



Form ADV, Part 2A: Brochure

Riverwood Capital Management L.P.

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This Brochure provides information about the qualifications and business practices of Riverwood Capital Management L.P. ("Riverwood" or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at (650) 618-7300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information is also available on the SEC's website at <http://www.adviserinfo.sec.gov>.

An investment adviser's registration with the SEC does not imply a certain level of skill or training.

March 29, 2024

Item 2: Material Changes

This Brochure, dated March 29, 2024, has been prepared by Riverwood as an amendment to the prior version of this Brochure dated March 30, 2023 (the “Last Annual Brochure”).

There has not been a material change to this Brochure since the Last Annual Brochure. However, this Brochure contains enhanced disclosure updates, including in Items 5, 8 and 11.

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Item 4: Advisory Business

The Firm advises private pooled investment vehicles. Throughout this Brochure, the Firm's clients are referred to as a "Fund" or the "Funds" and references to "investors" shall mean those Funds' underlying limited partners.

Interests in the Funds are sold to "accredited investors" and/or "qualified purchasers."¹ Generally, the Funds' investors are institutions and high net worth individuals.

Riverwood was formed in 2008. The principal owners of the Firm are Francisco Alvarez-Demalde and Jeffrey Parks (the "Managing Partners").

The Firm mainly provides discretionary advisory services (along with limited non-discretionary services) to private funds whose strategy is to make private equity investments in mid-sized companies, primarily in the global technology, technology-enabled and related industries, that are scaling at a fast pace or at an inflection point for accelerating growth. The Firm may consider investments on behalf of the Funds in other industries in its sole discretion. With very limited exceptions, the Firm's investments are limited to private equity investments.

The Funds may have different investment guidelines.² These guidelines limit the concentration and geography of the Funds' investments or limit the Funds' investments in certain asset classes. The Firm has the ability to further tailor its advisory services to the specific needs of a Fund as may be necessary, appropriate or negotiated from time to time. The Firm does not tailor its advisory services to the specific needs of individual investors.

The Firm does not participate in wrap fee programs.

As of December 31, 2023, the Firm managed \$5,803,696,334 of regulatory assets under management on a discretionary basis and \$186,098,285 of regulatory assets under management on a non-discretionary basis.

Item 5: Fees and Compensation

The Firm is compensated for advisory services by a management fee and by a share of capital appreciation on the Funds' investments (commonly known as "carried interest"). The carried interest is received by a Fund's general partner, which is an affiliate of the Firm. This compensation is negotiated separately with each Fund.

Annual management fees are generally calculated during a Fund's investment period (and depending on the Fund) either as a percentage of a Fund's committed capital or a percentage of the capital contributions to a Fund. The management fee percentage charged differs from Fund to Fund, but is generally up to 2% annually.

¹ The terms "accredited investor" and "qualified purchaser" are defined, respectively, in the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended. For the purposes of this Brochure, these terms refer to the definitions in these laws. Generally, they refer to high net worth individuals or institutions that can afford to bear the loss of their entire investment with the Funds.

² The investment guidelines of each fund are set forth in that fund's governing documents, including its limited partnership agreement.

For most Funds, the annual management fee “steps down” after the earlier of the end of the investment period and the time that a successor Fund is raised and begins accruing or paying a management fee; for other Funds, the annual management fee “steps down” after the end of the investment period (such date, the “Stepdown Date”). After the Stepdown Date, the annual management fee is typically calculated as a percentage of a Fund’s invested capital.

“Invested capital” equals the capital contributions by a limited partner in respect of portfolio investments held by the Fund, that have not been subject to disposition. If a portfolio investment is deemed “worthless” it is considered a disposition. Unless a Fund’s limited partnership agreement sets out specific criteria for determining when a portfolio investment is worthless, a portfolio investment will be deemed worthless when the general partner of a Fund determines, in accordance with the Firm’s valuation policy, that it can be recognized as a realized loss under the Internal Revenue Code (i.e., when the security is worth nothing and there is no reasonable expectation of any value in the future). Worthlessness is often presumed to result from an identifiable event, such as bankruptcy, liquidation, or termination of business activities. However, such an event is not necessarily required for making a claim of worthlessness if the business is completely insolvent. Once a portfolio investment is deemed worthless, an amount equal to the capital contribution made by a limited partner in respect of such worthless portfolio investment will be removed from the limited partner’s invested capital, and, if the Fund is past the applicable Stepdown Date, such reduction will impact management fees calculated beginning in the quarter following the issuance of a Fund’s quarterly financial statements to limited partners reflecting that such portfolio investment has been deemed worthless. The general partner of the applicable Fund will determine whether to deem a portfolio investment to be worthless at the aggregate portfolio company level, unless such general partner reasonably expects to realize on the investment at the individual security level rather than collectively for the interests in the portfolio company. For certain Funds, “invested capital” is also reduced by aggregate net losses from write-downs. “Aggregate net losses from write-downs” as of a specified date equals, with respect to a Fund, the excess (if any) of the aggregate capital contributions of all partners of such Fund to fund such Fund’s unrealized portfolio investments minus the aggregate fair market value of all unrealized portfolio investments of such Fund.

Per the terms of the Funds’ governing documents, management fees are generally due quarterly in advance. Limited partners are expected to fund management fees upon a capital call. In practice, management fees are not typically called from limited partners at the beginning of a quarter. It is the Firm’s practice to “batch” capital calls into larger, less frequent capital calls (with any interim capital needs being satisfied by borrowings as discussed in more detail in Item 11 (Other Conflicts of Interest and Disclosures – Line of Credit and Batching of Capital Calls)). In the extremely unlikely event that an advisory contract is terminated before the end of a quarter for which management fees have already been called from limited partners, the Firm will refund any overpayment of the management fee (computed on the basis of the number of days elapsed).

Carried interest is calculated as a percentage of profits after investors have received a preferred return. Typically, carried interest payable by a Fund is 20%, but there are variations in the carried interest rate for different Funds.

Some investors in the Funds who are affiliates, employees, and friends and family of the Firm, do not pay management fees and/or carried interest in connection with their investment in the Funds. Additionally, special purpose vehicles or co-investment vehicles that are established by the Firm in order to co-invest alongside another Fund (or Funds) do not pay a management fee or carried interest.

The Firm or members of the Firm receive certain fees from portfolio companies, such as directors' fees, in connection with activities performed on behalf of the Funds. Generally, 100% of such fees paid to the Firm or a member of the Firm as set forth in the applicable Fund's governing documents, net of expenses related to the activities leading to the receipt of such fees, will reduce the management fee paid by investors of the relevant Fund(s).

The Funds will bear all costs and expenses related to their own operations, which include fees, costs, expenses, liabilities and obligations relating or attributable to:

- i. activities with respect to the developing, investigating, structuring, organizing, negotiating, financing, refinancing, bidding on, consummating, acquiring, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, settling, taking public or private, selling, valuing, winding up, liquidating or disposing of, as applicable, portfolio companies and actual or prospective portfolio investments or seeking to do any of the foregoing, including, without limitation, any associated financing, legal, accounting, advisory, consulting, commitment, transaction, or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals (such as Executive Advisors) in connection therewith, and any fees, costs and expenses related to transactions that have been offered to co-investors, whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- ii. legal, tax, accounting, auditing, advisory, consulting, administration (including fees and expenses associated with a fund's third-party administrators), appraisal, investment banking, broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, agent, valuation, certification, research, information, anti-money laundering and other professional or other services;
- iii. brokerage, custodial, depository, trustee, record keeping, accounting, agent and other bank services and other similar services;
- iv. financing, commitment, origination and similar fees and expenses;
- v. borrowings, other indebtedness of or guarantees made by a fund or its general partner on behalf of such fund, including, but not limited to, principal and interest with respect thereto and the arranging or attempted arranging thereof;
- vi. the costs of any (a) litigation, governmental inquiry, investigation or proceeding (including any actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award, settlement or fines entered into in connection therewith), (b) directors and officers liability, errors and omissions liability, general partner liability, liability and other insurance premiums and other insurance expenses for a fund, its general partner, the Firm and their affiliates and (c) any indemnification or extraordinary expense or liability relating to the affairs of a fund;

- vii. legal and regulatory compliance with U.S. federal, state, local, non-U.S. or other law and regulation related to the activities of a fund (including regulatory expenses of its general partner incurred in connection with the operation of such fund and legal fees and expenses), including, without limitation, reports, disclosures, filings and notifications prepared, distributed or filed in connection therewith (including, without limitation, reports, disclosures, filings and notifications prepared in accordance with the European Union Alternative Investment Fund Managers Directive, the United States Securities Act of 1933, as amended (e.g., Form D), United States Securities Exchange Act of 1934, as amended (e.g., Form 13F, Form 13H, Section 16 filings, Schedule 13D filings and Schedule 13G filings), the Automatic Exchange of Information and the Foreign Account Tax Compliance Act (but excluding, for the avoidance of doubt, costs and expenses incurred by the Firm to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”));
- viii. distributions to a fund’s investors and other expenses associated with the acquisition, holding and disposition of a fund’s investments, including extraordinary expenses;
- ix. organizational expenses, which includes out-of-pocket expenses incurred in connection with the organization of a fund, the formation and startup of the Firm and the general partner of a fund and the marketing and offering of interests in a fund, including without limitation, any related legal and accounting fees and expenses, travel expenses, capital raising expenses, filing fees, printing and document production costs, long-distance telephone charges, postage and delivery charges and other organizational expenses including fees, expenses, or commissions of a placement agent;
- x. expenses of terminating, winding up and dissolving a fund and liquidating the assets of a fund, or winding up or dissolving any intermediate entity used to acquire, hold or dispose of one or more investments in portfolio companies or otherwise facilitating the Funds’ investment activities;
- xi. any taxes, fees or other governmental charges levied against a fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a fund;
- xii. the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or other administrative, informational or similar reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing;
- xiii. reverse breakup, termination and other similar fees;
- xiv. filing, title, transfer, registration and other similar fees and expenses;
- xv. printing, communications, marketing and publicity;
- xvi. any activities with respect to protecting the confidential or non-public nature of any information or data, including information related to a fund;
- xvii. amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a fund and any alternative vehicles thereto, including the preparation, distribution and implementation thereof;
- xviii. activities or proceedings of the limited partner advisory board (including any reasonable costs and expenses incurred by representatives of a fund’s general partner, members of the limited partner advisory board, permitted observers and other persons in attending or otherwise participating in meetings of the limited partner advisory board);

- xix. expenses for business development related to the development of new investment opportunities (including attending industry conferences), even when such opportunities do not develop into a consummated investment;
- xx. complying with provisions in side letter agreements, including “most favored nations” provisions;
- xxi. annual investor meetings or other periodic, if any, meetings of the investors and any other conference or meeting with any investor, in each case, to the extent incurred by a fund, its general partner or their affiliates;
- xxii. travel costs, including airfare (i.e., first class, business class and/or private air travel), lodging, meals and ground transportation related to any of the expenses described above, including in connection with consummated and unconsummated investment (including any investments that have been offered to co-investors), disposition opportunities and the organization of a fund;
- xxiii. any fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of one or more investments in portfolio companies or otherwise facilitating the funds’ investment activities; and
- xxiv. other fees, costs, expenses, liabilities or obligations approved by the applicable limited partner advisory board.

Travel costs and expenses incurred on behalf of one or more Funds in connection with a trip taken by employees of the Firm for purposes of multiple matters will be allocated among such matters in a fair and reasonable manner as determined by the Firm.

In the event that the Firm uses a third-party placement agent, unless otherwise prohibited by applicable law, regulation or policy, the management fee to which the Firm is entitled is reduced by 100% of limited partners’ pro rata share of any such placement agent fees, expenses or commissions paid by the Funds. Certain investors who are prohibited by law, regulation or policy from paying placement agent fees do not pay any share of a Fund’s placement fees and also do not receive any corresponding reduction of their management fees.

To the extent that the Funds incur brokerage fees or other transaction costs, these costs will be borne by the respective Fund. Please see Item 12 for further information regarding the Firm’s brokerage procedures.

Generally, costs and expenses are borne pro rata based on committed capital between a fund and its parallel fund(s), and pro rata based on invested capital between a fund and its sidecar fund and a fund and its co-investment fund. However, from time to time, the general partners of the Funds will in good faith determine that it is appropriate to allocate a particular cost or expense equally among funds, or only to a particular fund, parallel fund, sidecar fund or co-investment fund if such cost or expense relates specifically to such entity and/or the investors in it in accordance with applicable governing documents. When the general partners use their discretion to make non-pro rata allocations, these judgments are made in a manner that they determine to be fair and reasonable. Additionally, they could make corrective allocations should they determine that such corrections are necessary or advisable.

Neither the Firm nor its personnel accept compensation for the sale of securities or other investment products.

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

A general partner of the Funds, which is an affiliate of the Firm, accepts a performance-based fee allocated as a share of capital appreciation of the Funds' assets. This performance-based fee is referred to as "carried interest". The Funds pay carried interest. Carried interest is calculated as a percentage of profits after investors have received a preferred return. However, there are variations in the carried interest rate and calculation methodology for different Funds. Additionally, the carried interest rate is subject to modification, waiver or reduction by the Firm in its sole discretion, both voluntarily and on a negotiated basis with selected investors via side letter or other arrangement, which may not be disclosed to all other investors in the same Fund (unless required by applicable law).

The payment by some Funds of carried interest or the payment of carried interest at varying rates (including varying effective rates based on the past performance of a Fund) create an incentive for the Firm to disproportionately allocate time, services or functions to Funds paying carried interest or Funds paying carried interest at a higher rate, or allocate investment opportunities to such Funds. However, this potential conflict is mitigated by (i) certain limitations on the ability of the Firm to establish new investment funds, (ii) contractual provisions requiring certain funds to purchase and sell investments contemporaneously and/or (iii) contractual provisions and procedures setting forth investment allocation requirements.

