

PAINE SCHWARTZ PARTNERS, LLC

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PART 2A OF FORM ADV: FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Paine Schwartz Partners, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 379-7200. 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. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Paine Schwartz Partners, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Paine Schwartz Partners, LLC filed its most recent Form ADV Part 2 on March 31, 2023. This annual amendment updates the description of the business practices of Paine Schwartz Partners, LLC and its affiliates.

We encourage all recipients of this brochure and private offering materials to read these documents carefully in their entirety and to contact us should you have any questions.

Item 3 – Table of Contents

Item 1	Cover Page.....	1
Item 2	Material Changes.....	2
Item 3	Table of Contents.....	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	4
Item 6	Performance-Based Fees and Side-By-Side Management	10
Item 7	Types of Clients.....	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Item 9	Disciplinary Information	26
Item 10	Other Financial Industry Activities and Affiliations	26
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	27
Item 12	Brokerage Practices	34
Item 13	Review of Accounts.....	34
Item 14	Client Referrals and Other Compensation	35
Item 15	Custody.....	35
Item 16	Investment Discretion.....	35
Item 17	Voting Client Securities.....	35
Item 18	Financial Information	36

Item 4 – Advisory Business

Paine Schwartz Partners, LLC (“PSP” or the “Firm”), a Delaware limited liability company, provides investment advisory services to pooled investment vehicles, related parallel funds, alternative investment vehicles and other specially formed investment vehicles (each, a “Fund” or a “Client”) that make private equity investments. The Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”), and their securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

PSP provides investment advisory services directly to the Funds and not individually to investors in the Funds. Services to the Funds include identifying, evaluating, structuring and negotiating prospective investments, managing and monitoring portfolio companies and advising the Funds with respect to disposition opportunities. An affiliate of PSP generally serves as the general partner (or similar managing body) of each Fund.

The Funds’ private equity investments focus on management-led corporate acquisitions, recapitalizations and company expansion programs. The Firm focuses on the food and agribusiness industry although there are a few portfolio companies in other industries.

PSP generally provides investment advisory services to the Funds through separate advisory agreements (each, an “Advisory Agreement”) tailored to the specific needs of each Fund as may be necessary, appropriate or negotiated on a case-by-case basis.

The Firm was formed in 2006 and is owned by an entity whose owners are W. Dexter Paine, III, Kevin M. Schwartz and Angelos J. Dassios. The Firm is managed by Messrs. Schwartz, Dassios and Paine.

As of December 31, 2023, PSP managed client assets totaling approximately \$5.8 billion, all of which is managed on a discretionary basis.

Item 5 – Fees and Compensation

PSP’s fee and compensation arrangements as well as the expenses that a Fund may be responsible for vary among the Funds. The specific terms of such arrangements are set forth in each Fund’s written agreement with PSP or the relevant general partner, as applicable.

As compensation for its services, PSP typically receives a management fee (the “Management Fee”) quarterly in advance from Funds. The annual management fee is typically in the range of 1.75-2.00% of the aggregate capital commitments of the Fund’s investors while the Fund is actively investing, and thereafter, the fee percentage is typically applied only to the Fund’s aggregate invested capital (excluding capital invested in realized or permanently written down investments) as of the end of the immediately preceding quarter. In general, the amount of Management Fee payable for any period shorter than a quarter is calculated based on the actual number of calendar days in such period. With respect to any period for which the Management Fee is being calculated as a percentage of invested capital rather than capital commitments, the Funds’ governing documents typically do not provide for Management Fee adjustments for intra-quarter realizations, changes in the fair market value of an investment, partial dispositions or sales of investments, write-downs or capital contributions. As a result, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including

following any period for which the Management Fee is being calculated as a percentage of invested capital rather than capital commitments, and will not be reduced in connection with any write downs, except in the case of investments permanently written down as determined in the sole discretion of the PSP. Further, Management Fees generally will not be reimbursed or refunded under the governing documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period. Each Fund's respective governing documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the governing documents until they are reduced in the circumstances and on the date(s) specified therein.

The Management Fee is paid to the Firm by or on behalf of a Fund by (i) requiring investors in the Fund to make capital contributions, (ii) Fund-level borrowing or (iii) withholding amounts from investment proceeds that would otherwise be distributable to investors in the Fund. In addition to the Management Fee, in connection with the affairs of a Fund, the Firm receives (i) monitoring fees, consulting fees, advisory fees, directors' fees, placement fees, commitment fees, and other similar fees, (ii) transaction fees related to the acquisition of, investment in or financing of a portfolio company, break-up fees and litigation proceeds from transactions not consummated and (iii) interest, commitment fees and other financing fees in connection with a bridge financing. The Fund's Management Fee will be offset, or reduced, by all or a portion of such fees (but not reimbursements of out-of-pocket expenses paid to third parties), in accordance with the governing documents of the applicable Funds. The Management Fee will be further reduced, waived or rebated at the sole discretion of PSP.

As a matter of practice, PSP is frequently paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and, as a result, in most cases, the Fund(d) will only benefit with respect to the allocable portion of any such fee allocable to the Fund(s) to the extent of the Fund's relative ownership or anticipated ownership of such investment or prospective investment and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by PSP, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. In addition, to the extent a former PSP employee becomes a consultant to, or employed by, a portfolio company, no compensation paid by the portfolio company to such former PSP employee will offset the Management Fee, whether or not such former employee has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that PSP employs a person that previously received compensation from a portfolio company, limited partners of a Fund will receive the benefit of any applicable offset only beginning as of the relevant start date of the person's employment with PSP, and not with respect to any compensation paid to such person by the portfolio company prior to such start date, including equity grants made prior to the date of employment with PSP that vest thereafter. Each of the foregoing conditions is expected to reduce the amount of fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to PSP over the life of the relevant Fund, and

the existence of such potential benefit creates an incentive for PSP to seek to increase such amounts.

