio company for provision of Monitoring Services under a variety of circumstances, including the following: the demands of lending institutions that may provide a variety of debt financing options to portfolio companies; cash flow considerations at a portfolio company; and a conclusion by *L Catterton* that the financial resources of the portfolio company would be more effectively deployed on other value creation opportunities or for other purposes, including the performance of operational improvement projects performed by third-party operational consulting firms or Vault. Where *L Catterton* has made this option available for portfolio companies owned by the Funds in relation to services that are performed by Vault, a conflict of interest exists because fees received by Vault are not subject to a Management Fee Offset. Adherence to the policies and procedures discussed below under the Vault sub-heading are designed to mitigate this conflict. A copy of these policies and procedures are available to current or prospective investors upon request.

L Catterton has in the past and may in the future also facilitate a portfolio company's entry into agreements regarding group procurement and other operational initiatives that may result in discounts, fees, better pricing, rebates, commissions or similar payments being paid to participating companies. *L Catterton* may participate in such group procurement programs and initiatives and thereby benefit in a manner that creates a potential conflict of interest. *L Catterton* believes, however, that such agreements benefit participating portfolio companies due to increased access to quality products and services at beneficial pricing and any benefit derived by *L Catterton* will be only at the same rate as portfolio companies.

In addition, *L Catterton* may continue to receive fees for Monitoring Services or Activity-Based Fees from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment is not subject to the Management Fee Offset described above, or otherwise shared with the Funds and/or investors.

Allocation of Monitoring and Activity-Based Fees. As described in Item 5, the *L Catterton* Funds may jointly own a portfolio company with another *L Catterton* Fund, a Foreign Fund, and/or co-investors. Where *L Catterton* jointly owns a portfolio company with another *L Catterton* Fund or a Foreign Fund, the amount of any fees received for Monitoring Services and any Activity-Based Fees will be allocated in a manner agreed to by the relevant *L Catterton* management companies. Similarly, *L Catterton* may enter into economic and/or other fee sharing arrangements with respect to one or more co-investors with respect to Monitoring Services or Activity-Based Fees that would otherwise be received entirely by *L Catterton* and subject to the Management Fee Offset. It is anticipated that in most cases allocation of fees otherwise receivable entirely by *L Catterton* will be pro rata based on the relative investment amounts of each *L Catterton* Fund and Foreign Fund or co-investor.

To the extent a Management Fee Offset relates to more than one Fund, *L Catterton* shall allocate the resulting reduction in management fees among the applicable Fund(s) in proportion to their interest (or prospective interest) in the portfolio company. Generally, the portion of a Management Fee Offset allocable to capital invested by a Fund, co-investment vehicle or third-party investor that does not pay management fees will be retained by *L Catterton* and such amounts will not offset any management fee.

Vault. As described in Item 5, Vault is a business consulting and operations improvement services firm that provides services solely to portfolio companies of the *L Catterton* Funds. The focus of Vault's

operations is to improve the operational results of *L Catterton's* portfolio companies in a manner that improves *L Catterton's* investment returns rather than generating an independent profit in the manner of a third party performing the same services. This management philosophy and the underlying policies and procedures adopted to implement it also seek to ensure that Vault provides its services on terms (including cost) that are prevailing in the market or better. If Vault were to generate profits not reinvested in the business, the owners could receive a dividend distribution. To avoid any conflict that this scenario would otherwise create, Vault is managed and its operations budgeted to achieve breakeven results annually. Additionally, beginning with the year ended 2015, any profits generated by Vault, in excess of a working capital reserve, will be refunded back to portfolio companies that engaged Vault during the prior calendar year on a pro rata basis. Therefore, the owners of Vault should not have a personal financial incentive to direct portfolio company business to Vault. In addition, Vault has adopted procedures designed to ensure that portfolio company personnel make the independent decision to engage Vault (e.g. all consulting agreements between Vault and a portfolio company must be approved and signed by a portfolio company officer or director who is not otherwise affiliated with *L Catterton*). Of course, the portfolio companies may otherwise be generally controlled by an *L Catterton* Fund and therefore officers of a portfolio company may nonetheless face a conflict of interest in approving a consulting agreement with Vault.