In addition, carried interest creates an incentive for the Firm to make riskier or more speculative investments on behalf of a Fund than it would otherwise make in the absence of such performance-based arrangement. However, the Firm's investment professionals have invested material amounts in the Funds, which should reduce this incentive.

Item 7: Types of clients

The Firm provides investment advice to private pooled investment vehicles, which are referred to as "Funds" throughout this Brochure. Investors in the Funds include institutions, trusts, pension plans, endowments, foundations, other pooled investment vehicles (e.g., funds-of-funds), other corporate or business entities, as well as high net worth individuals and family offices. The Funds are neither registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), nor are their interests registered under the Securities Act of 1933. Accordingly, interests are offered exclusively to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions.

The minimum initial investment varies by Fund, however, generally investors commit a minimum of \$1 million to \$10 million. Lesser amounts are accepted at the Firm's discretion.

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

1. Investment Strategy and Methods of Analysis

Riverwood's general strategy is to make private equity investments in high-growth, mid-sized companies, primarily in the global technology, technology-enabled and related industries, including businesses in the financial services, consumer and services sectors where the use of software, information and digital technologies and similar fields can contribute to value creation.

Riverwood could selectively consider investments in other industries, in its sole discretion, where it believes its strategic, financial and global operating experience presents an opportunity to create value.

The Firm's investment professionals seek to thoughtfully identify and evaluate opportunities in growth industries, including in the technology and related sectors. Following investment, the Firm expects to provide the companies in which it invests (referred to in this Brochure as "portfolio companies") with the resources and guidance needed to execute their growth plan.

Identifying and Sourcing Opportunities

The Firm seeks to invest in companies that have significant opportunities for growth or face strategic or operational issues that can be addressed by the Firm's involvement. The Firm identifies investment themes based on macroeconomic or industry conditions or individual company performance and uses these themes to identify prospective portfolio companies.

The Firm utilizes its network of industry contacts to source investment opportunities. The Firm's industry network has been formed through its investment professionals' years of experience operating and advising global technology businesses, extensive personal relationships and interactions with global technology executives and others involved in the technology industry. To capitalize on an investment theme, the Firm may take advantage of situations including (but not limited to) carve-outs, spin-offs and divestitures; structured minority and strategic investments; acquisition finance (wherein a portfolio company seeks a private equity investment for capital to make accretive acquisitions); turnarounds; distressed companies; and private and public control buyouts.

Due Diligence

The Firm has a disciplined and rigorous approach to conducting due diligence on prospective portfolio companies. The Firm's due diligence methodology generally includes review of the following factors:

- *Historical Financial Performance.* The Firm typically conducts full management and financial due diligence of prospective portfolio companies. The Firm uses this information to analyze the company's historical growth, margin and cash flow performance and develop insights into the strengths and weaknesses of such companies.
- *Detailed Analysis of Profit Drivers.* The Firm typically examines revenues, profits and cash flow by each business unit to determine what new strategies could be adopted to drive value. These strategies include, without limitation, geographic expansion, increase of market share and new business lines.
- *Market and Competitive Assessment.* The Firm typically develops a view of the industry sector, including macroeconomic drivers, competitive overview and history. The Firm typically utilizes internal resources, along with outside consultants and other professionals, to make these assessments.
- *Management Evaluation.* The Firm typically conducts site visits and surveys customers and suppliers to ensure that portfolio company management meets its standards. The Firm looks for portfolio company management that is open to change and willing to work with us.

- *Technology Evaluation.* The Firm will evaluate the portfolio company's technology and product strategy, including the company's intellectual property and engineering talent, as well as the overall design of its products. The Firm will rely on both internal technical skills and, where it deems necessary, on third-party feedback to make this evaluation.
- *Value Creation Plan.* Prior to investment, the Firm typically creates a business plan delineating the company's strategic objectives with a clear action plan.

Working with management, the Firm seeks to be flexible and creative in designing an investment structure to enable and enhance the portfolio company's ability to achieve its business plan. The Firm typically seeks board representation, often with the contractual right to be involved in operational, strategic, financial and governance matters, regardless of ownership stake.

Portfolio Company Involvement

Once an investment has been made, the Firm will typically seek to take an active role in assisting with the realization of the portfolio company's strategic objectives and growth plan. The Firm will typically seek representation on the company's board of directors and will attempt to provide expertise on the management of the company. Where applicable, the Firm will focus on the following aspects:

- *Strategy.* The Firm will seek to stay actively involved in strategic planning efforts after making an investment. It typically will attempt to ensure that immediately following the closing of a transaction, there is a plan in place to address the most significant issues identified in diligence.
- *Technology.* The Firm believes that its investment professionals are well positioned to evaluate a company's technology position and create a technology business plan to attempt to create growth.
- *Operations.* The Firm will attempt to leverage its investment professionals' global operating experience to implement (i) best practices for business and strategic planning, (ii) methods for diagnosing and monitoring key operating activities and (iii) metrics, design of management compensation schemes and human resource management.
- *Executive Recruitment and Evaluation.* The Firm will seek to be actively involved in recruiting and hiring key executive management for portfolio companies where necessary.
- *Interim Management Responsibilities.* The Firm will attempt to be extremely active in any portfolio company that is not meeting expectations, including assuming executive management roles at critical times.
- *Reduce Costs.* The Firm's investment professionals will attempt to improve margins by assisting portfolio company management to implement cost savings through operation and strategic best practices.
- *Capital Structure Design.* The Firm's investment professionals have substantial experience and a broad base of contacts to support the execution of complex financings and to provide leadership on capital structure design.
- *New Business Development.* The Firm will seek to utilize its industry network to assist portfolio companies to establish dialogues with customer prospects.

- *Mergers and Acquisitions.* The Firm will attempt to effect consolidation to support strategic objectives. The Firm's investment professionals have extensive experience effecting mergers and acquisitions.
- *Geographic Expansion.* The Firm's investment professionals have substantial international operating experience and relationships to help portfolio companies expand their businesses outside of their home markets.
- *Supply Chain Procurement.* In the past, some of the Firm's investment professionals have experience building supply chains and developing industry standards for low-cost production. The Firm will attempt to utilize this experience to improve operational aspects of its portfolio companies' businesses.

Exit Strategy

The Firm believes that the successful realization of an investment requires an ongoing evaluation of exit strategies, beginning at the due diligence stage. At the time of an investment, the Firm expects to evaluate the alternatives, timing and economic and other considerations associated with various exit strategies. Funds will typically invest with the expectation of holding investments for a four-to six-year period.

2. Risk Factors

Investing in securities involves a risk of loss that investors should be prepared to bear. This section describes certain risks specifically related to the Firm's investment strategy and certain specific types of securities in which the Firm will direct the Funds to invest. It is not a comprehensive list of all risks associated with investments in the securities market or with the Firm's investment strategy. Prospective investors in a Fund should carefully review, in its entirety, the Fund's private placement/offering memorandum and limited partnership agreement (or other applicable governing documents), which include a more complete description of risk factors associated with an investment in such Fund.

No Assurance of Investment Return

The Firm and the Funds cannot provide assurance that they will be able to choose, make and realize investments in any particular company or portfolio of companies. There is no assurance that the Firm 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 companies and transactions in which the Firm intends to invest on behalf of the Funds.

There can be no assurance that expected returns for the Funds will be achieved, or that an investor will receive a return of its capital. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment. The Funds' investments, by their nature, involve a high degree of financial risk.

Risk of Investment Concentration

The Funds have a concentrated portfolio of investments and, as a consequence, the aggregate return of a Fund could be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since all Fund investments cannot reasonably be expected to perform well or even return capital, for a Fund to achieve above-average returns, one or a few

of its investments must perform very well. There can be no assurance that this will be the case. In addition, investors have no assurance as to the degree of diversification of the Firm's investments, either by geographic region, asset type or sector. To the extent the Firm concentrates Fund investments in a particular issuer, industry, security or geographic region, the investments will become more susceptible to fluctuations in value resulting from adverse economic to business conditions with respect thereto.

Technological Innovations

Current trends in the market generally have been toward disrupting a traditional approach to an industry with technological innovation, and multiple young companies have been successful where this trend toward disruption in markets and market practices has been critical to their success. In this period of rapid technological and commercial innovation, new businesses and approaches will be created that could affect the Funds and / or their investments or alter the market practices the Funds' strategies have been designed to function within and depend on for investment return. Any of these new approaches could damage the Funds' investments, significantly disrupt the market in which they operate and subject them to increased competition, which could materially and adversely affect their business, financial condition, and results of investments. Additionally, the Firm could base investment decisions on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Future Investment Techniques and Instruments

The Funds have the ability to employ new investment techniques or invest in new instruments that the Firm believes will help achieve the Funds' investment objectives, whether or not such investment techniques or instruments are specifically described herein. Such investments entail risks not described herein. New investment techniques or instruments that are not thoroughly tested in the market before being employed and have operational or theoretical shortcomings which could result in unsuccessful investments and, ultimately, losses to the Funds. In addition, any new investment technique or instrument developed by the Funds is expected to be more speculative than earlier investment techniques or instruments and involve material and unanticipated risks that could increase the risk of an investment in the Funds.

Concentration of Investments in Technology Industries

The Firm's investment strategy is to focus on companies primarily in the technology sector. Concentration in a single sector or industry involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. The technology sector is challenged by various factors, including rapid change, evidenced by rapidly changing market conditions and/or participants, new competing products and/or services, short product life cycles and improvements in existing products. The Funds' portfolio companies will compete in this volatile environment.

There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges.

Concentration of Investments in Certain Geographic Areas

Certain of the Funds' investments are concentrated in one or more geographic areas, particularly North America and Latin America. Concentration of investments involve risks greater than those generally associated with more diversified funds, including significant fluctuations in returns. The aggregate return of such funds will be substantially adversely affected by the unfavorable performance of even a single geographic market. To the extent a Fund concentrates its portfolio investments in a limited number of geographic areas, such Fund will be subject to risks of adverse events or conditions which particularly affect its areas of concentration, and such Fund could be more adversely affected than if its portfolio investments were more diverse as to geographic location. Investors have no assurance as to the degree of diversification in a Fund's investments by geographic region except as limited by the Fund's governing documents.

Reliance on Portfolio Company Management Teams

Each portfolio company's day-to-day operations will be the responsibility of that company's management team. Although the Firm will be responsible for monitoring the performance of each investment and seeks to invest in portfolio companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully and the Funds have limited protections and governance rights in this regard if the Firm does not control such portfolio company. In addition, the Firm will generally establish the capital structure of companies in which Funds invest on the basis of financial projections for such companies. Projected operating results will normally be based primarily on the judgment of the management of the portfolio company. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections. While the Firm has used, and will continue to use, its good faith judgment based on information available at the time to make these projections, there can be no guarantee that the assumptions will prove to be correct with the benefit of hindsight.

Investments with Third Parties

The Funds expects to invest with third parties (including through partnerships, joint ventures, co-investment vehicles or other entities), acquiring non-controlling interests in certain portfolio companies. The Firm may not have control over these portfolio companies and, therefore, have a limited ability to protect its position therein. Such portfolio investments involve risks that are not present in portfolio investments where a third party is not involved, including the possibility that a third party partner or co-investor has financial difficulties resulting in a negative impact on such portfolio investments, has economic or business interests or goals which are inconsistent with those of the Firm, or is in a position to take action contrary to the Firm's investment objectives.

Risks in Effecting Operating Improvements

In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of the Firm to restructure and effect improvements in the operations of a portfolio company. The

activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Firm will be able to successfully identify and implement such improvements.

Control Position Risk

The Funds expect to make investments to acquire control or exercise influence over management and the strategic direction of the portfolio company. Additionally, members of the Firm or its affiliates often serve as directors of portfolio companies in which the Funds invest. The exercise of control over a portfolio company through a control position, or the service of a member of the Firm or its affiliates as a director of such company, could (i) expose the assets of the Funds to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations could be ignored. If these liabilities were to occur, the applicable Fund(s), directly, and the applicable investors, indirectly, would likely suffer losses in their investments. In general, the Funds will indemnify the Firm, its members, officers, employees, and affiliates for such claims.

Minority Investments

The Funds expect to invest in minority positions of portfolio companies and in portfolio companies for which the Firm has no right to exert significant influence. In such cases, the Firm will be significantly reliant on the existing management and board of directors of such companies, which could include representatives of other investors with whom the Firm is not affiliated and whose interests conflict with the interests of the Funds.

Investments in Smaller or Less Established Companies

The Firm could invest a portion of the Funds' assets in the securities of smaller or less established companies. Such companies involve greater risks than generally are associated with investments in larger or more established companies. Smaller or less established companies such as early stage enterprises usually have shorter operating histories or do not have significant or any operating revenues, and any such investment should be considered highly speculative and bears the risk of loss of a Fund's entire investment therein. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the Funds invests, the Funds risk suffering a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on such Fund's other portfolio investments. To the extent there is any public market for the securities of such companies held by the Funds, the frequency and volume of their trading is substantially less than larger companies and such securities are subject to more abrupt and erratic market price movements. Smaller or less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. In addition, due to thin trading in some of those securities, an investment in those securities are expected to be less liquid than an investment in many larger capitalization stocks. When making large dispositions, a Fund may have to sell portfolio holdings at discounts from

quoted prices or have to make a series of small sales over an extended period of time due to the trading volume of small company securities.