In addition, it is the Firm's practice, in keeping with its industry concentration, to retain or engage certain independent senior professionals ("operating directors") as consultants to portfolio companies or one or more of the Funds. These operating directors provide specialized services related to the identification and evaluation of investment opportunities and utilize their operating and leadership experience in connection with the acquisition, holding, growth and operational improvement of portfolio companies. The agreements between the operating directors and the Firm provide that such services provided will be either on an exclusive or non-exclusive basis with the portfolio companies or the Funds. In performing these services, operating directors generally serve in management or policy-making positions at portfolio companies, or provide portfolio consulting services to a Fund, and receive compensation directly from portfolio companies and/or the applicable Funds for such services. As set forth in the applicable confidential private placement memorandum and partnership agreement of each Fund, any salary, fees or other compensation paid by a portfolio company or a Fund to any operating director retained by the Firm, or to any other unaffiliated person who acts as an officer or director of, or in an operational or management role at, a portfolio company, do not offset or otherwise reduce the Firm's Management Fee. To the extent such salary, fees or other compensation is paid by the Firm, the Funds and/or portfolio companies reimburse the Firm for such expenses. In addition, certain operating directors will receive a profits or equity interest (e.g., options) in the portfolio companies where they perform services, and/or be given the opportunity to participate in the general partner of one or more Funds. Potential conflicts of interest created by the arrangements involving operating directors are further discussed under "Conflicts of Interest" below.

In addition, certain affiliates of the Firm that serve as a general partner of a Fund and/or commit capital to a Fund are entitled to receive a carried interest distribution from such applicable Fund, as further discussed below in Item 6.

Each Fund typically bears and is charged with its own operating costs and expenses, consistent with the applicable provisions in each of the Funds' governing documents, including all fees, costs, expenses, liabilities and obligations relating to a Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), and including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating or attributable to: (i) activities with respect to the identifying, pursuing, sourcing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any reasonable costs for any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding-up, liquidating, dissolving or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence, software and service providers, consultants and similar professionals in connection therewith); (ii) indebtedness of, or guarantees made by, a Fund, the Firm, the general partner or any designated partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar activities; (iv) broker, dealer, finder, underwriting (including both

commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including any depositary appointed pursuant to Directive 2011/61/EU of the European Parliament and of the Council dated June 8, 2011 on Alternative Investment Fund Managers, together with Commission Delegated Regulation (EU) No 231/2013 supplementing Directive 2011/61/EU and the United Kingdom Alternative Investment Fund Managers Regulations 2013 (the “AIFMD”) and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act dated June 23, 2006 (as amended) and the Financial Services Act 2018, including any law, rule or regulation relating to the implementation thereof); (vi) reporting, filings and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding, for the avoidance of doubt, the initial and/or preliminary registrations, filings and compliance obligations related thereto), including secondary legislation, regulations, rules and/or associated guidance, and any related requirements; (vii) developing, structuring, maintaining, operating and winding-up administrative structures in Luxembourg, other European countries and other jurisdictions that are put in place to establish required residence and/or operate the investment activities of a Fund (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the Fund’s share of any such costs of any such structure involving other persons managed by, or affiliated with, the Firm, the general partner or any of their respective affiliates); (viii) legal, accounting, research, auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid to, and benefits or personnel costs provided to or on behalf of, a Fund’s operations group or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); (ix) reverse breakup, termination and other similar arrangements; (x) insurance, including directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (xi) filing, title, transfer, survey, registration and other similar activities; (xii) printing, communications, mailing, courier, marketing and publicity; (xiii) the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with partners, any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and the Private Funds Act (As Revised) of the Cayman Islands) or other information, including costs of any third-party service providers and professionals related to the foregoing; (xiv) compliance with any tax or financial account reporting regime, including the Foreign Account Tax Compliance Act, the Organisation of Economic Co operation and Development Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services); (xvi) any activities with respect to protecting the confidential or non-public nature of any

information or data, including confidential information (including any costs incurred in connection with any U.S., state and non-U.S. data protection laws, applicable legislation and regulation relating to the protection of personal data in force from time to time in the European Union, the European Economic Area or the United Kingdom, or the Freedom of Information Act); (xvii) to the extent provided in a Fund's governing documents or otherwise approved by the general partner in its sole discretion, activities or proceedings of the a Fund's advisory board (including any reasonable out-of-pocket costs incurred by representatives of the general partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xviii) indemnification (including legal and any other costs incurred in connection with indemnifying any partner or other person and advancing costs incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification), pursuant to a Fund's governing documents; (xix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xx) any annual, periodic or special meeting of the partners and any other conference, meeting or webcast or other video conference with any partner(s) (in each case, including any costs associated with venue, presentation, set-up, room and board, dining, reasonable entertainment, reasonable mementos, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by a Fund, the general partner or any other affiliate of the general partner; (xxi) the Management Fee; (xxii) except as otherwise determined by the general partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with a Fund, and any costs incurred in connection with the formation, management, operation, termination, winding-up and dissolution of any feeder vehicles related to a Fund to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of a Fund, any alternative investment vehicle and/or their respective subsidiaries and portfolio companies; (xxiii) the termination, liquidation, winding-up or dissolution of a Fund, the general partner entities and any persons owned directly or indirectly by a Fund (including portfolio companies) and related entities; (xxiv) defaults by partners in the payment of any capital contributions to the extent such costs are not reimbursed by such partners; (xxv) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, the general partner, the Firm, any entities owned directly or indirectly by the Fund (including portfolio companies) and any alternative investment vehicle of the Fund (other than amendments, waivers, consents or approvals to the constituent documents of the general partner or the Firm that are made solely for purposes of addressing internal matters of such persons), including the preparation, distribution and implementation thereof; (xxvi) (A) compliance with any law, rule, regulation, policy, directive or special measure (including in relation to privacy, data protection, know-your-customer, anti-money laundering, sanctions or anti-terrorism considerations), including any reasonable legal, administrator, consulting or other third-party service provider costs related thereto, any regulatory costs of the general partner or any of its affiliates incurred in connection with the operation of a Fund and any costs related to compliance with any environmental, social or governance or other investment considerations and policies applicable to a Fund, the general partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to a Fund or the general partner (including as a result of any anti-money laundering laws, rules or regulations); (xxvii) any litigation or governmental inquiry, investigation or proceeding, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection

therewith, except to the extent such costs or amounts have been determined to be excluded from the indemnification pursuant to a Fund's governing documents; (xxviii) any consultants, experts or advisors engaged, including independent appraisers engaged in connection with a Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same person as one or more investment vehicles (other than the Fund) managed or controlled by the general partner or any of its affiliates; (xxix) unreimbursed costs incurred in connection with any transfer or proposed transfer or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian; (xxx) any taxes, fees and other governmental charges levied against a Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of a Fund (except to the extent that the Fund is reimbursed therefor by a reimbursing partner) and any costs of or related to the Partnership Representative or any Designated Individual (each as defined in a Fund's governing documents) thereof; (xxxi) distributions to the partners and other costs associated with the acquisition, holding and disposition of investments, including extraordinary expenses; (xxxii) unreimbursed and unpaid costs of a Fund's operations group or its members, employees or other persons engaged by such operations group; (xxxiii) compliance or regulatory matters, except as otherwise set forth in a Fund's governing documents, including compliance with the partnership agreement and/or any side letter or similar agreement; (xxxiv) attendance of any member, manager, shareholder, partner, director, officer, employee or affiliate of the general partner, the Firm or any of their respective affiliates at any trade conference, including any applicable registration costs and exhibition, sponsorship or other presentation costs, venue, lodging, meals and other conference related costs; (xxxv) any travel (including the cost of chartering private aircraft or other private air travel at a cost not to exceed the cost of first class commercial airfare, other air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment) and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxvi) any of the items listed in clauses (i) through (xxxv) above relating to any investment, restructuring, taking public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated); (xxxvii) any organizational expenses; (xxxviii) any placement fees; and (xxxix) any other costs approved by a Fund's advisory board; but not including ordinary overhead and administrative expenses not described in the foregoing that are payable by the general partner and/or the Firm pursuant to the Fund's governing documents. Certain of these costs and expenses will be incurred by the Firm or its affiliates and reimbursed by the Funds.

A Fund generally pays the out-of-pocket expenses incurred in connection with the organization of the Fund and the general partner and the offering and sale of limited partnership interests in the Fund, including legal, accounting and travel, fees and expenses related to the offering and sale of limited partner interests, up to a certain amount, or "cap". Organizational expenses above the cap and any placement agent commissions, fees and expenses paid by a Fund are offset against the Management Fee.

The Firm and its affiliates (including the general partner of any Fund) are permitted to incur fees and expenses on behalf of more than one Client. To the extent such costs and expenses are incurred for the account or benefit of one or more Funds, co-investment vehicles (with respect to consummated investments) or third-party co-investors (with respect to consummated investments), each such vehicle will typically bear an allocable portion of such costs and expenses, in proportion to the relative size of its investment in the

investment, entity or activity to which the expense relates, subject to the terms of each such vehicle's applicable governing documents, or in such other manner as the Firm or its applicable affiliate considers fair and reasonable. The Funds (other than the co-investment vehicles formed for the purpose of investing in a portfolio investment on an investment-by-investment basis) bear all costs and expenses incurred in connection with any abandoned or broken deals, including all broken deal expenses and expenses associated with the organization of co-investment vehicles.

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

In addition to an asset-based Management Fee, the Funds generally allocate a portion of their investment profits to their general partners or other special purpose vehicles that are affiliates of the Firm, as “carried interest.” The carried interest will generally be an amount equal to a percentage of the profits realized from investments after the return of invested capital and a preferred return to investors in the Funds, calculated pursuant to the governing documents of each Fund.

The carried interest is structured subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In accordance with Rule 205-3, investors in a Fund that is assessed carried interest must meet the qualifications set forth in Rule 205-3 and are advised of the terms of such performance-based fees and the associated risks.

The carried interest creates an incentive for the general partner of a Fund to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than would be the case in the absence of this arrangement. PSP manages this potential risk by ensuring through its investment approval process that appropriate material investment decisions are made by the investment committee (as referenced in Item 13 of this brochure) and in conjunction with the stated investment objectives and guidelines in the Funds' governing documents. In addition, PSP's investment professionals generally make significant investments of their own capital in the Funds, which we believe further serves to protect against potential risks from performance-based compensation arrangements.

Item 7 – Types of Clients

PSP's Clients are generally pooled investment vehicles (and their parallel funds, alternative investment vehicles, feeder funds and special purpose vehicles) that are exempt from registration under the Investment Company Act. The investors in the Funds are generally required to meet certain suitability and net worth qualifications, e.g., the investors must be (i) “accredited investors” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act, as amended, and (ii) “qualified purchasers,” as defined in the Investment Company Act, or “knowledgeable employees” within the meaning of the Investment Company Act. Investors in the Funds may include, among others, pension plans, endowments, trusts, sovereign wealth funds, funds-of-funds, financial institutions and other U.S. and non-U.S. corporations and often include, directly or indirectly, principals or other personnel of PSP and its affiliates and members of their families, operating directors or other service providers retained by PSP or a Fund.

Generally, the minimum initial commitment of the investors in the Funds' is \$10 million, although PSP has the authority to deviate (and has deviated in the past) from these minimum commitment requirements. Conditions for investing in each Fund are stated in each Fund's applicable offering documents.

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

Methods of Analysis and Investment Strategy

PSP seeks to make significant investments in operating companies at various stages through acquisitions, recapitalizations and company expansion programs, generally in conjunction with the management of target companies. PSP generally focuses on transactions where investment opportunities are created by addressing complexity and developing solutions for sellers, management teams or corporate partners. PSP has both formal and informal processes for identifying investment opportunities and focus industries. In evaluating potential portfolio companies, PSP's analysis typically focuses on the target company's (i) business model and competitive environment, (ii) financial structure and performance, (iii) business plan and opportunities for value creation, (iv) management team capabilities and (v) potential for attractive exit opportunities. PSP utilizes legal, industry, financial and other advisors and the skills of certain portfolio company personnel to complement its due diligence process. PSP's investment analysis methods may include fundamental, technical gain/loss forecast models, cash-flow models, sensitivity analysis, charting, fundamental, technical and cyclical analysis.

In identifying focus areas, investment professionals develop top-down investment theses, build relationships with industry constituents and target specific transaction opportunities.

Investment Risks

The items set forth below are a brief overview of the risks associated with the Firm's investment strategy; they are not intended to serve as a comprehensive exposition of all risks and conflicts that may arise in connection with the management and operation of the Funds. Investors are encouraged to review the applicable Fund's governing documents to understand the risks and potential conflicts of interest.

No Assurance of Investment Return. There is no assurance that any Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of investments in which such Fund participates. Accordingly, an investment in a Fund should only be considered by persons who can afford a loss of their entire investment. There is no assurance that projected or targeted returns for any Fund will be achieved or that invested capital will be returned. Past performance of any PSP Funds is not indicative of future results.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There is no assurance that a Fund will be able to locate, consummate and exit investments that satisfy its investment objectives.