Transition of Personnel. Over time, certain existing and former employees of *L Catterton* may transition to a role at Vault or at a portfolio investment of an *L Catterton* Fund. Conversely, existing and former employees of Vault or a portfolio investment of an *L Catterton* Fund may transition to a role at *L Catterton*. Conflicts may arise as a result of these transitions where the costs associated with compensating such persons transitions from *L Catterton* to Vault or a portfolio investment or vice versa. *L Catterton* will attempt to resolve any such conflicts in good faith, and in any event in accordance with the Organizational Documents of the applicable Funds and any agreements between *L Catterton*, Vault and/or portfolio investments of the *L Catterton* Funds.

Outsourcing Arrangements. Services required by an *L Catterton* Fund (including some services historically provided by *L Catterton* or its affiliates to the Funds) may, for reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties in the discretion of *L Catterton*. *L Catterton* has an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of its personnel. The performance of a service for an *L Catterton* Fund in-house by *L Catterton* personnel does not and will not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future. The costs and expenses of any such third-party service providers will, where otherwise permissible under the Organizational Documents for the Funds, be borne by the Funds.

Conflicts Related to Purchases and Sales. *L Catterton* Funds make investments in portfolio companies in which other Funds of *L Catterton* have already made an investment. Decisions about what action should be taken in a variety of situations, including situations involving portfolio companies in financial distress, follow-on acquisitions by a portfolio company or a Fund, and circumstances in which a portfolio company is in need of additional capital, may impact Funds invested in the same portfolio company differently. *L Catterton* will attempt to resolve any such conflicts in good faith, and in any event in accordance with the Organizational Documents of the applicable Funds. However, there can be no assurance that such conflicts of interest or actions taken by *L Catterton* in respect of one fund will not have an adverse effect on another Fund.

In addition, *L Catterton* will, from time to time, consider, and reject an investment opportunity on behalf of one *L Catterton* Fund, and another *L Catterton* Fund, or affiliates of *L Catterton*, including employees, may subsequently determine to make an investment in the same company. A conflict of interest arises because the investing party is likely to benefit from the initial evaluation, investigation and due diligence undertaken by *L Catterton* on behalf of the original Fund considering the investment. In such circumstances, the

investing party will not be required to make any payment to the original Fund for the value of the work performed by *L Catterton* on behalf of the original Fund.

L Catterton may give advice or take actions with respect to, the investments of one or more *L Catterton* Fund that may not be given or taken with respect to other *L Catterton* Funds with similar investment programs, objectives or strategies. As a result, *L Catterton* Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, an *L Catterton* Fund may not be able to invest through the same investment vehicles or have access to similar credit or utilize similar investment strategies as another *L Catterton* Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, where more than one *L Catterton* Fund of *L Catterton* (or its affiliates) invest in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time and on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each *L Catterton* Fund may realize different returns as compared to the same investment held by another *L Catterton* Fund.

Conflicts Related to Co-Investing with Third Parties. The Funds co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks that would not otherwise be present in investments where a third party is not involved. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Fund, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

Portfolio Company Conflicts. In certain cases, a Fund's portfolio company may compete with another Fund's portfolio company. A conflict of interest may arise in these instances because advice and recommendations provided by *L Catterton* to a portfolio company may have adverse consequences to a competitor portfolio company owned by another Fund. When providing advice to any such portfolio company that is a competitor of another Fund's portfolio company, *L Catterton* may consider the interests of one portfolio company and is not obligated to, and need not, consider the interests of, or potential consequences to, such competitor portfolio company.

In addition, *L Catterton* receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics. This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, *L Catterton* is better able to anticipate macroeconomic and other trends, financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies. *L Catterton* also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable *L Catterton* to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for *L Catterton* and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. *L Catterton* has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to *L Catterton*, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, *L Catterton* may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a)

contractual obligations to third parties to maintain confidentiality of certain information, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, *L Catterton* is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of *L Catterton* and other Funds. The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by *L Catterton* or its personnel will not be subject to the Management Fee offset provisions or otherwise shared with a Fund or its investors. *L Catterton* has in the past utilized and is likely in the future to utilize such information to benefit *L Catterton*, its affiliates or certain Funds in a manner that may otherwise present a conflict of interest but does not intend to specifically disclose such conflicts to the relevant Funds.