Investments in Private Companies

The Funds expect to invest in large part in privately held companies. These companies will sometimes be smaller in scale and less capitalized than larger, more established businesses, and therefore particularly susceptible to economic downturns. These companies frequently have shorter operating histories, narrower product lines and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns. There is not as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality. In addition, privately-held companies could have higher degrees of managerial risk due to a dependence upon a smaller number of managers. For these reasons, investments in private companies involve a high degree of risk and uncertainty, and therefore the Funds could incur losses.

Convertible Securities

The Funds invest in convertible securities, which are bonds, debentures, notes, preferred stock or other securities that are converted into or exchanged for a specified amount of common stock (or other stock) of the same or a different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The ability of a portfolio company to pay a dividend is limited to the extent that the portfolio company does not have sufficient legally available funds for distribution. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock (or other stock) due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock (or other stock) increases. The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value" (the security's worth, at market value, if converted into the underlying common stock (or other stock)). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors could also have an effect on the convertible security's investment value. The conversion value of a convertible security is largely determined by the market price of the underlying common stock (or other stock). If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock (or other stock) approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock (or other stock) while holding a fixed-income security.

Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument and within a certain period, which time period varies from security to security. If a convertible security held by a Fund is called for redemption, such Fund will be required to permit the issuer to redeem the security, convert it into the underlying common stock (or other stock) or sell it to a third party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

Warrants

The Funds receive or invest in warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights could limit the Funds' ability to exercise the warrants or rights at such time, or in such quantities, as the Funds would otherwise wish.

Debt Securities

A Fund invests in debt securities of existing or new portfolio companies. Debt securities are subject to creditor risks, including the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws and so-called lender liability claims by the issuer of the obligations. Further, the laws with respect to creditors and other investors in non-U.S. jurisdictions may not be as comprehensive or as well developed as in the United States, and the procedures for the judicial or other enforcement of such rights may not be as effective as in the United States. Additionally, adverse credit events with respect to any portfolio company, such as missed or delayed payment of interest and/or principal, bankruptcy, receivership or distressed exchange, can significantly diminish the value of a Fund's investment in any such company. A Fund's investments could be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by such fund earlier than expected. In addition, depending on fluctuations of the equity markets, warrants and other equity securities risk becoming worthless. Accordingly, there can be no assurance that a Fund's rate of return objectives will be realized. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate risk. Although the amount and characteristics of underlying assets selected as collateral allow a Fund to withstand certain assumed deficiencies in payments occasioned by an issuer's default, if any deficiencies exceed such assumed levels or if underlying assets are sold it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to such Fund in respect to its investment. Any subordinated investments of a Fund will be subordinated to the senior obligations of an issuer. In addition, many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Any such subordinated investments are characterized by greater credit risks than those associated with the senior

obligations of the same issuer. Adverse changes in the financial condition of an issuer or in general economic conditions (or both) impair the ability of such issuer to make payments on the subordinated securities and result in defaults on and declines in the value of such securities more quickly than in the case of the senior obligations of such issuer.

Additional Capital

The companies in which the Funds invest from time to time require or would benefit from additional financing to satisfy their working capital requirements, business development strategies or other business objectives. The amount of such additional financing needed will depend upon a number of factors including the maturity and objectives of the particular portfolio company. Each such round of financing (whether from a fund or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone or the envisioned objective. If the funds provided are not sufficient, a portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including a Fund. A Fund may make additional equity and/or debt investments or exercise warrants, options, or convertible securities that were acquired in the initial investment in such a portfolio company in order to preserve its proportionate ownership when a subsequent financing is planned, or to protect its investment when such portfolio company's performance does not meet expectations. Conversely, a Fund may elect not to make an additional equity and/or debt investment even where it has available funds, based on its business judgment, for example, regarding the long-term prospects of the portfolio company. To the extent a portfolio company receives additional funding in subsequent financings and such Fund(s) does not participate in such additional financing rounds, the equity interests of such Fund(s) in such portfolio company will be diluted. The availability of capital is generally a function of market conditions that are beyond the control of a Fund or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary or optimal for success or that additional funds will be available from any source or at terms that are acceptable to the Fund and/or the portfolio company. Accordingly, it is possible that one or more of the portfolio companies of the Funds will be unable to raise additional financing, resulting in a loss for such fund and a negative impact on returns to limited partners of such Fund.

Highly Competitive Market for Investments

The business of identifying, negotiating, acquiring, monitoring, managing, and selling investments that fall within a Fund's investment objective is highly competitive, involves a high degree of uncertainty and will be subject to market conditions. The Funds expect to encounter competition from other persons or entities with similar investment objectives. The Funds risk being unable to find a sufficient number of attractive investments to meet its investment objectives. There can, therefore, be no assurance that investments of the Funds will meet all the investment objectives of the Funds, or that the Funds will be able to invest all of its available capital. Certain types of investments will not be available to the Funds on terms that are as attractive as the terms on which opportunities were available to predecessor funds. Potential competitors include, but are not limited to, strategic industry acquirers, other investment partnerships and corporations, business development companies and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several

years, an increasing number of venture capital funds, private equity funds and hedge funds have been or are being formed (and many such existing funds have grown in size). Additional funds with similar investment objectives will be formed in the future by other unrelated parties. Some of these competitors will have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than the Firm. It is possible that competition for appropriate investment opportunities will increase, which will also require the Funds to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to the Funds and/or adversely affecting the terms upon which investments can be made. Participating in auctions will also increase the pressure on the Funds with respect to pricing of a transaction. For example, given the increasingly more competitive environment, the Firm has found it more difficult to obtain buyer-favorable terms in a transaction, such as receiving an indemnification by the seller for a breach of representations or warranties, the ability to terminate a transaction if financing sources become unavailable or unwilling to fund, or the ability to terminate the transaction if there has been a material adverse change in the company's business prior to closing of the investment. In addition, the Firm has found competitors for investment opportunities are willing to offer seller-favorable terms in a transaction, such as providing a "reverse break-up fee" and fund level guarantees. In the event a financing-related closing condition is not available to the Funds or if the Funds are required to provide a reverse break-up fee or guarantee in connection with a potential investment, the Funds will become obligated to consummate a transaction on less favorable terms or will be required to fund the reverse break-up or similar fee in connection with a potential investment that is not made. There can be no assurance that the Funds will be able to identify or consummate investments satisfying their investment criteria or that if such investments are made, that such investments will be realized upon at favorable valuations or that the objectives of the Funds will be achieved. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy the Funds' rate of return objectives, or realize upon their values, or that it will be able to invest all of its available capital. To the extent that the Funds encounter competition for investments, returns to limited partners are likely to decrease.

Illiquid and Long-Term Investments

It is anticipated there will be a significant period of time before a Fund will have completed its investments in portfolio companies. Investments in private companies are currently expected by the Firm to take several years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures typically will not provide for liquidity of a Fund's investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of a Fund's private company investments will occur until three and possibly ten or more years from the date of closing of such Fund. Generally, there will be no readily available market for the private company investments of the Funds. Dispositions of such investments may require a lengthy time period and could result in distributions in kind to investors. The Funds will generally not be able to sell the securities of its private company investments unless the sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available.

In addition, since a Fund may take large ownership positions in portfolio companies, even after the securities are saleable, it may take a significant period of time for them to be sold or

distributed in an orderly manner during which time profit could have otherwise been realized or loss avoided. In some cases, the Funds may be prohibited by securities laws or by contract from selling portfolio company securities for a period of time. The market prices, if any, of such investments tend to be volatile and the Funds may not be able to sell such investments when it desires or, upon sale, to realize what it perceives to be their fair value. Even if a Fund holds publicly traded securities, such Fund's position may represent a significant portion of the outstanding public float of a particular company, creating a degree of illiquidity in the event that such Fund wished to, or was required to, dispose of or reduce its position in such company by selling shares into the market. Dispositions of such investments may require a lengthy time period or may result in distributions in kind to the investors. In the event that a Fund acquires control positions in certain companies or acquires an interest in certain companies where officers or employees of the Firm serve as directors, the filing of various forms required by Section 16(b) of the Securities Exchange Act of 1934, as amended, as part of the process of selling shares owned by a Fund may impact negatively the price of the shares that can be obtained by such Fund. Additionally, in the case where members, officers, employees, or affiliates of the Firm serve as directors of such portfolio companies, the Funds' ability to freely sell its shares in such portfolio company may be restricted due to the company's trading policies.

Valuation of Portfolio Investments and Interests

There is no established market for private fund interests and there may not be any comparable companies for which public market valuations exist comparable to one or more portfolio companies. Because there is significant uncertainty as to the valuation of illiquid investments, the values of such investments may not necessarily reflect the values that could actually be realized by the Funds. Under certain conditions the Funds may be forced to sell portfolio investments at lower prices than it had expected to realize or defer—potentially for a considerable period of time—sales that it had planned to make. In addition, under limited circumstances, the Firm may not have access to all material information relevant to a valuation analysis with respect to a portfolio investment. As a result, the valuation of the Funds' portfolio investments, and as a result the valuation of the interests themselves, may be based on imperfect information and is subject to inherent uncertainties.

Investments Longer than Term

The Funds may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Funds' investment program is scheduled to end. Although the Firm expects that investments will be disposed of prior to this date or be suitable for in-kind distribution at this date, under certain circumstances funds may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time. Additionally, the Firm may make follow-on investments or capital calls for expenses and/or borrowings after the expiration of a fund's term and/or may delay liquidation of a Fund's portfolio investments if the general partner determines that such decisions would better maximize the value of the Fund's investments. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

Investments in Restructurings

The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio companies to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investments therein.

Speculative Nature of Investments in Distressed Debt

The Funds may from time to time invest in distressed debt securities and instruments. Companies experiencing financial distress are often those operating at a loss or with substantial variations in operating results from period to period. Investments in distressed debt securities and instruments are inherently speculative and are subject to a high degree of risk.

Benchmark Reform and the Impact on LIBOR and other Interest Rate Benchmarks.

The London Interbank Offered Rate (known as "LIBOR") has historically been a commonly used reference rate in global financial markets. A major shift is underway to transition from LIBOR to alternative near Risk-Free-Rates ("RFRs"). Similar reforms are taking place in the context of other interest rate benchmarks based on interbank lending (in addition to LIBOR, "IBORs").

From January 1, 2022, all sterling, euro, Swiss franc and Japanese yen LIBOR settings, and the 1-week and 2-month U.S. dollar LIBOR settings ceased to be available.

Six sterling and yen LIBOR settings (1-, 3-, and 6-month) will continue for the duration of 2022 but calculated in a way that does not rely on submissions from panel banks, and instead based on RFRs ("synthetic" LIBOR). There is a restriction on the new use of synthetic LIBOR which is intended for so-called 'legacy' contracts.

The remaining U.S. dollar LIBOR settings are expected to cease after June 30, 2023 but with restrictions on new use until then. It is not clear whether the continuing U.S. dollar LIBOR settings will operate on a synthetic basis for a period when the U.S. dollar LIBOR panel ends in June 2023.

It is not possible to predict with certainty the overall effect of LIBOR reform, but the discontinuance of LIBOR and the transition to RFRs continues to pose a number of risks.

Where it is not possible to amend an existing financial contract that refers to LIBOR to, instead, refer to the relevant RFR (a process known as "remediation") or to rely on a "synthetic" LIBOR reference rate, by the time the relevant rate ceases to be published or is declared unrepresentative by the relevant regulatory authority, that financial contract is unlikely to function or perform as originally intended, its price may be negatively impacted or value transferred, and it may become illiquid and hard to value. It may not be possible to remediate a financial contract from LIBOR to the new RFRs, or to transition a hedge and its underlying position at the same time, causing a mismatch or "basis risk". Remediation is likely to be particularly difficult for financial instruments issued to multiple investors or with high consent thresholds to amend the rate. Delays or failures in obtaining investor or counterparty consent, or regulatory approval, may adversely impact transition. This may have an adverse impact on the Funds if the

Funds have an exposure to LIBOR at the time the benchmark ceases to be published or is declared unrepresentative by the relevant regulatory authority.

RFRs are conceptually different to LIBOR and do not operate on the same basis. Remediation from LIBOR to RFRs may lead to a Fund paying more or receiving less in respect of a particular financial arrangement than if it had remained LIBOR-referencing. Spread adjustments applied to RFRs to reflect the historical difference in performance with LIBOR are rough proxies and will not perfectly match the performance of the relevant LIBOR rate it replaces, meaning that some economic impact is inevitable. Borrowing costs under financing arrangements could be impacted where RFRs or other interest rates are used (directly or indirectly) instead of LIBOR. Interest on instruments which reference an RFR is only capable of being determined at the end of the relevant interest period and just prior to the relevant interest payment date. This may make it harder to reliably estimate the amount of interest that will be payable on such instruments.

Some of the RFRs are relatively new interest rate benchmarks compared to LIBOR and how these rates, and any adjustment spreads, will perform in stressed market conditions or over longer time periods is not well established. Industry and market solutions for transition from LIBOR to RFRs across different asset classes and currencies are not aligned and are have progressed at different rates. If remediation alters the legal, commercial, tax, accounting or other economic outcome of the relevant trade(s), including as between a trade and its hedge, there is a risk of detriment to the relevant Fund and consequently to its investors.