Risk of Limited Number of Investments. A Fund may participate in a limited number of investments and, as a consequence, the unfavorable performance of any single investment may substantially adversely affect the aggregate returns to a Fund's investors. Moreover, there is no assurance that one or more of any Fund's investments will perform well enough for such Fund to achieve above-average returns.

Use of Leverage. Investments in leveraged companies offer the opportunity for capital appreciation, but also involve a higher degree of risk. A Fund's investments will involve varying degrees of leverage, as a

result of which recessions, operating problems and other general business and economic risks may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase investment interest expense, causing losses and/or the inability to service debt levels, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. If an investment cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in a portfolio company.

Capital Calls and Credit Facilities. A Fund is generally permitted to enter into a subscription line with a lender in order to finance its operations, including the acquisition, financing or refinancing of portfolio company investments, as well as to consolidate or make less frequent capital calls to limited partners. Subject to any limitations in the Partnership Agreement, the relevant Fund is permitted to borrow additional funds pursuant to a revolving credit facility or other debt facility, including another facility based on the aggregate Commitments available to be called. The Fund's use of such facilities will be determined by PSP, and the performance of the Fund may be impacted by how PSP causes the Fund to utilize such facilities. Although the use of such a facility may increase the Fund's ability to swiftly invest capital, it also will cause the Fund to incur interest expense and other costs and subject limited partners to certain risks. For example, because amounts borrowed under a subscription line typically are secured by pledges of PSP'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.

Fund-level borrowing will result in additional expenses that will be borne by the limited partners. 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 and negotiation of the terms of the borrowing facility. Conflicts of interest have the potential to arise in that the use of such facilities generally will delay the need for limited partners to make certain contributions to the Fund, which generally would enhance the Fund's return calculations and thereby benefit the marketing efforts of PSP and its affiliates. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant general partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. 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, 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 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 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 may impose restrictions on PSP's ability to consent to the transfer of a limited partner's interest in the Fund or impose concentration or other limits on the Fund's investments and/or financial or other covenants that could affect the implementation of the Fund's investment strategy.

In addition, Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows PSP to fund investments and pay Fund expenses (including the Management Fee) without calling capital, potentially for extended periods of time. To the extent provided in the Partnership Agreement, any such borrowing is permitted to remain outstanding for such time as PSP deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund. In addition to Fund-level borrowing, and subject to any limitations set forth in the Governing Documents, a Fund is permitted to act as guarantor in PSP's sole discretion, including when PSP considers it necessary, appropriate or incidental to the accomplishment of the purposes of the Fund. For example, PSP 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 of a Fund) 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.

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

Availability of Financing. A Fund's ability to invest in portfolio companies may depend on the availability and terms of any borrowings that are required or desirable with respect to such investments. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders, may

impair a Fund's ability to consummate these transactions and may adversely affect the Fund's returns. Availability of financing may also adversely affect the liquidity position of a portfolio investment.

Operating, Financial and Regulatory Risks affecting Portfolio Companies. The performance of the operating companies in which a Fund invests could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, an economic downturn, changes in laws, regulations, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks. Regulation generally, including tax laws and regulation, whether in the United States or abroad, also could increase the cost of acquiring, holding or divesting portfolio investments, the profitability of enterprises and the cost of operating a Fund. As a result, a Fund's portfolio investments may experience significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress.

Controlling Interests. Because of its equity ownership, representation on the board of directors and/or contractual rights, a Fund may often be considered to control, participate in the management of or influence the conduct of portfolio companies. Under certain circumstances such ownership or roles could be used by third parties as the basis for such parties to assert claims against the Fund or its affiliates whether or not there is any actual liability on such basis. If these liabilities were to arise, a Fund may suffer a significant loss.

Illiquid and Long-Term Investments. Investment in a Fund may require a long-term commitment with no certainty of return. Many of a Fund's investments will be highly illiquid, and there is no assurance that a Fund will be able to realize on such investments in a timely manner. Although investments may occasionally generate some 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 or refinancing of such investment.

Minority Investments. Although the Firm's typical investment approach is to acquire controlling interests or positions of significant influence, a Fund may invest in securities where it is not a lead or organizing investor. In such cases, a Fund may not be able to exert significant influence or protect its position. A Fund will be significantly reliant on the existing management and board of directors of such companies and may be exposed to risks related to third party co-investors. For example, the board and/or third party co-investors may include representation of other financial investors with whom a Fund is not affiliated or other third parties whose interests may be contrary to a Fund's investment objectives and may conflict with such Fund's interests.

Uncertainty of Financial Projections. PSP generally establishes the capital structure of companies in which a Fund invests on the basis of financial projections for such companies, which normally are based primarily on management judgments. Projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed, there is no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Sector Focus; Dependence on Performance of Certain Investments. PSP focuses its investment activities in the global food and agribusiness sectors. As a result, the performance of Funds concentrated in these sectors may be particularly sensitive to certain market forces as well as natural and political circumstances such as fluctuations in commodity prices, weather and environmental factors, wars, conflicts and similar upheavals, seasonality and government and regulatory intervention.

General Agribusiness Risks. The growth of the agribusiness sector is affected by the growth of agriculture productivity, changes in consumption patterns, improvements in transportation and post-harvest infrastructure, international trade and governmental policies. Since the agribusiness sector is linked to agriculture production, the agribusiness sector is subject to risks including output market risk (which may affect price levels and price volatility), production risk (which may affect yield levels and volatility) and input market risks. Agribusiness is also subject to interest rate risk, currency risk, legal risks and human resources related risks. Fluctuations or changes related to any of the foregoing factors may have a negative impact on a Fund's investment opportunities and the value of a Fund's portfolio company investments.

Supply Chain Risks. The Funds expect to invest in portfolio companies that are related to or involve later stages of the food and agribusiness supply chain. The performance of such portfolio companies may be dependent upon the amount and availability of certain inputs. If the availability or pricing of relevant inputs is adversely affected, there may be adequate substitutes available in certain circumstances while in other circumstances crucial and irreplaceable inputs may no longer be available in adequate amounts or at adequate prices. Any adverse effect to such key inputs could cause the production of the portfolio company's product to become virtually impossible or materially more expensive. For example, a portfolio company focused on the manufacturing and distribution of frozen-food products may be dependent upon the availability of fish. Such a portfolio company could be materially negatively impacted by the occurrence of widespread animal disease. Any such adverse events with respect to key inputs in a portfolio company's supply chain could negatively affect the value of the applicable Fund's investment in the relevant portfolio company and thereby could have an adverse effect on the overall returns of the Fund.