L Catterton and its affiliates may also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow *L Catterton*, the *L Catterton* Funds and the *L Catterton* Funds' portfolio companies to better discern economic or other trends and developments. *L Catterton* believes that all *L Catterton* Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across *L Catterton*'s businesses and the *L Catterton* Funds' portfolio companies. However, information sharing may involve conflicts of interest between the *L Catterton* Funds and/or between the *L Catterton* Funds and *L Catterton*. Data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by *L Catterton* and its affiliates, without the source of the data being directly compensated. *L Catterton* and its affiliates may utilize such data outside of *L Catterton* Fund activities in a manner that may provide a material benefit to *L Catterton* without directly compensating or otherwise benefiting the *L Catterton* Funds. As a result, *L Catterton* may have an incentive to pursue investments (on its own behalf or on behalf of the *L Catterton* Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits *L Catterton* and/or investments held by other *L Catterton* Funds.

In certain circumstances, *L Catterton* is permitted to receive credits generated by activities performed by portfolio companies through participation in programs offered through group purchasing organizations. In these circumstances, *L Catterton* will not retain any credits received except to the extent that such credit is generated from its own activity. Credits received in connection with activities performed by portfolio companies will be utilized for the benefit of the portfolio company that performed the activity that generated the credit in accordance with directions received from the respective portfolio company.

Strategic Partnership. *L Catterton* maintains a strategic relationship with LVMH Moët Hennessy Louis Vuitton ("LVMH") and Groupe Arnault, pursuant to which LVMH and Groupe Arnault collectively own 40% of the economic rights and 20% of the voting rights in *L Catterton*. Additional information about this ownership is disclosed in Schedules A and B of Form ADV Part 1. In connection with this ownership right, LVMH and Groupe Arnault hold certain minority rights with respect to *L Catterton*'s business. *L Catterton* believes that the strategic relationship is beneficial to the *L Catterton* Funds and the minority rights do not relate to the investment activities of the *L Catterton* Funds. Nevertheless, conflicts may arise between *L Catterton*, LVMH and Groupe Arnault by virtue of the strategic relationship. LVMH and Groupe Arnault have current and potential relationships with a significant number of institutions and individuals, particularly in the consumer sector and LVMH and Groupe Arnault have the right to participate in activities that may be similar to those of the Funds. In the event that any conflict with LVMH and Groupe Arnault arises, determine of the appropriate resolution of such conflicts will be made using *L Catterton*'s best judgment, in good faith, and in a manner consistent with its legal obligations, but in its sole discretion.

In addition, *L Catterton* has accepted a minority investment from a third party (the "Minority Investor"). The Minority Investor's stake is passive, and the Minority Investor does not have any authority over the

day-to-day operations or investment decisions of *L Catterton* or any Fund although the Minority Investor has certain minority protection and consent rights in connection with its investment in *L Catterton*.

Positions with Portfolio Companies. Employees of *L Catterton* serve as directors of, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflicts with those of the Fund, it is expected that the interests will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies may create a conflict of interest. Such employees are required to remit any remuneration they may receive as directors to the applicable Funds. In addition, employees of *L Catterton* have in the past, and may in the future, leave the employment of *L Catterton* or its affiliates and become an officer or employee of a portfolio company. Employees are prohibited from receiving consulting, management or other fees personally from portfolio companies. Decisions made by a director may subject *L Catterton* or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the *L Catterton* Funds will indemnify *L Catterton* and its principals, partners and employees from such a claim.

By reason of their responsibilities in connection with other activities of *L Catterton*, certain *L Catterton* Personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Conflicts Related to Financing by a Portfolio Company. A current portfolio company of an *L Catterton* Fund ("Lender") is in the business of providing debt financing to consumer businesses and as such provides financing to other portfolio companies of the same Fund and other *L Catterton* Funds. *L Catterton* personnel are involved in decisions about both the equity investment by an *L Catterton* Fund in a portfolio company and the debt provided by the Lender, however any debt provided by the Lender must be approved by management of the portfolio company and/or a majority of the non-*L Catterton* members of the board of directors, or equivalent. Conflicts in respect of the Lender's financing transactions arise in determining the terms of any financing arrangement, and questions arise as to whether payment obligations and covenants should be enforced, modified, or waived, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring raise conflicts of interest. This conflict is mitigated by the Lender's adoption of measures designed to ensure its independence in making all financing decisions, which include, but are not limited to, the engagement of third-party legal, tax and accounting advisors and adherence to a credit process managed in part by a credit and risk management consultant that is compensated by the portfolio company.