Non-U.S. Investments

The Funds make investments outside of the United States. In addition, the Funds may invest in companies that are organized, headquartered or principally operated in the United States that have material subsidiaries or operations in, material sales to or other material exposure to foreign countries. With any investments outside the United States and/or with material exposure outside the United States, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation or war. Portfolio investments in and/or other material exposure to foreign countries securities involve certain risk factors not typically associated with investing in U.S. securities or instruments, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which the Funds' foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which the Funds invest; (iii) differences between the U.S. and foreign investment markets, including potentially greater price fluctuations and market volatility and also relative lack of liquidity of some foreign markets; (iv) different accounting, auditing and financial reporting standards, practices and disclosure requirements compared to those applicable to U.S. companies; (v) varying levels of government supervision and regulation; (vi) higher rates of inflation; (vii) differences in the legal and regulatory environment or enhanced legal and regulatory compliance; (viii) controls on, and changes in controls on, non-U.S. investment and limitations on repatriation of invested capital and on the Funds' ability to exchange local currencies for U.S. dollars; (ix) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, political hostility

to investments by foreign or private equity investors, risks relating to trade wars involving the U.S. and/or other countries (including any rules, regulations, taxes and/or import duties that arise as a result of such disputes), the risks of political, economic or social instability, including the risk of sovereign defaults, and the possibility of expropriation or confiscatory taxation; (x) the possible imposition of foreign taxes on income and gains recognized with respect to such investments; (xi) differing and potentially less well-developed or well-tested corporate laws regarding the rights of creditors and other stakeholders (including the rights of secured parties), fiduciary duties and the protection of investors; (xii) differences in conventions relating to documentation, settlement, corporate actions, stakeholder rights and other matters; and (xiii) less publicly available information. Additionally, the legal systems of some non-U.S. countries lack transparency or could limit the protections available to foreign investors, and the Funds' investments may be subject to nationalization and confiscation without fair compensation. Furthermore, political and social instability in the countries in which the Funds invest could adversely affect the Funds' investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, and social conditions and popular unrest in opposition to government policies that facilitate direct foreign investment. Governments of certain of these countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In addition, in some countries there is greater acceptance than in the United States of government involvement in commercial activities, and corruption. The Funds generally do not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investments. Exchange control regulations, expropriation, confiscatory taxation, nationalization, restrictions on repatriation of capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of the Funds held in a particular country.

Accounting, auditing, financial and other reporting standards, practices and disclosure requirements in certain of the countries in which the Funds may invest are not equivalent to those in the United States and certain Western European countries and may differ in fundamental ways. Accordingly, information available to the Funds, including both general economic and commercial information and information concerning specific enterprises or assets, may be less reliable and less detailed than information available in more economically sophisticated countries and less information may be available to investors. In addition, in certain instances, the Funds may not have access to all available information to determine fully the origination, credit appraisal and underwriting practices utilized with respect to the investments or the manner in which the investments have been operated. As a result, the Funds' due diligence activities may provide less information than due diligence reviews conducted in more developed countries. The lower standards of due diligence in certain countries will increase the risk related to the portfolio investments in these countries. While the Funds will endeavor to conduct appropriate due diligence in connection with each portfolio investment, no guarantee can be given that they will obtain the information or assurances that an investor in a more sophisticated economy would obtain before proceeding with a portfolio investment.

Cryptocurrencies

While the Funds will not make an investment in any Cryptocurrency (as defined below) for speculative purposes, the Funds may invest in a person or entity that (i) holds Cryptocurrencies, (ii) uses Cryptocurrencies as a currency in which business is transacted, (iii) utilizes blockchain technology to further part of its operations or (iv) acts as an investment adviser, investment manager or in a similar capacity to investment vehicles or clients that make such investments, which represent a speculative investment and involve a high degree of risk. The Funds may also invest in a person or entity that provides software or other products or services to persons or entities described in clauses (i)-(iv) in the preceding sentence. “Cryptocurrency” means an unregulated digital representation of money, which is neither issued by a central bank or a public authority, nor necessarily attached to a fiat currency, but is used and accepted among the members of a specific virtual community as a means of payment that can be transferred, stored or traded electronically. As relatively new products and technologies, Cryptocurrencies have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Cryptocurrencies is generated by speculators and investors seeking to profit from the short or long-term holding of Cryptocurrencies. Many Cryptocurrencies will derive their speculative value from the perceived usefulness of the blockchain networks they are attached to as many are designed to be consumed in transactions that record data or provide access to certain functionality on these networks. The relative lack of acceptance of Cryptocurrencies beyond their own blockchain network in the retail and commercial marketplace limits the ability of end-users to pay for other goods and services with Cryptocurrencies. A lack of expansion by Cryptocurrencies or use of their underlying blockchain networks into retail and commercial markets, or a contraction of such use, may result in increased volatility. Several factors may affect the price of Cryptocurrencies, including, but not limited to: supply and demand, investors’ expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures (if any) that restrict the trading of Cryptocurrencies or the use of Cryptocurrencies as a form of payment. There is no assurance that Cryptocurrencies will maintain their long-term value in terms of purchasing power in the future, or that acceptance of Cryptocurrency payments by mainstream retail merchants and commercial businesses will grow. A Cryptocurrency is usually an asset attached to a blockchain network secured by cryptographic authentication, and is created, issued, transmitted and stored according to protocols run by computers in a blockchain network. Some blockchain networks are further interdependent on other blockchain networks whose attached Cryptocurrency may have limited to no interoperability but where changes to the protocol may adversely affect some or all interdependent blockchain networks. It is possible these protocols have undiscovered flaws which could result in the loss of some or all assets held by the Funds. There may also be network scale attacks against these protocols which result in the loss of some or all of assets held by the Funds. Some assets held by the Funds may be created, issued or transmitted using experimental cryptography which could have underlying flaws. Advancements in quantum computing could break the cryptographic rules of protocols which support the assets held by the Funds. The developers and/or stakeholders of a blockchain network or open source software project may alter the network protocol in a manner adverse to cryptocurrency holders or the Funds. The Funds makes no guarantees about the reliability of the cryptography used to

create, issue or transmit assets held by the Funds. It may be illegal, now or in the future, to own, hold, sell or use Cryptocurrencies in one or more countries, including the United States. Although currently some uses of Cryptocurrencies, and the operation of the underlying blockchain networks, may not be regulated or may be lightly regulated in most countries, including the United States, one or more countries may take further regulatory action in the future to severely restrict the right to acquire, own, hold, sell or use Cryptocurrencies or to exchange Cryptocurrencies for fiat currency.

Economic, Political and Social Risks

Certain countries have in the past, and may in the future, experience religious, political and social instability that could adversely affect the Funds. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic, or social conditions or government policies. Governments of many countries have exercised and continue to exercise substantial influence over many aspects of the private sector, and certain industries may be subject to significant government regulation. Additionally, exchange control regulations, expropriation, confiscatory taxation or the imposition of withholding or other taxes on dividends, interest, capital gains, other income, or gross sale or disposition proceeds, nationalization, restrictions on foreign capital inflows, repatriation of investment income or capital, renunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of the Funds. Additionally, the availability of attractive investment opportunities for the Funds is expected to depend in part on governments in certain countries maintaining, or continuing to liberalize, their policies regarding foreign investment and, in some cases, to further encourage private sector initiatives. In addition, countries may be in the initial stages of their industrial development and have a lower per capita gross national product or a low income economy as compared to the more developed economies. Markets for investments in such countries are not as developed and may be less liquid than markets in more developed countries. Portfolio investments in companies domiciled in emerging market countries may be subject to potentially higher risks as compared to the average among investments in more developed countries. Additionally, the Funds may be less influential than other market participants in jurisdictions where it or the Firm does not have a significant presence.

Regional Risk; Interdependence of Markets

Economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. The market and the economy of a particular country in which the Funds invest are influenced by economic and market conditions in other countries in the same region or elsewhere in the world. For example, financial turmoil in certain countries in the Asia Pacific region in the late 1990's adversely affected Asian economies generally. Similarly, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. A repeat of either of these crises or the occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally.

Currency and Exchange Rate Risks

A portion of the Funds' portfolio investments, and the income received by the Funds with respect to such portfolio investments, are denominated in currencies other than U.S. dollars. However, the books of the Funds will be maintained, and contributions to and distributions from the Funds generally will be made, in U.S. dollars. Accordingly, changes in currency exchange rates may adversely affect the dollar value of portfolio investments and the amounts of distributions, if any, to be made by the Funds. In addition, Funds will incur costs and execution risk when converting portfolio investment proceeds from one currency to another. From time to time, the Firm enters into hedging transactions designed to reduce such currency risks, but it does not expect to eliminate the Funds' exposure to exchange rate fluctuations.

U.S. Dollar Denomination of Interests; Foreign Currency and Exchange Rate Risks

The Funds' interests are denominated in U.S. dollars. Investors subscribing for the interests in any country in which U.S. dollars are not the local currency should note that changes in the rate of exchange between the U.S. dollar and such currency may have an adverse effect on the value, price, or income of the investment to such investors. In addition, rapid changes in inflation could have a material adverse effect on the performance of the Funds. The fees, costs and expenses incurred by an investor in converting its local currency to U.S. dollars (if applicable) in order to meet capital calls will be borne solely by such investor and will be in addition to the amounts required by such capital calls (and will not be part of or otherwise reduce such investor's unpaid capital commitment). There may also be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions.

Investments in Latin America

The Funds make investments in Latin America. Investments in Latin America may be subject to factors that are not associated with investing in more developed and stable markets, including, but not limited to, interest rate fluctuations, inflation, currency depreciation, availability of financing, changes to the legal environment on both the federal and local level and the distinctive economic, political and regulatory environment in such markets. Participation in investments in Latin America is suitable only for investors capable of understanding the specific risks involved and able to bear any potential economic loss.

Certain of the Latin American countries in which a Fund may invest have experienced a dramatic political and social transformation from an authoritarian state, including military rule, to a more democratic state with a market-based economy. Some of these countries have made this transition as recently as in the past few decades. Because of the scale of political and economic change, these countries may be more susceptible to unrest arising from economic hardship, uneven distribution of wealth, discontent with privatization, social and ethnic instability, reform of the social welfare system and public subsidies and the lack of an effective social safety net. Many of the Latin American countries in which a Fund may invest have experienced hyperinflation or substantial rates of inflation in the past, accompanied by high interest rates. Inflation and rapid fluctuations in inflation rates have had, and may in the future have, negative effects on the economies and financial and securities markets of these countries.

Certain of the Latin American countries in which a Fund may invest have in the past, and may in the future, be subject to significant economic, political, regulatory and social risks. The governments of certain of these countries have exercised and may continue to exercise substantial influence over aspects of the private sector. Capital markets, often opaque, can be highly regulated and will likely be subject to continuing government restrictions. The availability of investment opportunities for a Fund depends in part on governments continuing to follow liberalized policies regarding foreign investments and to encourage private sector initiatives. The governments of certain Latin American countries have enacted reforms lessening state control over the economic system and have made efforts to move towards a more market-oriented economy. This process has resulted in economic dislocations leading in the past, in some cases, to severe inflation, currency depreciation and lower production, which in turn have caused the governments in certain markets to re-evaluate the nature and pace of market reforms. There can be no assurance that these reforms will continue or, if continued, will be successful. Furthermore, there can be no assurance that the process will not be reversed. The governments of certain of the Latin American countries in which a Fund may invest have controlled in the past, and may control going forward, in varying degrees, the repatriation of capital and profits that result from foreign investment. There can be no assurance that a Fund will be permitted to repatriate capital or profits, if any, from these countries.

Accounting, auditing and financial reporting standards in certain Latin American countries do not necessarily conform to the standards in the United States, which may result in less reliable and less detailed information than investors expect in countries with more developed market economies and regulation. The quality and reliability of official data published by governments in certain Latin American countries may be below international standards. A Fund may be required to make investment decisions and valuations on the basis of information that will be less complete and less reliable than customarily available elsewhere. A Fund may have difficulty in successfully pursuing certain claims as the effectiveness of the judicial systems in certain Latin American countries may be low or vary, particularly as compared to the judicial system of the United States and other more developed countries.

Use of Leverage

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. Fund investments may involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in technology companies described above) may have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates may significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, a Fund may suffer a partial or total loss of capital invested in the company. The Firm may also obtain leverage at the fund level on a deal by deal basis. Although borrowings by Funds have the potential to enhance overall returns that exceed a Fund's cost of funds, they will further diminish returns (or increase losses on capital), potentially significantly, to the extent overall returns are less than the Fund's cost of funds, and the Fund may be forced to withhold distributions in order to repay such borrowings.

In addition, borrowings by a Fund may be secured by the Fund's capital as well as by the Fund's assets.

Intellectual Property

Companies in the technology, technology-enabled, and other growth industries are often highly dependent upon intellectual property. Accordingly, an investment in a Fund involves a higher level of risks than an investment that is diversified across sectors that are less dependent upon intellectual property value. A Fund may be dependent upon the value of its portfolio companies' intellectual property. Portfolio companies may incur substantial costs to protect intellectual property, including litigation to enforce intellectual property rights and defend against intellectual property violation claims from other companies. Litigation involves a high degree of uncertainty. If the portfolio companies are unable to protect the value of their intellectual property or are found to violate other companies' intellectual property rights, or incur substantial legal costs, the value of the portfolio investments could be materially impaired, and a Fund could incur losses.

Bridge Financings

From time to time, the Funds may lend capital to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt instruments or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term instrument; however, for reasons not always within the Firm's control, such long-term instruments may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds and such situations may result in a greater concentration to a particular company and sector than anticipated.