Non-U.S. Investments. The Funds' investment activities are global in nature and will include investments in businesses outside the United States. Investing in non-U.S. securities involves risks relating to (i) currency exchange matters, including fluctuations in the rates of exchange and costs associated with currency conversion; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and varying degrees of government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital; and (iv) the possible imposition of foreign taxes on income and gains recognized with respect to such securities. In addition, laws and regulations of foreign countries may impose restrictions that would not exist in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S.

Market Conditions. A Fund will be materially affected by conditions in the financial markets and economic conditions throughout the world, including interest rates, availability and terms of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, commodity prices, currency exchange rates

and controls and national and international political circumstances, and such conditions may adversely its performance.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Fund's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, PSP, the Funds and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of PSP to manage the Funds and their investments, and on the ability of PSP, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of portfolio companies to make payroll, fulfill obligations and maintain operations. Although PSP expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays.

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

ERISA. A Fund may hold "plan assets" subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA imposes certain general and specific responsibilities and restrictions on fiduciaries with respect to plan assets. PSP endeavors to structure the Funds so that PSP or related entities are not classified as "fiduciaries" under ERISA as a result of holding such plan assets. If PSP or a related entity were to be considered a "fiduciary" with respect to plan assets in a Fund, such Fund may be prohibited from entering into certain transactions if the investment would violate ERISA with respect to such Fund, or may

be obligated to take certain actions or refrain from taking certain actions in order to avoid a violation of ERISA with respect to such Fund.

Cybersecurity Risks; System Failures. PSP Funds, PSP and its affiliates and service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, including, without limitation, information regarding investors and PSP Fund's and its affiliates investment activities, and corruption of data. PSP Funds, PSP and its affiliates may be exposed to a more significant risk if these activities are taken by state actors. Damage or interruptions to information technology systems may cause losses to PSP Funds, PSP or their investors, including, without limitation, by interfering with the processing of transactions, affecting a PSP Fund's or affiliates ability to conduct valuations or impeding or sabotaging trading. PSP Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose a PSP Funds, PSP and its affiliates to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

In addition to the above cybersecurity related issues, information and technology systems of PSP Funds, PSP and its affiliates may otherwise 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. Notwithstanding measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, PSP and its affiliates may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of PSP and its affiliates and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of PSP and its affiliates, subject PSP and its affiliates to legal claims and otherwise affect their business and financial performance.

Environmental, Social and Governance (“ESG”) Matters; ESG Reporting. PSP maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is qualitative and subjective by nature and PSP expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by PSP, or any judgment exercised by PSP, will reflect the beliefs values, internal policies or preferred

practices of any particular investor or other asset manager or reflect market trends. In addition, PSP's ESG policy and associated ESG practices are expected to evolve over time. Although PSP views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, PSP cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

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

PSP Funds focusing on social and environmental-aligned investments and companies seeking ESG related solutions, including private equity and growth equity investments, involve a number of material risks including (but not limited to) the risks discussed in this section. PSP Funds are subjected to a variety of risks, not all of which can be foreseen or quantified. When evaluating potential investment opportunities, in addition to financial return, an investment's potential to align with PSP's thematic investment strategy will be considered. As a result, the opportunity set for potential investments will necessarily be smaller than it would otherwise be if PSP Funds were seeking to make investments solely on the basis of financial returns, and the relevant PSP general partner may forgo opportunities that are attractive from a financial perspective if they do not also align with PSP's thematic investment strategy. In addition, although PSP believes that considering ESG factors should not negatively affect an investment's financial returns, and it can even enhance a portfolio company's profitability, it is possible that a company's dual focus on financial success and positive social and environmental outcomes may from time to time require it to make decisions that favor one goal at the expense of the other. Any determination about whether or not a potential investment aligns with PSP's thematic investment strategy will be made in the relevant PSP general partner's sole discretion. The determination about what ESG factors to consider and what aligns with PSP's thematic investment strategy is inherently subjective, and what PSP determines may not necessarily reflect the views of all prospective investors. In addition, it is possible that the companies in which the PSP Funds invests are unable to obtain or realize any positive social or environmental outcomes. For PSP Funds, PSP intends to provide periodic reports to investors on the ESG performance of the relevant PSP Fund's investments. This reporting will depend in whole or in part on the complete, timely and accurate reporting of portfolio companies to PSP. While PSP intends to exert appropriate influence under the circumstances to ensure receipt of complete, timely and accurate portfolio company reports, PSP may not be able to do so in all cases.

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

several states and Congress having proposed or enacted “anti-ESG” policies, legislation, or initiatives or issued related legal opinions. the definition, measurement and disclosure of ESG factors. PSP and its ESG policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and PSP cannot guarantee that its current approach including its ESG policy and associated ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

Force Majeure and Climate Change. Portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party (including a portfolio company or a counterparty to a PSP Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. In addition, forced events, such as the cessation of the operation of machinery for repair or upgrade, could similarly lead to the unavailability of essential machinery and technologies. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a PSP Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which PSP Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to PSP Funds, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation). Prolonged changes in climatic conditions may have significant impact on the revenues, expenses and conditions of certain PSP Fund investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, droughts, wind levels, annual sunshine, sea 48 levels and the severity and frequency of storms and other severe weather events. Reductions in precipitation levels, wind or sunlight could materially adversely affect the revenues and cash flows of renewable energy related assets that depend on the capture of waterflow, wind or sunlight to derive revenues. If such reductions are significant, any such assets may be rendered inoperable. Conversely, significant increases in precipitation or wind velocity could cause damage to such assets or create periods when such assets are not able to function. In the event that climate change causes sea levels to rise, certain portfolio companies may be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Any of the foregoing may therefore adversely affect the performance of PSP Funds and their investments.

Health and Safety Risks. The Funds may invest in portfolio companies that are directly or indirectly subject to changing and increasingly stringent health and safety laws, regulations and permit requirements, including, without limitation, with respect to food safety. There can be no guarantee that all costs and risks regarding compliance with such laws and regulations can be identified. New and more stringent health and

safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on the Funds' portfolio companies or potential portfolio company investments.