Carried Interest and Management Fees. The fee structure of the *L Catterton* Funds, in particular the existence of the carried interest described in Item 6, creates an incentive for *L Catterton* to operate a Fund in a riskier or more speculative manner than would be the case absent such arrangement. For example, *L Catterton* is incentivized in certain circumstances, including when management fees are calculated and charged based on invested capital, to hold on to investments that have poor prospective for improvement in order to receive ongoing management fees in the interim and, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future. In addition, because a Fund has a fixed commitment period after which capital from limited partners generally is only permitted to be drawn down in limited circumstances, and because the management fee is, at certain times during the life of the Fund, calculated based upon the invested capital the Fund, the management fee structure creates an incentive for

the general partner of the Fund to deploy capital and/or delay writing down or writing off investments when it might not otherwise have done so.

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

Diverse Limited Partner Group. The investors in the *L Catterton* Funds may have conflicting investment, tax and other interests with respect to their investments in an *L Catterton* Fund. As a consequence, conflicts of interest may arise in connection with decisions made by *L Catterton*, including with respect to the nature or timing of dispositions of investments, and such decisions may be more beneficial for one investor than for another, especially with respect to the investors’ individual tax situations. In making such decisions, *L Catterton* will consider such investment and tax objectives of the individual *L Catterton* Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually. In addition, *L Catterton* has entered into arrangements with specific Fund investors which have the effect of establishing rights under, or altering or supplementing, the terms of Organizational Documents. These Side Letter arrangements are discussed in greater detail in Item 4 of this brochure. Finally, *L Catterton* has entered into, and may in the future enter into, arrangements with potential anchor investors that provide terms different from and potentially more advantageous than terms offered to investors generally in connection with any future *L Catterton* Funds.

Legal Counsel and other Service Providers. *L Catterton*, its personnel and the Funds will generally engage common legal counsel and other advisers. Firms engaged to provide legal counsel will also represent *L Catterton* in a variety of different matters. Each firm may also act as counsel to a portfolio company, equity sponsors of a portfolio company, other creditors of a portfolio company or an agent therefore, a party seeking to acquire some or all of the assets or equity of a portfolio company, or a person engaged in litigation with a portfolio company. Furthermore, these firms are not representing the interests of any investor (and has no duty to any investor) in connection with an *L Catterton* Fund, absent an express agreement to the contrary with such investor. Representation by each firm of the Funds, *L Catterton*, the general partner of each Fund, and their affiliates is limited to specific matters as to which they have been consulted by such persons. There may exist other matters which could have a bearing on the *L Catterton* Funds, *L Catterton*, the general partner of each Fund and/or their affiliates or portfolio companies as to which a firm has not been consulted. In addition, no firm undertakes to monitor the compliance of the general partner of each Fund, *L Catterton* and their affiliates with the investment program, valuation procedures and other guidelines and terms set forth in each Fund’s Organizational Documents, nor does any firm monitor compliance with applicable laws. No firm has investigated or verified the accuracy or completeness of the

information set forth in Organizational Documents concerning each *L* Catterton Fund. As a result, prospective investors should seek their own legal, tax and financial advice before making an investment in the Fund.

In addition, service providers often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by *L* Catterton or its affiliates differ from those required by the *L* Catterton Funds and/or its portfolio companies, *L* Catterton and its affiliates will pay different rates and fees than those paid by the *L* Catterton Funds and/or its portfolio companies.

Item 12. Brokerage Practices

Our business is advising the *L* Catterton Funds on making opportunistic investments in private securities. Accordingly, as a general matter we do not advise our clients on investments in public securities, and generally do not transact business through broker-dealers. However, in situations where we may need to select a broker-dealer, we will consider the broker's execution capabilities, including block positioning, research, financial stability, ability to maintain confidentiality, delivery and ability to obtain best execution for all client securities transactions.

We do not have any soft dollar arrangements in place that would require us to give any specified amount of brokerage to any broker-dealer, and it is our policy to not accept any soft dollar benefits. We may receive unsolicited research from brokers, dealers and banks through which we execute portfolio trades or hold accounts. In circumstances in which we use such research, the quality and ability to receive research may factor into the selection of brokers, dealers and banks executing portfolio trades. Even in these cases, the broker-dealer's ability to achieve superior execution for our clients remains the primary factor influencing the selection of a broker-dealer.