Capital Calls

Capital calls will be issued by the general partner of each Fund from time to time in the discretion of such general partner, based upon its assessment of the needs and opportunities of such Fund. To satisfy such capital calls, investors may need to maintain a substantial portion of their capital commitment in assets that can be readily converted to cash. Except as specifically set forth in the governing documents of a Fund, each limited partner's obligation to satisfy capital calls will be unconditional. A limited partner's obligation to satisfy capital calls will not in any manner be contingent upon the performance or prospects of the applicable fund or upon any assessment thereof provided by the general partner thereof. Capital call notices may not provide all of the information an investor desires in a particular circumstance, and such information may not be made available and will not be a condition precedent for a limited partner to meet its funding obligation. Additionally, and notwithstanding the foregoing, the general partner will not be obligated to call 100% of the limited partner's capital commitment during a Fund's term. Even if a capital call is issued, in the event that the general partner of a Fund determines that a proposed portfolio investment will not be consummated or that capital contributions are not applied to a portfolio investment for any reason after a period of time as set forth in the governing documents of such Fund, the general partner will refund to the partners the unapplied amounts without interest and such amounts are treated as never having been contributed. If one or more investors

are unable to make, or are contractually excused from making, their capital calls on any one investment, the capital call of the other investors will increase accordingly, possibly materially. The fees, costs and expenses incurred by a limited partner in order to meet capital calls (whether it is bank fees, wire fees, value-added tax or other applicable charge imposed on a limited partner) will be borne solely by such limited partner.

Recycling; Reinvestment

The general partner of a Fund typically has the right to recall, retain, reinvest or recycle the proceeds of any portfolio investment that is realized or disposed of within a certain period of time. Accordingly, during the term of a Fund, an investor may be required to make capital contributions in excess of its capital commitment. In addition, such reinvestment limits early distributions to investors, and to the extent such retained amounts are reinvested in portfolio investments, an investor will remain subject to investment and other risks associated with such portfolio investments. As a result, reinvestment increases the risk of investing in a Fund. If a situation arises where a Fund may benefit from additional liquidity for purposes of maximizing or preserving the value of its assets, the Firm may consider opportunities to create liquidity through dispositions with the goal of recycling the proceeds to redeploy them in a manner believed to be in the best interest of such Fund. In certain circumstances, the Firm may opportunistically consider seeking, with the appropriate consents required under such Fund's governing documents, to extend the amount of time during which capital may be recycled and redeployed or such other measures with similar economic effect.

Dilution from Subsequent Closings

To the extent that investors subscribing for interests at subsequent closings of a Fund participate in existing investments of such Fund, it will dilute the interest of existing investors therein. Although such investors subscribing for interests at subsequent closings will contribute their pro rata share of previously made capital calls (plus an additional amount thereon), there can be no assurance that this payment will reflect the fair market value of such Fund's existing investments at the time such additional limited partners subscribe for interests.

Distributions In-Kind

During the term of a Fund, the general partner of such Fund may make in-kind distributions of marketable securities. In certain circumstances, the general partner of a Fund may offer the limited partners of such Fund the election to receive an in-kind distribution of marketable securities in lieu of receiving cash, and there may be conditions associated with such a choice that renders certain limited partners unavailable to make such election. In addition, it is possible that not all portfolio investments will be realized by the end of a Fund's term. In such cases, in the general partner's sole and absolute discretion, there may be in-kind distributions by such Fund of illiquid securities or instruments. There can be no assurance that investors will be able to dispose of such securities or instruments or that the fair market value of such securities or instruments determined by the Funds for purposes of the determination of distributions and the calculation of the carried interest ultimately will be realized. In addition, if a Fund receives distributions in-kind from any portfolio investments, it may incur additional costs and risks in connection with the disposition of such assets.

Cyber Security Breaches; Identity Theft Denial of Service Attacks, Ransomware Attacks and Social Engineering Attempts

Cyber security incidents, cyber-attacks, denial of service attacks, ransomware attacks, and social engineering attempts (including business email compromise attacks) have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future (including as a consequence of the increased frequency of virtual working arrangements). There have been a number of recent highly publicized cases involving the dissemination, theft and destruction of corporate information or other assets, as a result of a failure to follow procedures by employees or contractors or as a result of actions by a variety of third parties, including nation state actors and terrorist or criminal organizations. The Firm, the Funds, the portfolio companies, their service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions, and their operations rely on the secure access to, and processing, storage and transmission of confidential and other information in their systems and those of their respective third-party service providers. These information, technology and communications systems are subject to a number of different threats or risks that could adversely affect the Firm, the Funds, the investors and the portfolio companies. For example, the information and technology systems of the Firm, the Funds, its portfolio companies and other related parties, such as service providers, may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, ransomware attacks, network failures, computer and digital infrastructure failures, infiltration by unauthorized persons and other security breaches or usage errors by their respective professionals or service providers, power outages or catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes, wars and terrorist attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Firm's, the Funds', the portfolio companies' or their respective service providers' systems to disclose sensitive information in order to gain access to the Firm's, the Funds' or the portfolio companies' data or that of the investors. There also have been several publicized cases where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to digital infrastructure (and any information contained therein), pipelines and other infrastructure assets. The U.S. federal government has issued public warnings that indicate that such infrastructure assets might be specific targets of "cyber sabotage" events, which illustrates the particularly heightened risk for the Funds and their portfolio companies from such events.

If unauthorized parties gain access to any information and technology systems of the Firm, the Funds, portfolio companies or certain service providers, they may be able to steal, publish, delete or modify private and sensitive information, including nonpublic personal information related to investors (and their beneficial owners) and material nonpublic information. Although the Firm has implemented, and portfolio companies and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. There also have been several publicized cases of ransomware where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to information

technology or communications systems. The Firm does not control the cyber security plans and systems put in place by third-party service providers, and such third-party service providers may have limited indemnification obligations to the Firm, the Funds and its portfolio companies, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in the Firm's, its affiliates', the Funds' and a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and their beneficial owners), material non-public information and the intellectual property and trade secrets and other sensitive information in the possession of the Firm and portfolio companies. The Firm, the Funds or a portfolio company could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity, other events that may affect their business and financial performance.

General Economic and Market Conditions

Turmoil such as that recently experienced by the U.S. and global financial markets as a result of the recent COVID-19 pandemic, and such as that which markets endured during the global financial crisis of 2008-2009, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. Please see "Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments" for additional important considerations regarding global economic conditions. The private equity industry generally, and the success of the Firm's investment activities, will be affected by the current economic downturn, general economic and market conditions and activities, as well as by a number of other economic factors that are outside the Firm's control, such as changes in applicable laws and regulations (including laws and rates relating to the taxation of the Funds' investments), trade barriers, currency exchange controls, technological developments, continued technology disruption, tax reform or other significant policy changes, national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations) and foreign ownership restrictions. The Firm, the Funds and/or their respective portfolio companies may be sensitive to general downward swings in the overall economy or in their specific industries or geographies. Factors affecting economic conditions, including, for example, inflation rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends and innumerable other factors, none of which will be in the control of the Firm, can substantially and adversely affect the business and prospects of the Firm, the Funds and/or their respective portfolio companies. A recession or adverse developments in the securities market would be expected to have an adverse impact on some or all of the Firm's portfolio investments. The Funds may be adversely affected to the extent that they seek to dispose of portfolio investments into an illiquid or volatile market, and the Funds may be unable to dispose of an investment at a price that

reflects the investment's fair value. Any slowdown or downturn in the U.S. or global economy (or any particular segment thereof) or adverse development in prevailing market trends could adversely affect the profitability of the Funds, impede the ability of their portfolio companies to perform under or refinance their existing obligations, and impair the Firm's ability to effectively consummate and exit portfolio investments on favorable terms.

Recent volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally and U.S. markets in particular. Moreover, a recession, slowdown and/or sustained downturn in the global economies (or any particular segment thereof) or weakening of credit markets will adversely affect the Funds' profitability, impede the ability of the Funds' portfolio companies to perform under or refinance their existing obligations, and impair the Funds' ability to effectively exit portfolio investments on favorable terms. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure.

Market Dislocation

Adverse events in the U.S. fixed income markets could cause significant dislocations, illiquidity and volatility in the U.S. structured credit, leveraged loan and high-yield bond markets, the effects of which could spill over into the wider global financial markets. A prolonged disruption may prevent the Funds from advantageously realizing on or disposing of its portfolio investments. To the extent that such marketplace events occur, this may have an adverse impact on the availability of credit to the Funds, and the assets, businesses and entities in which the Funds invests and the terms on which such credit is available, and could lead to an overall weakening of the U.S. and global economies. A sustained downturn in the U.S. or global economy (or any regional economy or any particular segment thereof) could adversely affect the profitability and financial resources of a portfolio company and its ability to make principal and interest payments on, or refinance, outstanding debt when due. Any of the foregoing events could result in substantial or total losses to the Funds in respect of certain portfolio investments, which losses will likely be exacerbated by the presence of leverage in the capital structure of entities or businesses in which the Funds invest and may also cause a decrease in the availability of financing, an increase in the interest cost and more stringent ratios, tests and requirements on the part of lenders to portfolio companies, which may impair the Funds' ability to consummate certain transactions or cause the Funds to enter into such transactions on less attractive terms. Such marketplace events may also restrict the ability of the Funds to sell or liquidate investments at favorable times or favorable prices, and the value of the Funds' portfolio investments may not appreciate as projected or may suffer a loss.

Public Health Risk

Certain countries have been susceptible to epidemics and pandemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently a novel and highly contagious form of COVID-19. The outbreak of an infectious disease, epidemic, pandemic or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, has had and could continue to have a negative impact on the economy, and business activity globally, and thereby adversely affect the performance of the Funds' portfolio

investments. Furthermore, the rapid development of epidemics, pandemics or any serious public health concern could preclude prediction as to their ultimate adverse impact on economic and market conditions and, as a result, presents uncertainty and risk with respect to the Funds and the performance of its portfolio investments or operations and to the ability of the Funds to achieve its investment objectives. See also “Force Majeure Risk” and “Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments” herein.

Coronavirus and Public Health Emergencies; Legislative & Regulatory Enactments

Public health emergencies can affect the broader local, national and international economy, along with the Funds and its portfolio companies, and could give rise to force majeure conditions, the effects of which could be significant. The outbreak of COVID-19, which the World Health Organization previously declared to constitute a “Public Health Emergency of International Concern” resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak rapidly evolved over the course of the pandemic, and many countries reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses also implemented, at different times and to different degrees, similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, created and may again create significant disruption in public and private markets, supply chains and economic activity, having a particularly adverse impact on transportation, hospitality, tourism, healthcare, consumer, entertainment and other industries. Governments and businesses took, and may again in the future take aggressive measures to help slow its spread. For this reason, among others, the extent to which the likelihood of the continued spread of COVID-19 (or the threat thereof) in the future will result in, among other things, any additional or ongoing impacts, including a global, regional or other economic recession is uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and its portfolio companies and could adversely affect the Funds’ ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on the Funds’ and its portfolio companies’ operational and financial performance will depend on many factors, including, but not limited to, the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials) and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity (including office attendance) and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that has come as a result of the COVID-

19 pandemic has contributed, and may continue to contribute, to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on the Funds and their portfolio companies at a future point. For this reason, valuations in such environment are subject to heightened uncertainty and subject to numerous subjective judgments even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds' portfolio companies, the Funds' ability to source, manage and divest investments and the Funds' ability to achieve their investment objectives, all of which could result in significant losses to the Funds. In particular, a public health emergency like COVID-19 may have a greater impact on leveraged assets.

While the U.S. Food and Drug Administration and other similar regulators globally have approved COVID-19 vaccines (some for emergency use only) and these vaccines are currently available to the general public in the United States, Europe and in many other jurisdictions, a substantial proportion of the population in the United States and other jurisdictions, has, despite the availability of vaccines, not been vaccinated, which is believed to be prolonging the effects of the COVID-19 pandemic. In addition, the vaccines have been found to be less than 100 percent effective and to have waning effectiveness within an extended period of time following inoculation, which means a portion of the population that receives such vaccinations is less than fully protected against the disease and may still experience symptoms, hospitalization or death (and be contagious to others even if asymptomatic). Furthermore, such vaccines have shown reduced efficacy against certain existing or emerging variants of COVID-19, and emerging variants may continue to be more transmissible or deadly than existing variants of COVID-19. Other jurisdictions are encountering similar issues with respect to COVID-19 vaccines. COVID-19 is likely to continue to affect the economy generally, and the COVID-19 pandemic and/or its economic impact may affect the Funds and the Funds' ability to achieve its investment objectives to a degree that is not currently known, given the situation continues to evolve.

In addition, the operations of the Funds, its portfolio companies and the Firm may be significantly impacted, or even temporarily or permanently halted, as a result of future government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

In connection with the impacts of the current pandemic and any future such public health crisis, the Funds are expected to incur heightened legal expenses that could similarly have an adverse impact to a Fund's returns. For example, but not by limitation, a Fund or its portfolio companies may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by a Fund and/or its portfolio companies. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a Fund or its portfolio companies in the form of economic harm, data loss or other negative outcomes.

Inflation

The U.S. and other developed economies are experiencing higher-than-normal inflation rates. It remains uncertain whether higher-than-normal inflation in the U.S. and other developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. Inflation and rapid fluctuations in inflation rates have recently had, and may in the future continue to have, negative effects on economies and financial markets (including securities markets), particularly in emerging economies. For example, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue, but may incur higher expenses. As inflation declines, a portfolio company may not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. In an attempt to stabilize inflation, certain governments have imposed, and other governments may in the future impose, wage and price controls or otherwise intervene in the economy. Additionally, central banks have increased, and may in the future continue to increase, interest rates. Efforts by governments and central banks to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a more serious problem in the future and have an adverse impact on the Funds and its portfolio companies. The global economy continues to experience inflation with respect to certain goods and services. There can be no assurance that continued and more wide-spread inflation in the U.S. and/or other economies will not become a more serious problem in the future and have a material adverse impact on the Funds' returns and its ability to fulfill its investment objectives.