Compliance with such current or future requirements does not ensure that the operations of the portfolio companies will not cause injury to people under all circumstances or that the portfolio companies will not be required to incur additional unforeseen expenditures.

Further, the Funds may be exposed to substantial risk of loss arising from portfolio company investments involving undisclosed or unknown health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. In addition, the products or services of portfolio companies could cause a health or safety risk (e.g., food-borne illness) and thus be subject to certain repercussions, including, without limitation, product recalls and negative publicity. The occurrence of any such event could negatively affect the value of the relevant Fund's investment in such portfolio company, which could have an adverse effect on the overall returns of the Fund.

Commodity Price Risks. Some investments by the Funds will be directly or indirectly subject to commodity price risk, including, without limitation, the price of agricultural and animal products, products in the food production chain, and electricity and fuel. The market prices of such commodities may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative products, international political conditions, including those in the Middle East and the actions of OPEC with respect to fuel and energy sources, and overall economic conditions.

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

Secondaries and other GP-Led Transactions. There continues to be a significant market for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions and PSP reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by PSP following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and

maintaining exposure to an asset where PSP believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by PSP and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies; and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

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

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

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which a Fund may invest are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments may be highly

dependent upon various government (or private) reimbursement programs. While each Fund intends to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund may invest.

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

Conflicts of Interest

PSP has put in place personal trading policies and procedures, as set forth in the Code of Ethics and as discussed more fully above in this Item 11, designed, among other things, to address the conflicts of interest that arise in connection with personal trading.

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

beneficial to PSP or one or more other Funds. PSP expects to be subject to a potential conflict of interest in making such recommendations, in that PSP as an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

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

PSP generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) PSP or a related person of PSP (which is permitted to include a portfolio company of such Fund); (ii) an entity with which PSP or its affiliates or current or former personnel has a relationship or from which PSP or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where PSP personnel are seconded, or from which PSP receives secondees; or (iii) certain limited partners or their affiliates. PSP is permitted to enter into consulting services agreements, and expects to enter into strategic advice agreements, with third parties that are limited partners in a Fund whereby such limited partners or their affiliates provide services to the Fund and/or its portfolio companies in exchange for certain fees to be paid by the Fund and/or relevant portfolio companies, as applicable, or grants of equity interests from relevant portfolio companies receiving such services. While such arrangements are expected to subject PSP to conflicts of interest in utilizing the service providers and making such payments of compensation or equity interests at the ultimate expense of the relevant Fund or the portfolio company, PSP will enter such arrangements to the extent PSP believes such arrangements will be beneficial to the Fund and/or portfolio companies in providing important services at potentially favorable rates. This discretion subjects PSP to conflicts of interest, because, although PSP selects service providers that it believes are aligned with its operational strategies and will enhance portfolio

company performance and, relatedly, returns of the relevant Fund, PSP has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that PSP, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or PSP), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. PSP will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although PSP generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, PSP expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors.

PSP and certain of its professionals will typically perform management, advisory, financial advisory and other services for, and will receive fees from, actual or prospective portfolio companies, which fees will be in addition to any asset-based Management Fees and carried interest paid to PSP or its affiliates by the Funds. Subject to the terms of the relevant limited partnership and management agreements for the Funds, PSP may be required to reduce its asset-based Management Fees by all or a portion of such fees, and the Funds will benefit from these fees only to the extent set forth in such limited partnership and management agreements.

Certain of PSP's professionals, in connection with the monitoring of portfolio company investments, also are permitted serve on the board of directors of certain portfolio companies. In these circumstances, such professionals are permitted to receive director's fees, stock options and/or other equity compensation in connection with such service. If such compensation is received by the applicable professionals, such compensation will be transferred to PSP, in which case all or a portion of such fees and other compensation typically offsets the Management Fee received by the Firm from the applicable Fund subject to the applicable Fund's governing documents.

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of, operating directors and other consultants (including consultants introduced or arranged by PSP and/or its affiliates that regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the Management Fee as described herein. Operating directors generally make use of PSP resources or otherwise are associated with PSP. PSP and/or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or provide other compensation. Operating directors are expected to include former personnel of PSP or certain portfolio companies, and in some circumstances former operating directors are expected to become PSP personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are operating directors is expected to vary and/or be revisited which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that PSP otherwise would be required to bear. Operating directors generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein. To the extent that

operating directors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the operating director's services at a time when fewer portfolio companies or Funds make use of such operating director. Although PSP seeks to retain operating directors with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. PSP also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that PSP believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only operating directors and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Additionally, a portfolio company typically will reimburse PSP or service providers retained at PSP's discretion for expenses (including, without limitation, travel expenses) incurred by PSP or such service providers in connection with its performance of services for such portfolio company. This subjects PSP and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. PSP determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to PSP or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

The Funds expect to have tax-exempt, taxable, foreign and other investors, whereas most members of the general partners of the Funds are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions may be more beneficial for one investor than for another investor, particularly with respect to investors' individual tax situations.

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

Where the Management Fee is calculated taking into account the valuation of an investment, PSP will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the governing documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, PSP is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant general partner is dependent in part on the amount and timing of investment dispositions, and the relevant general partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions within the requirements of the relevant governing documents.

PSP's wide-ranging authority on the determination of whether an investment is permanently written down, and the criteria used by the relevant General Partner or its affiliates in valuing an 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 permanently written down, and except as set forth in the governing documents, neither the general partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The general partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the governing documents. As a general matter, the standards for determining whether an investment is permanently written down are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Additionally, PSP generally treats multiple investments (including investments in various classes of shares or interests) in one portfolio company as a single investment for purposes of the calculation of Management Fees and Management Fees will not be reduced (subject to the applicable Governing Documents) unless and until there is a complete disposition of all of the relevant Fund's interests in such portfolio company. Because the amount of PSP's compensation is dependent in part on an investment's status as a permanently written down investment, the relevant general partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although PSP intends to operate in accordance with the relevant Fund's governing documents, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Item 9 – Disciplinary Information

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

Item 10 – Other Financial Industry Activities and Affiliations

Neither PSP nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer; or as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. PSP organizes and sponsors the Funds. The Funds managed by PSP are controlled by general partner entities affiliated with PSP ("GP entities"). These entities operate as a single advisory business together

with PSP and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions. The GP entities delegate the management of the Funds to PSP, or an affiliate that is a relying adviser of PSP, through a management agreement for each Fund. Capital Z Asset Management, LLC (“CZAM”), an investment adviser registered with the SEC is affiliated with PSP. Certain of the Funds have indirect ownership interests in CZAM and invest, through intermediaries, in certain pooled investment vehicles for which CZAM serves as the investment manager.