In the event that we cause the *L* Catterton Funds to trade through a broker-dealer, we will seek to aggregate orders whenever practicable and cost-efficient.

Item 13. Review of Accounts

L Catterton closely monitors the portfolio companies of the *L* Catterton Funds and generally maintains an ongoing oversight position in such portfolio companies. In addition to our active oversight, each portfolio company provides us with regular reports regarding its financial status and performance, except in the rare instances where our quantum of control is immaterial, in which case we receive public information. Our Investment Committees perform periodic comprehensive reviews of each portfolio company.

Investors in the *L* Catterton Funds typically receive written quarterly reports after each of the three calendar quarters end and a written annual report that is accompanied by audited financial statements for the applicable *L* Catterton Fund, capital account and quarterly financial statements, and a summary of the portfolio investments for the applicable *L* Catterton Fund. All investors in the *L* Catterton Funds are also invited to an annual investor meeting. *L* Catterton, in its sole discretion, provides additional information relating to the *L* Catterton Funds or particular portfolio companies to one or more investors in such Fund as it deems appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to *L Catterton*, please see Items 5 and 11 above.

In certain instances, *L Catterton* and its employees receive discounts or complimentary access to products and services provided by portfolio companies of the *L Catterton* Funds or from third parties with whom *L Catterton* or the Funds otherwise maintain a business relationship. In certain circumstances, these discounts or complimentary access to products may also be shared by *L Catterton* with third parties. Additionally, *L Catterton* and its employees may receive “miles,” “points,” rebates, or credit in loyalty/status programs usually associated with airline travel, hotel stays or car rentals. Such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to *L Catterton* and/or its employees even though the cost of the underlying service will be borne by an *L Catterton* Fund or portfolio company. The value of these discounts, complimentary access to products or other intangible benefits are not subject to the Management Fee Offset.

L Catterton or our affiliates enter into arrangements in which third parties will assist in the capital raising efforts of one or more of the *L Catterton* Funds in exchange for a fee (such person, a “Placement Agent”). The fee paid to such a Placement Agent may be calculated as a percentage of funds raised by the Placement Agent, as specifically negotiated between *L Catterton* and the Placement Agent and memorialized in a written agreement.

Item 15. Custody

L Catterton is generally deemed pursuant to Rule 206(4)-2 under the Advisers Act to have custody of the Funds' cash and securities due to its affiliates serving as general partners of the Funds. The Funds' cash and securities are held by one or more qualified custodians that are not affiliated with *L* Catterton, and the Funds are generally subject to an annual audit in accordance with generally accepted accounting principles as promulgated in the United States. Audited financial statements are distributed to limited partners within 120 days of each Fund's fiscal year end in accordance with Rule 206(4)-2 of the Advisers Act.

Item 16. Investment Discretion

We have discretionary authority to manage the portfolios of each of the *L* Catterton Funds. This authority is limited by the applicable *L* Catterton Fund's Organizational Documents.

Item 17. Voting Client Securities

Investments by the *L* Catterton Funds generally involve investments in securities acquired through privately negotiated transactions. However, because *L* Catterton may be deemed to have authority to vote proxies related to the portfolio companies of the *L* Catterton Funds, Catterton has adopted proxy policies and procedures. A copy of these policies and procedures are available to current or prospective investors upon request.

Generally, *L* Catterton will vote proxies in a manner that it determines in its discretion serves the best interests of the applicable Fund, taking into account relevant factors that *L* Catterton determines to be appropriate at the time of the vote, which may include: (i) the impact on the value of the returns of the Fund; (ii) alignment of portfolio company management's interest with the Fund's interest, including establishing appropriate incentives for management; (iii) the ongoing relationship between the Fund and the portfolio companies in which it invests, including the continued or increased availability of portfolio information and (iv) industry and business practices. *L* Catterton may also adopt specific procedures for voting proxies where *L* Catterton determines that it has, or may be perceived to have, a conflict of interest. These procedures will be designed to facilitate *L* Catterton's effort to vote proxies in accordance with the best interests of the applicable Fund.

Investors in the *L* Catterton Funds may request further information regarding our proxy voting policies and procedures and how we have voted on specific proxies from our Chief Compliance Officer, who will maintain a record of such requests.

Item 18. Financial Information

L Catterton does not require prepayment of management fees more than six months in advance and we are not aware of any financial condition that is reasonably likely to impair our ability to meet contractual and fiduciary commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.