Technology Sector Disruptions

The technology sector in both the private and public markets has been experiencing significant disruption and decline, including as a result of recent volatility in the global financial markets and political systems of certain countries, significant inflation rates in the U.S. and other developed economies and increases in interest rates by the Federal Reserve System and other central banks due to concerns about inflation. Such disruption and decline in the technology sector may continue for an extended period of time and present uncertainty and risk with respect to the Funds and the performance of its portfolio investments or operations and to the ability of the Funds to achieve its investment objectives.

Enhanced Scrutiny and Regulation of the Private Fund Industry and Financial Services Industry

A Fund's ability to achieve its investment objectives, as well as the ability of a Fund to conduct its operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. There have been significant legislative developments affecting the private investment fund industry and there continues to be discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund industry. It is difficult to determine what impact, if any, any increased regulatory scrutiny or initiatives will have on the private investment fund industry generally or on the Firm and the Funds specifically. Future legislative, judicial or administrative action could adversely affect the Funds' ability to

achieve their investment objectives, as well as the ability of the Funds to conduct their operations.

The alternative asset management and financial services industries are subject to enhanced governmental scrutiny and/or increased regulation, and a number of legislative initiatives have been signed into law affecting alternative investment firms, including the Dodd-Frank Act, a key feature of which is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the “Federal Reserve Board”) to nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a “nonbank financial company” as a company that is predominantly engaged in activities that are financial in nature. The Financial Stability Oversight Council (the “FSOC”), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve Board (including regulation imposing certain capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important, in that its material financial distress or the riskiness of its activities could pose a threat to the financial stability of the United States. The Dodd-Frank Act does not contain any minimum size requirements for such a designation, and it is possible that it could be applied to private funds, particularly large, highly leveraged funds. If regulations were to extend the regulatory and supervisory requirements, such as capital and liquidity standards currently applicable to banks, or the Funds were considered to be engaged in certain “shadow banking” activities, either in the United States or in any other jurisdiction in which the Funds engage in investment activities, the regulatory and operating costs associated therewith could adversely impact the implementation of the Funds’ investment strategy and the Funds’ returns and may become prohibitive.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with certain private equity funds and hedge funds and other provisions that will affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “Volcker Rule,” which takes the form of Section 13 of the Bank Holding Company Act of 1956. Among other things, the Volcker Rule (as amended by the Reform Act, as defined below, and together with its implementing regulations) generally prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions including for depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law and any affiliate or subsidiary of the foregoing entities) from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the Investment Company Act in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act, subject to certain exclusions. Prospective investors in the Funds that are banking entities should consult their bank regulatory counsel prior to making an investment.

Although the Firm is currently registered under the Advisers Act, the enactment of these reforms and/or other similar legislation could nonetheless have an adverse effect on the private investment funds industry generally and on the Firm and/or a Fund specifically, and may impede a Fund’s ability to effectively achieve its investment objectives. The Volcker Rule also authorizes

the imposition of additional capital requirements and certain other quantitative limits on such activities engaged in by certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve Board (as discussed above), although such entities are not expressly prohibited from sponsoring or investing in such funds. The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on the Funds or the Firm.

As a registered investment adviser under the Advisers Act, the Firm is required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Firm and its affiliates to make regulatory filings with respect to the Funds and its activities under the U.S. Advisers Act (including, without limitation, Form PF)). Relatedly, the Firm may be required to provide certain information regarding some of the investors in the Funds to regulatory agencies and bodies in order to comply with applicable laws and regulations, including the FCPA (as defined below) and the Freedom of Information Act ("FOIA"). In light of the heightened regulatory environment in which the Funds and the Firm operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, the Firm and their affiliates to comply with such regulatory reporting and compliance-related obligations. For example, Form PF requires that the Firm report the regulatory assets under management of the Funds, and because the Funds could be required to bear the Funds' expenses relating to compliance-related matters and regulatory filings, the Funds will bear the costs and expenses of initial and ongoing Form PF compliance applicable to the Funds, including costs and expenses of collecting and calculating data and the preparation of such reports and filings. Such expenses are likely to be material, including on a cumulative basis over the life of the Funds. Any further increases in the regulations applicable to private investment funds generally or the Funds and/or the Firm in particular may result in increased expenses associated with the Funds' activities and additional resources of the Firm being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for the Limited Partners and/or have an adverse effect on the ability of the Funds to effectively achieve its investment objective.

Furthermore, various federal, state and local agencies have been examining the role of placement agents, finders and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the Firm and its Affiliates may be exposed to claims and/or actions that could require a limited partner to withdraw from a Fund. Relatedly, the Firm may be required to provide certain information regarding some of the limited partners in the Funds to regulatory agencies and bodies in order to comply with applicable laws and regulations including the U.S. Foreign Corrupt Practices Act and FOIA. In addition, as a publicly traded global alternative asset manager whose broad range of businesses includes the management of direct and secondary private equity funds, hedge funds, real estate funds, credit-oriented funds and other private investment funds, as well as the provision of various financial advisory, restructuring and fund placement services, the Firm is from time to time subject to litigation and claims relating to its businesses, as well as governmental and/or regulatory inquiries, investigations and/or

proceedings. Anything disclosed in the Firm's public filings or made available to the limited partners is incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings. Riverwood is subject to extensive regulation, including periodic examinations, by governmental agencies and self-regulatory organizations in the jurisdictions in which it operates around the world. These authorities have regulatory powers dealing with many aspects of financial services, including the authority to grant, and in specific circumstances to cancel, permissions to carry on particular activities. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are also empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel, changes in policies, procedures or disclosure or other sanctions, including censure, the issuance of cease-and-desist orders, the suspension or expulsion of a broker dealer or investment adviser from registration or memberships or the commencement of a civil or criminal lawsuit against the Firm or its personnel. Moreover, the SEC has specifically focused on private equity. In connection with that focus, the SEC's list of examination priorities includes, among other things, private equity firms' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. The Firm is regularly subject to examinations and requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which the Firm routinely cooperates and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against the Firm or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Firm and the Funds. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to the Firm specifically or the underlying private equity funds in which the Funds invests generally, would not have a material adverse effect on a Fund and its ability to achieve its investment objectives.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on the Firm or the Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on the Firm or otherwise impede the Funds' activities. The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by modifying the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than \$10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal

regulatory agencies adopted additional revisions to the Volcker Rule's restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting certain new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments should therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments on a Fund and its activities remain uncertain, and the private investment fund industry may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. Prospective investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on a Fund and its activities.

In August 2023, the SEC voted to adopt previously proposed new rules and amendments to existing rules under the Advisers Act (collectively, the "Private Funds Rules") specifically related to investment advisers and their activities with respect to private funds they advise. In particular, the Private Funds Rules will, among other changes, impose required quarterly reporting by private funds to investors concerning detailed information on performance, investments, adviser-compensation, fees and expenses, capital inflows and capital outflows; require registered investment advisers to obtain an annual audit for all private funds that meets the requirements of the existing Advisers Act custody rule; require registered investment advisers to obtain a fairness or valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as "GP-led secondaries"); restrict advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements, which practices include, without limitation, charging regulatory or compliance fees or expenses, or fees or expenses associated with an examination, of advisers or their related persons to private fund clients, seeking reimbursement for certain investigation-related expenses, reducing the amount of the general partner's clawback by actual, potential or hypothetical taxes applicable to the general partner, borrowing from a private fund or making non-pro rata fee or expense allocations; restrict advisers from engaging in certain forms of preferential treatment to private fund investors related to liquidity and information rights if they would be reasonably expected to have a material negative effect on other investors and otherwise requiring advisers to make certain disclosures regarding other preferential treatment of investors; and prohibit an adviser from having a private fund bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the Advisers Act. The Private Funds Rules also impose additional requirements on advisers to document their annual compliance reviews in writing and retain additional required books and records relating to private funds they advise. The compliance dates for the Private Funds Rules are in September 2024 and March 2025. Although the legality of the Private Funds Rules is currently being challenged in federal court, it is uncertain whether this legal challenge will succeed.

While the full impact of the Private Funds Rules cannot yet be determined, it is generally anticipated that these rules will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries and actions (including public regulatory sanctions) and limiting the Firm's ability or willingness to negotiate certain types of individualized terms with investors in the Funds, which may cause certain investors to not subscribe to the Funds who otherwise might have. The Funds are expected to bear (either directly or indirectly through their portfolio entities) certain regulatory and compliance costs relating to the Private Funds Rules to the extent permitted by law, which could include (without limitation) fees, costs and expenses incurred in connection with preparing and distributing to investors the quarterly statements required by the rules, soliciting and obtaining from investors any consents required by the rules, providing investors with any notices or disclosures required by the rules and obtaining and distributing to investors fairness or valuation opinions in connection with adviser-led secondary transaction (including fees paid to third parties engaged by the Firm or the Funds to perform or assist with such actions or processes), which fees, costs and expenses could be expected to be material.

In May of 2022, the SEC proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning investment advisers' incorporation of environmental, social, and governance (ESG) factors (the "ESG Proposed Rule"). The ESG Proposed Rule seeks to categorize certain types of ESG strategies broadly and require advisers to both provide census type data in Form ADV Part 1A and provide more specific disclosures in adviser brochures based on the ESG strategies they pursue.

The ESG Proposed Rule, if adopted, may result in material alterations to how the Firm operates its business and/or the Funds, as well as the Firm's implementation of the Funds' investment strategy, and there can be no assurance that such alterations will not have a material adverse effect on the Firm, the Fund general partners, the Funds, their investments and/or the limited partners. To the extent permitted under the Funds' governing documents, the incremental costs of compliance by the Firm and/or the Funds with any new SEC rules may be borne by the Funds, which may be significant.

The SEC (in May 2023) and the SEC and CFTC jointly (in February 2024) adopted rule amendments under the Advisers Act in respect of additional Form PF reporting obligations. The Form PF amendments will increase costs associated with the Firm's compliance with regulations and disclosure obligations, especially if the Firm is required to spend more time, hire additional personnel or buy new technology to comply effectively. In February 2023, the SEC proposed extensive amendments to the custody rule. If adopted, the amendments would require, among other things, that a registered investment adviser such as the Firm: obtain certain contractual terms from each advisory client's qualified custodian; document that privately-offered securities cannot be maintained by a qualified custodian; and promptly obtain verification from an independent public accountant of any purchase, sale or transfer of privately-offered securities. The amendments also would apply to all assets of a client, including real estate and other assets that generally are not considered securities under the federal securities laws. The SEC has also proposed regulations concerning cybersecurity risk governance for investment advisers, investment advisers outsourcing of certain functions to service providers, a rule requiring

disclosures and policies and procedures related to an investment adviser's ESG practices and changes to Regulation S-P.

In addition, elements of organized labor and other representatives of labor unions have embarked on a campaign targeting private investment firms on a variety of matters of interest to organized labor. There can be no assurance that the foregoing will not have an adverse impact on the Firm or the Funds or otherwise impede the Funds' activities. The recent negative perception of the private investment fund industry in certain countries could make it harder for funds sponsored by private investment firms, such as the Funds, to successfully bid for and complete investments.

This increased political and regulatory scrutiny of the private investment fund industry has been particularly acute since the 2008-2009 global financial crisis. In addition to the U.S. legislative developments described above, other jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations and have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, private equity funds and hedge funds. There is therefore a material risk that regulatory agencies in the U.S., Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at the private equity industry, or other changes that could adversely affect private equity firms and the funds they sponsor, including the Funds.

In addition, as private fund firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private fund industry has recently been subject to criticism by some politicians, regulators and market commentators. The recent negative perception of the private fund industry in certain countries could make it harder for the Funds to successfully bid for and complete Investments.

Finally, increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of the Firm, and may furthermore place the Funds at a competitive disadvantage to the extent that the Firm and/or the Funds are required to disclose sensitive business information.

Political Activities

A portfolio company may, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists or engage in other permissible political activities in U.S. and/or non-U.S. jurisdictions with the intent of furthering its business interests or otherwise. Portfolio companies are not considered affiliates of the Firm, and therefore such activities may be undertaken by a portfolio company without the knowledge or direction of the Firm. The interests advanced by one portfolio company of a Fund may, in certain circumstances, not align with the interests of other portfolio companies of such Fund, such Fund and/or the investors of such Fund. The costs of such activities may be allocated to or ultimately borne by such Fund and, while the costs of such activities will typically be borne by the portfolio company undertaking such activities, such activities may also directly or indirectly benefit other portfolio companies, other Funds, their portfolio companies, and/or the Firm. There can be no assurance that any such activities will be successful in advancing the interests of

a portfolio company or otherwise benefit such portfolio company or the applicable Fund. Such activities may bring negative publicity to a portfolio company and/or a Fund, which could have an adverse impact on such portfolio company, such Fund and/or the investors of such Fund.

Trade Policy Uncertainty

Recent developments in the United States and certain European nations have fueled doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate, or potentially terminate, certain existing bilateral or multi-lateral trade agreements and treaties with foreign countries, and has made proposals and taken actions related thereto. For example, the U.S. government has in recent years imposed tariffs on certain foreign goods, including steel and aluminum, and has indicated a willingness to maintain those tariffs and impose new tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Although the United States and China entered into the “Phase One” economic and trade agreement in early 2020, there are still ongoing trade disputes between the two countries. If these disputes remain unresolved, they may be an ongoing source of instability. They could potentially result in significant currency fluctuations or have other adverse effects on international markets, international trade agreements, or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory, or otherwise). On June 3, 2021, President Biden issued Executive Order 14032, entitled “Addressing the Threat from Securities Investments that Finance Certain Companies of the People’s Republic of China”. This order amended and restated certain executive orders issued by former President Trump, and prohibits the purchase or sale by U.S. persons of any publicly traded securities, or any publicly traded securities that are derivative of such securities or are designed to provide investment exposure to such securities, of identified Chinese companies.