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

Code of Ethics

PSP has adopted a comprehensive Code of Ethics (the “Code”) intended to ensure that the Firm fulfills its role as a fiduciary to the Funds. The Code requires that Firm personnel and certain associated persons act in accordance with the fiduciary duties owed by the Firm to the Funds. Personnel are also required to comply with applicable provisions of the federal securities laws and make prompt reports of any actual or suspected violations of such laws by PSP or its personnel. In addition, the Code sets forth formal policies and procedures with respect to the personal securities trading activities of PSP’s personnel. The Code requires that personnel pre-clear certain public and all private personal securities transactions, report all personal securities transactions to the Chief Compliance Officer on at least a quarterly basis and provide the Firm with a summary of personal securities holdings at least annually. The Code also addresses confidentiality and insider trading, and expressly prohibits personnel from disseminating material nonpublic information or using such information to inappropriately benefit any party through securities trading activities. Personnel are required to provide a written certification as to their compliance with the Code on an annual basis.

Copies of PSP’s Code are available to investors upon request by contacting us at (212) 379-7200.

Participation or Interest in Client Transactions; Related Person Investments

As a matter of general practice, neither PSP nor any of its related persons acquire or sell securities that are also recommended to the Funds other than through direct participation in the Funds. From time-to-time, operating directors of the Firm hold direct investments in Portfolio Companies in connection with the services such operating directors provide to such Portfolio Companies.

In connection with the Funds’ investments, the Firm, from time-to-time, allows affiliates of the Funds’ investors and financing sources to co-invest in a Fund investment on a side-by-side basis with the Funds. From time-to-time, in appropriate circumstances and subject to satisfaction of the policies and procedures set forth in the Code and the Fund’s governing documents, PSP personnel and other related persons may also co-invest in a Fund investment (See “*Allocation of Investment Opportunities and Secondary Transactions*”). PSP believes that any potential conflicts of interest are addressed by the Code and the Funds’ governing documents.

Time and Attention; Allocation of Investment Opportunities and Secondary Transactions

PSP and its affiliates are permitted to raise and manage investment vehicles and/or funds other than the Funds, subject to certain conditions. In connection with managing such investment vehicles and/or funds,

PSP's investment staff expect to spend a portion of their business time and attention pursuing investment opportunities for such other investment vehicles and/or funds. PSP's investment staff will continue to manage and monitor such other investment vehicles, funds and/or investments besides the Funds. PSP believes that the significant investment of PSP in the Funds, as well as its interest in the carried interest, operate to align, to some extent, the interest of PSP with the interest of the Limited Partners, although PSP currently has, and in the future could obtain, economic interests in other investment vehicles, funds and/or investments as well and receive management and other fees and carried interest relating to such investment vehicles, funds and/or investments. Such other investment funds and investments that PSP controls or manages, in certain instances, are likely to compete with the Funds or companies acquired by the Funds. At such time as the relevant general partner is permitted to raise a successor investment fund to any of the Funds, PSP will continue to manage the Funds' investments, but also will focus investment activities on other opportunities and areas unrelated to the Funds' investments. Certain investments are permitted to be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the relevant governing documents.

PSP expects to be presented with investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of PSP. In determining which investment vehicles should participate in such investment opportunities, PSP and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the governing documents, PSP is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of PSP in a portfolio company also have the potential to raise the risk of using assets of a client of PSP to support positions taken by other clients of PSP.

PSP must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. PSP generally assesses whether an investment opportunity is appropriate for a particular Fund based on the governing documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of PSP in the manner set forth in the governing documents. PSP will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with PSP's obligations and reserves the right to take into consideration factors such as those set forth above. PSP's allocation of investment opportunities among the Funds and any of the other PSP-advised funds will not always be proportional. Therefore, such allocations, have the potential to be more advantageous to a Fund relative to one or all of the other investment funds, or vice versa. While PSP will allocate investment opportunities in a manner that it believes in good faith is fair and equitable, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which PSP may be subject did not exist.

Following such determination of allocation among Funds, PSP reserves the right to offer co-investment opportunities to one or more potential co-investors, including operating directors, vendors, service providers and/or other third parties, as determined by PSP in its sole discretion.

In exercising its discretion to allocate investment opportunities with respect to a particular investment among the potential investors, PSP's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: PSP's best judgment as to a potential co-investor's ability to act with speed and certainty vis-à-vis any opportunity, any actual or potential conflicts of interest that would render a potential co-investor unsuitable with respect to a particular opportunity, and any added value that the participation of the proposed co-investor may bring to the particular investment opportunity or the investment agenda, strategic opportunities or deal flow of one or more Funds and other factors which benefit PSP such as the likelihood that an investor may invest in future Funds. PSP is permitted to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

The Firm's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, PSP personnel and other related persons, and Third Parties, and in the manner discussed above often will not result in proportional allocations among such persons, and such allocations may be more or less advantageous to some such persons relative to other such persons. While PSP will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there is no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Firm is subject, discussed herein, did not exist.

In the event the Firm determines to offer an investment opportunity to co-investors, there is no assurance that the Firm will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. In the event that the Firm is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have exposure in the related investment opportunity than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and PSP expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's governing documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General

Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

In addition, to the extent the Firm has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, or is asked to identify potential purchasers in a secondary transfer, the Firm will do so in its sole discretion, generally taking into account the following factors:

1. The Firm's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
2. The Firm's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Firm;
3. Whether the potential purchaser would subject the Firm, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
4. Requirements in such Fund's organizational documents; and
5. Such other facts as it deems appropriate under the circumstances in exercising such discretion.

A purchaser's potential investment into another Fund (including any commitment to a future fund) may be considered, but will not be the sole determining factor considered by the Firm in determining whether to grant or withhold its consent to a secondary transfer of interests in a Fund.

Subject to any relevant restrictions or other limitations contained in the governing documents, PSP will allocate fees and expenses in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, PSP expects to be faced with a variety of potential conflicts of interest. The allocations of such expenses will not always be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on the number of funds or co-investors receiving related benefits or proportionately in accordance with asset size.