Moreover, the U.S. government has imposed limitations on whether and how U.S. companies and, under certain circumstances, non-U.S. companies may interact with certain Chinese companies that are potentially important suppliers to, or customers for, U.S. companies, and further such limitations are possible via the addition of such companies to U.S. restricted parties lists, the imposition of licensing requirements for certain emerging and foundational technologies, and changes to the export controls regulations to capture a greater number of items, which could have a materially adverse impact on the Funds’ portfolio companies and their supply chain.

Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy resulting therefrom, could adversely affect the financial performance of the Funds and their portfolio companies. In addition, trade disputes may develop between other countries, which may have similar or more pronounced risks and consequences for the Funds or their portfolio investments.

OFAC, FCPA and Similar Considerations

Economic sanction laws in the United States and other jurisdictions may prohibit the Firm, its affiliates and the Funds from transacting with or in certain countries and with certain individuals

and companies. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders, and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at www.treas.gov/ofac. In addition, certain programs administered by OFAC prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC. Similar sanction lists are maintained by the United Kingdom, including the consolidated list of financial sanctions targets, and the European Union, including the consolidated list of persons, groups and entities subject to EU financial sanctions. These types of sanctions may restrict the Funds' investment activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities, and of corruption. The Firm, its affiliates and the Funds are committed to complying with the U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA"), the United Kingdom Bribery Act 2010 (the "Bribery Act"), the United Nations Convention Against Corruption (the "Convention") and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, the Funds may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for the Funds to act successfully on investment opportunities and for investments to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws through the enactment of the Bribery Act. While the Firm has developed and implemented policies and procedures designed to ensure compliance by the Firm and its personnel with the FCPA, the Bribery Act and the Convention, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of its policies and procedures, affiliates of portfolio companies, particularly in cases where a Fund or another Firm sponsored fund or vehicle does not control such portfolio company, may engage in activities that could result in FCPA, Bribery Act or Convention violations. Any determination that the Firm has violated the FCPA, the Bribery Act or other applicable anticorruption laws or anti-bribery laws could subject the Firm and/or the Fund to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect the Firm's business prospects and/or financial position, as well as the Funds' ability to achieve its investment objective and/or conduct its operations.

Environmental, Social and Governance Strategy

While the Firm may consider environmental, social and governance (“ESG”) factors when making an investment decision, the Funds do not pursue an ESG-based investment strategy or limit their investments to those that meet specific ESG criteria or standards.

Increased Regulation of ESG Matters

The Firm is subject to the increased focus by regulators on ESG matters. In 2021, the SEC established its Climate and ESG Task Force, housed within the enforcement division, to investigate ESG practices and disclosures by public companies and investment managers. Findings from this taskforce could result in the SEC’s imposition of more stringent regulation of ESG practices and ESG-related claims over time. In 2022, the SEC’s proposed rule for Enhanced Disclosures by Certain Investment Advisers and Investment Companies about Environmental, Social, and Governance Investment Practices was published, and would require investment advisers to provide additional disclosures related to their ESG strategies and proxy voting activities. Certain investment managers would also be required to disclose greenhouse gas emissions of fund vehicles based on the classifications defined by the proposed rule. American Industrial Partners expects to be subject to compliance with the proposed rule, once final, and anticipates additional regulatory obligations are likely to be imposed by the SEC in the future.

Climate Change

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds’ business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds’ investments; indirect financial and operational impacts from disruptions to the operations of the Funds’ investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds’ investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds’ business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

CFIUS

The actions of the Committee on Foreign Investment in the United States (“CFIUS”), an inter-agency committee authorized to review transactions that could result in control of a U.S. business by a foreign person and certain other transactions involving foreign investment, may adversely impact the prospects of a portfolio company in the context of mergers with, or acquisitions by, a foreign person. CFIUS may recommend that the President block such transactions, or CFIUS may impose conditions on such transactions, certain of which may materially and adversely affect the Fund’s ability to execute its investment strategy. In addition, the CFIUS process will continue to evolve. In particular, a set of reform measures known as the Foreign Investment Risk Review Modernization Act (“FIRRMA”) was enacted into law and has broadened the jurisdiction of CFIUS with respect to certain investments, including by expanding its reach to investments in certain companies that do not confer potential control over a U.S. business by a foreign person. In addition, certain of the Funds’ investors are non-U.S. investors, and in the aggregate, are expected to comprise a substantial portion of the Funds’ aggregate commitments, which increases both the risk that investments may be subject to review by CFIUS, and the risk that limitations or restrictions will be imposed by CFIUS or other non-U.S. regulators on the Funds’ investments. In the event that restrictions are imposed on any investment by the Funds due to the non-U.S. status of an investor or other related CFIUS or national security considerations, subject to the terms of a Fund’s governing documents, the general partner of such Fund may take such actions as the general partner, in its sole discretion, deems necessary to comply with any CFIUS directive or order. However, there can be no assurance that any restrictions implemented on any such investor will allow the Funds to maintain, or proceed with, any investment or sale of a portfolio company. The outcome of the CFIUS process may be difficult to predict, and there is no guarantee that, if applicable to a portfolio company, the decisions of CFIUS would not adversely impact a Fund’s proposed or actual investment in such company. The CFIUS risks described herein are not limited to the Funds and would similarly apply depending upon the ownership interest of the Firm, which ownership could change over time.

Additionally, a number of other jurisdictions have restrictions on foreign direct investment pursuant to which their respective heads of state and/or regulatory bodies have the authority to block or impose conditions with respect to certain transactions, such as investments, acquisitions and divestitures, if such transaction threatens to impair national security. Many jurisdictions restrict foreign investment in assets important to national security by taking steps including, but not limited to, placing limitations on foreign equity investment, implementing investment screening or approval mechanisms, and restricting the employment of foreigners as key personnel. These foreign laws could limit a Fund’s ability to invest in certain businesses or entities or impose burdensome notification requirements, operational restrictions or delays in pursuing and consummating transactions. A Fund’s investments outside of the United States may also face delays, limitations, or restrictions as a result of notifications made under and/or in compliance with these legal regimes and rapidly-changing agency practices. Other countries continue to establish and/or strengthen their own national security investment clearance regimes, which could have a corresponding effect of limiting a Fund’s ability to make investments in such countries. Heightened scrutiny of foreign direct investment worldwide may also make it more difficult for a Fund to identify suitable buyers for investments upon exit and may constrain the

universe of exit opportunities for an investment in a portfolio company. As a result of such regimes, a Fund may incur significant delays and costs, be altogether prohibited from making a particular investment or impede or restrict syndication or sale of certain assets to certain buyers, all of which could adversely affect the performance of such Fund and in turn, materially reduce such Fund's revenues and cash flow.

Legal, Tax, and Regulatory Risks

Legal, tax, and regulatory changes could occur during the term of a Fund and adversely affect the Fund, its portfolio companies, or partners. For example, from time to time, the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. The Funds intend to invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, licensing, examination, and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules, and regulations, some of which are subject to interpretation and/or are subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which could have material adverse effects. Additionally, foreign investment in securities of companies in certain of the countries in which the Funds invest or may invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain sectors of the country's economy and increase the costs and expenses of a Fund. While regulation of investment has liberalized in recent years throughout much of the world, there can be no assurance that more restrictive regulations will not be adopted in the future. Some countries require governmental approval for the repatriation of investment income, capital, or the proceeds of sales by foreign investors and foreign currency. The Funds could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital interests and dividends paid on securities or instruments held by the Funds, and income on such securities or instruments or gains from the disposition of such securities or instruments could be subject to withholding taxes or other taxes imposed by certain countries where the Funds invest or in other jurisdictions.

Permits, Approvals and Licenses

A license, approval or permit may be required to acquire certain investments and their direct or indirect holding companies, or registration may be required before an acquisition can be completed. Examples of permits, approvals and licenses necessary to make an investment include antitrust approvals, environmental licenses, foreign investment approvals and registrations, and other similar matters. The Firm currently maintains, and in the future may maintain, various registrations and/or licenses in certain non-U.S. jurisdictions in which it operates. Such licenses and registrations subject the Firm to certain various information and other requirements. The Firm's failure to obtain or maintain such licenses could have adverse consequences on the Firm and its ability to operate in such non-U.S. jurisdictions. Investments in

portfolio companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally, including, but not limited to, risks relating to approval of a change in ownership and to the acquisition and maintenance of applicable licenses. Accordingly, the Funds' portfolio companies themselves may be required to obtain, or may require the Firm, the Funds, the general partners of the Funds or their personnel to obtain, various U.S. federal, state, local or non-U.S. licenses in connection with the operation of their businesses or in order to make, hold or dispose of certain investments, particularly to enable a portfolio company to engage in certain types of regulated business practices. If a portfolio company fails to comply with these requirements, such portfolio company could also be subject to civil or criminal liability and the imposition of fines. A portfolio company could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such portfolio company. There can be no assurances that a portfolio company (or the Firm, the Funds, the Fund general partners or their personnel, if applicable) will obtain all of the licenses sought or that there will not be significant delays in seeking such licenses, which could impact such portfolio company's operations. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business, and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. Furthermore, portfolio companies may be subject to various information and other requirements in connection with obtaining or maintaining such licenses, and there is no assurance that a portfolio company will satisfy those requirements or that the Firm, the Funds, the Fund general partners or their personnel will provide any information requested or required of it. Such licenses may depend in whole or in part on information about the Funds, the Limited Partners and/or the Firm and its personnel that the Firm may be unwilling or unable to provide (in which case a portfolio company's application for such license could be unsuccessful). In some circumstances, the Funds may be required to provide certain information about the Limited Partners in order for a portfolio company to obtain such licenses. A portfolio company's failure to obtain or maintain licenses could have adverse consequences for the Funds and/or such portfolio company. In addition, the ownership and operation of certain portfolio companies may require certain individuals to be routinely vetted in order for the applicable portfolio company to obtain and maintain certain licenses. The Funds may require some or all of these licenses, approvals and permits to acquire an asset, and counterparties may also require some or all of these licenses, approvals and permits to acquire assets from the Funds. There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected, which may adversely affect the Funds' ability to acquire and sell assets.

Possible State Licensing Requirements

A Fund may be required to obtain various state licenses in order to make, hold or dispose of certain investments, particularly with respect to loaning money to portfolio companies. A Fund has not applied for these licenses and may not. The Firm expects that if a Fund does apply for such licenses this process will be costly and take several months. There is no assurance that a Fund will obtain all of the licenses that it desires or that a Fund would not experience significant delays in seeking these licenses. Furthermore, a Fund will be subject to various information and

other requirements in order to maintain these licenses, and there is no assurance that a Fund will satisfy those requirements. A Fund's failure to obtain or maintain licenses might restrict its investment options and have other adverse consequences for a Fund. In addition, the ownership and operation of certain portfolio companies may require certain individuals to be routinely vetted in order for the portfolio company to obtain and maintain certain state licenses. Similar to fund licenses, there is no assurance that a portfolio company will obtain all of the licenses it desires or that a portfolio company would not experience significant delays in seeking these licenses and failure to obtain or maintain such licenses may adversely impact the portfolio company.

Litigation

In connection with ordinary course investing activities, the Firm, the Funds and their respective affiliates as well as portfolio companies of the Funds are and may become involved in litigation either as a plaintiff or a defendant. There can be no assurance that any such litigation, once begun, would be resolved in favor of the Funds. Any such litigation could be prolonged and expensive and typically such costs (which may include consultants, investigators, experts and other advisors, in addition to legal costs, and which in the aggregate may be substantial) are borne by the Fund. In addition, it is by no means unusual for participants in reorganizations to use the threat of, as well as actual, litigation as a negotiating technique. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments generally would be borne by the Funds and would reduce net assets or could require limited partners thereof to return to the Funds distributed capital and earnings.

Documentation and Legal Risks

The Funds, portfolio companies and portfolio investments are governed by a complex series of legal documents and contracts. The intent of the legal documents and contracts might not be clear, and even clear drafting can be misconstrued by counterparties and judges. A dispute over interpretation of any of these documents or contracts could arise, which may result in unenforceability of the contract or other outcome that is adverse to the Funds.

Indemnification

The Funds will be required to indemnify the Firm, its affiliates, and their respective officers, directors, stockholders, equity holders, members, partners, employees, operating executives, executive advisors, agents and consultants, and likely any other person who serves at the request of the Firm on behalf of the Funds as an officer, director, partner, employee, or agent of any other entities, and any member of the limited partner advisory committee of the Funds for liabilities incurred in connection with the affairs of the Funds. Additionally, such parties may be entitled to exculpation by the Funds. Such liabilities may be material and may have a material adverse effect on the returns to the limited partners of the Funds. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unfunded commitments of the limited partners thereof. If the assets of the Funds are insufficient, the Firm may recall distributions previously made to the limited partners, subject to certain limitations in the governing documents of the Funds. It should be noted that the Firm typically cause the Funds to purchase insurance for the Funds, the Firm and their respective employees, agents and

representatives, but there can be no assurance that such insurance will cover any or all liabilities. In addition, the Firm may cause the Funds to advance the costs and expenses of an indemnitee pending outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification). As a result, there may be periods where a Fund is advancing expenses to an individual or entity with whom such Fund is not aligned or is otherwise an adverse party in a dispute. Moreover, in its capacity as general partner of a Fund, the Firm will, notwithstanding any actual or perceived conflict of interest, be the beneficiary of any decision by it to provide indemnification (including advancement of expenses). This may be the case even with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that disqualifies any such person from indemnification or exculpation so long as the Firm (and/or its legal counsel) have determined that such disqualifying conduct did not occur.