The Funds generally make controlling investments in portfolio companies. As a result of these controlling investments, PSP anticipates that it will have the right to appoint portfolio company board members (including current or former PSP personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, portfolio company board members frequently approve compensation and other amounts payable to PSP and/or its affiliates in connection with services provided by PSP and its affiliates to such portfolio company and, except to the extent such amounts are subject to offset provisions in the governing documents, such amounts

are in addition to the Management Fee or carried interest discussed herein. PSP's authority to appoint or influence the appointment of portfolio company board members who are likely to be involved in approving compensation payable to PSP subjects PSP and any such portfolio company board appointees to conflicts of interest.

Certain investors in the Funds have side letter agreements granting them the right to participate in any co-investment offered to any other investor in such Fund. PSP has an explicit co-investment process related to such limited partners' co-investment rights that includes: (i) obtaining advisory board approval if the co-investment is done after the Fund's initial investment and (ii) charging interest on the shares acquired by the co-investment vehicle if the co-investment is done after the Fund's initial investment (in order to cover the limited partner's preferential return) and clearly communicating this fact to the limited partners when first offering the co-investment opportunity.

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

Fees and Fee Structure

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

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

terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

The fact that a General Partner's carried interest generally is based on a percentage of net profits creates an incentive for a General Partner to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case. In addition, because the Funds have a fixed investment period after which capital from limited partners generally can only be drawn down in limited circumstances, and because the Management Fee is, at certain times during the life of a Fund, calculated based upon the amount of capital invested by a Fund, the Management Fee structure creates an incentive for a General Partner to deploy capital when it might not otherwise have done so.

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

Pursuant to the organizational documents, the general partner or other special purpose vehicles that are affiliates of the Firm may be required to return excess amounts of carried interest as a "clawback". This clawback obligation may create an incentive for the general partners to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation.

Follow-on Investments

Investments to finance follow-on acquisitions present conflicts of interest, including the determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund will on occasion participate in releveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest will likely arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Side Letter Agreements

PSP and/or its affiliates reserve the right to enter into side letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of PSP's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on a Fund's advisory committee, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic procedural and other terms, many of which will not be subject to the "most-favored nation" provisions of a Fund's governing documents.

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

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although PSP 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 exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the governing documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Board of Advisers Rights

Many of the Funds have established a board of advisers, consisting of representatives of investors. A conflict of interest may exist when some but not all limited partners are permitted to designate a member to the board of advisers. The board of advisers may also have the ability to approve conflicts of interests with respect to the Firm and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the board of advisers.

Insurance

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

Item 12 – Brokerage Practices

Because PSP primarily invests in private securities, PSP does not typically select or recommend broker-dealers for Client transactions. From time-to-time, PSP may be in a position to select a broker-dealer due to the purchase of public securities or as a result of a portfolio company going public. In the event that a broker-dealer is selected or recommended, PSP ensures that any such transaction is executed in the best interest of the Fund taking into account factors such as a broker's execution capability and trading and industry expertise in addition to pricing.

Item 13 – Review of Accounts

PSP's investment committee regularly supervises and monitors the investment activities of each Fund. Additionally, PSP's investment professionals and senior management monitor and review the Funds' portfolio investments on an ongoing basis, including, for example, by participating in board meetings and management calls, reviewing financial statements, and making on-site visits. The Firm reviews the valuation of the Funds' portfolio companies on a quarterly basis.

The Firm provides written reports describing each Fund's portfolio investments to such Fund's investors on at least an annual basis. In addition, the Firm invites each Fund's investors to an annual investor meeting at which the Firm reports on each Fund's portfolio investments and performance. The Firm is also permitted to hold investor update calls in appropriate circumstances.

The Firm provides to investors in each Fund audited annual financial statements, generally within 120 days of the end of such Fund's fiscal year, as well as unaudited financial statements and investor-specific account statements, generally within 45-60 days of the end of such Fund's fiscal quarter. In addition to the

information provided to all investors, PSP provide certain investors with additional information or more frequent reports that other investors will not receive.

Item 14 – Client Referrals and Other Compensation

As described in Item 5, in connection with the affairs of a Fund, the Firm receives, from prospective portfolio companies, actual portfolio companies or their respective affiliates, (i) monitoring fees, financial consultation fees, advisory fees, directors' fees and other similar fees, and (ii) transaction fees and break-up fees.

From time-to-time, in the context of organizing a Fund, the Firm may compensate one or more placement agents for referrals of Fund investors. A prospective investor solicited by a placement agent or other third party will be advised of any such arrangement, including the receipt of fees. Commissions and fees due to a placement agent in respect of such services are generally offset in full against the management fees payable by the applicable Fund(s) to the Firm.

Item 15 – Custody

Investors in the Funds do not receive statements from the custodian. Instead the Funds and co-investment vehicles are subject to an annual audit and the audited financial statements are distributed to each investor. Audited financial statements for the Funds will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the relevant Fund's fiscal year end.

Item 16 – Investment Discretion

Typically, PSP provides investment advice to the Funds on a discretionary basis in accordance with the management agreement and organizational documents of each Fund. Generally, this discretion is subject only to the investment guidelines set forth in the Fund's governing agreements.

Item 17 – Voting Client Securities

Since PSP invests primarily in private securities, it generally does not have occasion to vote proxies on publicly-traded securities. However, in the event that PSP obtains securities with voting authority, the Firm will vote proxies for companies in which Funds have investments in the best interest of the Funds in accordance with the Firm's proxy voting policy, including where there may be material conflicts of interest in voting proxies. PSP generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, PSP may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory committee on the proposed proxy vote or through other alternatives set forth in the proxy policy. Additionally, a Fund's advisory committee is authorized to approve PSP's vote in a particular solicitation. PSP does not consider service on portfolio company boards by PSP personnel or PSP's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the proxy policy sets forth certain specific proxy voting guidelines followed by PSP when voting proxies on behalf of a Fund. In all instances, the reason for the decision as to how to vote a proxy and a record of the vote will be retained by the Firm.

Fund investors may contact PSP at (212) 379-7200 to obtain a copy of the Firm's proxy voting policy or to obtain any other information with respect to proxy votes, policies, and procedures.

Item 18 – Financial Information

The Firm does not solicit prepayment of fees six months or more in advance, has never been the subject of a bankruptcy petition and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.