Force Majeure Risk

Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, earthquakes, global health crises and pandemics, war, terrorism, and labor strikes. Some force majeure events may adversely affect a party's ability to perform its obligations, under a contract or otherwise, until it is able to remedy the force majeure event. Such events, whether or not considered to be a contractual Force Majeure event, may nonetheless impact the operations of a Fund and/or its portfolio companies, potentially materially so. For example, the cost of repairing or replacing damaged assets in case of such event could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, substantial and costly litigation, or penalties for regulatory or contractual non-compliance. In some cases, transaction or other agreements may provide for termination of the agreement if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. Force majeure events that are incapable of, or costly to, cure may also have a permanent adverse effect on a portfolio company and/or a Fund. Force majeure clauses may be drafted or construed narrowly in a manner that would not cover a particular event that might occur, such as a pandemic or global public health crisis. If this were to occur, there could be an adverse impact on the Fund or its portfolio company.

Systems and Operational Risks

The Funds depend on the Firm to develop and implement appropriate systems for the Funds' activities. The Funds rely daily on financial, accounting and other data processing systems and other core operating systems that are critical to oversight of the Funds' activities. Certain of the Funds' and the Firm's activities will be dependent upon systems operated by third parties, and the Firm is not in a position to thoroughly vet the risks or reliability of certain third-party systems based on limitations of access to vendor data, especially with larger vendors who, in the Firm's experience, have been unwilling to provide such access. Failures in the systems and processes employed by the Firm and other parties could result in mistakes made, including, among other things, in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. Operational risks result from inadequate procedures and controls, employee fraud, recordkeeping errors, human errors and other mistakes or failures by

the Firm or a service provider. Disruptions in the Funds' operations may cause the Funds to suffer, among other things, financial loss, the disruption of their businesses, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing failures or disruptions could have a material adverse effect on the Funds and the investors' investments therein. While the Firm has a business continuity plan in place in the event of an operational or other significant incident, there is no guarantee that the plan will be capable of implementation under the circumstances that may occur, or that once implemented, it will adequately address the challenges presented by the situation.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the Firm, service providers to the Firm or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Firm has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Firm will be able to identify or prevent such misconduct.

Hedging Policies/Risks

In connection with the acquisition, holding, financing, refinancing or disposition of certain portfolio investments, the Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices or currency exchange or to otherwise improve the investment returns of the Funds. The costs of such hedging techniques will be borne by the Funds. While such transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds than if they had not entered into such hedging transactions. There is a possibility that additional regulatory requirements could be triggered by virtue of a Fund entering into hedging transactions, and in such an event, such Fund could bear additional costs for compliance with requirements and would be subject to additional regulatory risk that it would be unlikely to face absent its participation in hedging transactions. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Funds' costs or losses associated with such hedging transactions.

Financial Market Fluctuations

General fluctuations in the market prices of securities and other assets and in interest rates may adversely affect the value of portfolio investments held by the Funds. Instability and volatility in the securities markets and in interest rates may also increase the risks inherent in the Funds'

portfolio investments, as, among other things, portfolio companies may need to refinance their outstanding debt as it matures. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities or loans in the high yield debt or bank financing markets, which historically have been cyclical with regard to the availability of financing. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed rate securities) and directly (especially in the case of instruments whose rates are adjustable). In general, rising interest rates will negatively impact the price of a fixed rate debt instrument and falling interest rates will have a positive effect on price. Adjustable rate instruments also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

Recent Developments in the Banking Sector

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, recent events in the U.S. and European banking sectors have caused uncertainty for financial services companies, and fear of instability in the global financial system generally, including the closure of Silicon Valley Bank, Signature Bank and First Republic Bank. Depositors and other customers of smaller and/or regional banks have experienced, and may continue to experience, significant challenges and uncertainty regarding access to banking products and services, including with respect to the availability of such customers' deposits, lines of credit and other accounts and banking relationships. In addition, certain financial institutions, in particular smaller and/or regional banks or other financial institutions, have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their deposit accounts.

Should similar extraordinary events continue to occur, there is risk that more of these smaller and/or regional banks, or other financial institutions, may become in danger of default and/or face a risk of closure, receivership or other government intervention. Should additional banks be closed by governmental authorities, placed into receivership or conservatorship, or otherwise require government intervention, there is no assurance that the U.S. Federal Deposit Insurance Corporation ("FDIC") will guarantee uninsured depositors at any other financial institution. Even without additional bank closures, uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy, and may impact the financial condition of banks and other financial institutions outside of the United States. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the Firm, the Funds and the portfolio companies.

Custody and Banking Risks

The Funds will maintain funds with one or more banks or other depository institutions (“Banking Institutions”), which include U.S. and non-U.S. Banking Institutions, and the Funds will enter into credit facilities or have other financial relationships with Banking Institutions. The distress, impairment or failure of one or more Banking Institutions with whom the Funds or their portfolio companies transact could inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, it is possible that the Funds would be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a Banking Institution where the Funds or one or more of their portfolio companies hold depository accounts (including accounts used for depositing principal and interest payments from borrowers on loans owned by the Funds) access to certain such accounts could be restricted and FDIC protection could not be available for balances in excess of amounts insured by the FDIC (and similar considerations could apply to Banking Institutions in other jurisdictions not subject to FDIC protection). In such instances, it is possible that the Funds and their affected portfolio companies would not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the Banking Institution and participate pro rata with other unsecured creditors in the residual value of the Banking Institution’s assets. The loss of amounts maintained with a Banking Institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. The respective general partner of the Funds could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, the respective general partner of the Funds will not always be able to identify all potential solvency or stress concerns with respect to a Banking Institution or to transfer assets from one bank to another in a timely manner in the event a Banking Institution comes under stress or fails.

Artificial Intelligence Developments

Recent technological developments in artificial intelligence, including machine learning technology and generative artificial intelligence such as ChatGPT (collectively, “AI Technologies”), pose risks to the Firm, the Funds and its portfolio companies. Any of these technological innovations could result in harm to the Firm or the portfolio companies, significantly disrupt the market in which they operate and subject them to increased competition, which could materially and adversely affect their business, financial condition and results of operations, and have an adverse impact on the Funds.

AI Technologies and their current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is not possible to predict the full extent of current or future risks related thereto.

Data Protection

Data privacy and cybersecurity are receiving increased amounts of attention and scrutiny from regulators. The Firm, the Funds and their respective affiliates and/or service providers and, certain of the Funds’ portfolio companies may each receive, store, process and use personal data,

including through the use of third-party processors and cloud-based and other service providers. Legal requirements relating to the collection, storage, handling and transfer of personal data continue to develop in different countries. Certain activities of the Firm, the Funds and/or their respective affiliates may, for example, be subject to the General Data Protection Regulation 2016/679 (the “GDPR”) of the European Union (the “EU”), the United Kingdom Data Protection Act 2018 (as amended), the California Consumer Privacy Act (the “CCPA”) or the Cayman Islands Data Protection Act (As revised) (the “DPA”) (together with other applicable laws, the “Privacy and Data Protection Laws”). While the Firm, the Funds and their respective affiliates intend to comply with their privacy and data protection obligations under the Privacy and Data Protection Laws (where applicable), a breach of such laws could result in negative publicity and may subject the Funds to significant costs associated with regulatory sanctions, civil liability for claims in damages from data subjects or third parties and other penalties. Under some Privacy and Data Protection Laws, it is an offense to not notify the appropriate regulator of a security breach of personal data, or to not notify the data subjects affected by the breach. Compliance with Privacy and Data Protection Laws requires implementing effective policies and procedures that reflect the applicable law, and maintaining an ongoing and active monitoring program. The resources required for day-to-day operations and for dealing with exceptional circumstances may divert the Firm’s time and effort from other activities relating to the management of the Funds and entail substantial expense.

The framework legislation at an EU level with respect to data protection currently is the General Data Protection Regulation 2016/679 (“GDPR”), which came into effect on May 25, 2018 and is directly applicable in all EU member states. This created a single legal framework and resulted in a more uniform application of data privacy laws across the EU. To the extent that a Fund, its general partner or the Firm is established in the United Kingdom or is not established in the EU, but offers services to, or monitors the behavior of, natural persons resident in the EU (“EU Data Subjects”), they will be required to comply with the provisions of the GDPR, which are extensive and require consistent and thorough application.

The GDPR imposes stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained valid consent or have another legal basis in place to justify their data processing activities. Controllers must put in place the necessary mechanisms to allow EU Data Subjects to exercise their data subject rights, such as the right to access and rectify their personal data, the right to impose restrictions on processing, and in certain circumstances the right to request the deletion of personal information, to request the transfer of such information to another controller or to object to the processing of their personal information. The GDPR provides that EU member states may make their own additional laws and regulations in relation to certain data processing activities, and may impose stricter governance requirements, which could limit a Fund’s or its general partner’s or the Firm’s ability to use and share personal data or could require localized changes to a Fund’s or its general partner’s or the Firm’s operating model.

Under the GDPR, fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be imposed for non-compliance. An

assessment by a competent authority in the EU of failure to comply with the requirements of the GDPR could result in serious financial and reputational damage to a Fund. These new laws also could cause a Fund's and its investments' costs to increase and result in further administrative costs, which is likely to reduce capital that can be deployed for making investments.

The provisions of the GDPR may also apply to the portfolio companies, to the extent that they are established in the EU, or offer goods or services to, or monitor the behavior of, EU Data Subjects. In addition, global data protection laws are evolving and as the portfolio companies may be continually subject to new laws, regulations or standards or new interpretations of existing laws, regulations, or standards, these laws could affect the value of the portfolio companies if they incur additional costs and restrict business operations. Failure by the portfolio companies to comply with applicable requirements may result in governmental enforcement actions, litigation, (actual or contingent) fines and penalties or adverse publicity, which could have an adverse effect on the portfolio company and the Funds with an interest in such portfolio company's reputation and adversely affect the business and the value of such Fund's investments.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies

Before a Fund makes new investments, the Firm conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, technical, cyber, environmental, and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present risks primarily relating to the Firm's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, the Firm will rely on the resources available to us, including representations or other information provided by the target of the investment and, in some circumstances, third-party investigations. However, representations made by a counterparty could be inaccurate, and the due diligence investigation that the Firm carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk.

There can be no assurance that the Firm or a Fund will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during the Firm's efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by the Firm will be adequate. Conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on such Fund. In the event of fraud by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. There can be no assurance that any such losses will be offset by gains (if any) realized on the

Funds' other investments. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or instruments in such portfolio company. A Fund will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness of any such representations. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

Russian Invasion of Ukraine

On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Brochure, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response have had and could be expected to continue having a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of the Funds' investments. The severity and duration of the conflict and its future impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Funds and the performance of their investments and operations, and the ability of any such Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas. Furthermore, if after subscribing to a Fund an investor or any beneficial owner thereof is included on a list of prohibited entities and individuals maintained by a relevant regulatory and/or government entity (including the Office Of Foreign Assets control or under similar European Union and United Kingdom regulations or under Cayman Islands law, and are not operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United States, United Nations, EU or, UK or the Cayman Islands) (collectively "Sanctions Lists"), such Fund may be required to cease any further dealings with the investor's interest in such Fund until such sanctions are lifted or a license is sought under applicable law to continue dealings. For the avoidance of doubt, the Sponsor of a Fund has the sole discretion to determine the remedy if an investor is included on a Sanctions List and is under no obligation to seek a license to continue dealing with such investor. Although the Adviser and its affiliates expend significant effort to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by the applicable Fund's activities or investors, which would adversely affect such Fund.

October 7th Attacks on Israel; Aftermath

On October 7, 2023, Hamas (an organization which that governs Gaza, and which that has been designated as a terrorist organization by the United States, the United Kingdom, the European

Union, Australia, and other nations), committed a terrorist attack within Israel (the “October 7th Attacks”). As of the date hereof, Israel and Hamas remain in active armed conflict. The ongoing conflict and rapidly evolving measures in response could have a negative impact on the economy and business activity globally (including in countries in which the Funds invest), and therefore could adversely affect the performance of the investments. The severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and as a result, present material uncertainty and risk with respect to the Funds and the performance of their investments and operations, and the ability of the Funds to achieve their investment objectives. For example, the armed conflict may expand and may ultimately more actively involve the United States, Lebanon (and/or Hezbollah), Syria, Iran and/or other countries or terrorist organizations, any of which may exacerbate the risks described above. Similar risks exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in the Middle East, or the immediate surrounding areas. The United States has announced sanctions and other measures against Hamas-related persons and organizations in response to the October 7th Attacks, and the United States (and/or other countries) may announce further sanctions related to the ongoing conflict in the future.

Changes Resulting from the United Kingdom’s Exit from the European Union

As part of the process of the United Kingdom (“U.K.”) leaving the European Union (“EU”), the EU and the U.K. agreed to an EU-U.K. Trade and Cooperation Agreement (“TCA”) that governs the trading relationship between the U.K. and the member states of the EU from and after January 1, 2021. Broadly, the TCA provides for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin but is subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid and tax transparency.

The TCA does not provide for continued access by U.K. firms to the EU single market adversely affecting financial service firms such as the Firm – although there is the possibility that in time, the U.K. may obtain a recognition of equivalence from the EU in certain financial sectors, which would enable varying degrees of access to the EU market. Similarly, notwithstanding zero tariffs and zero quotas on goods, market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognized professional qualifications, changes in the status of the U.K. vis-à-vis the EU for tax and VAT purposes and other sources of friction have the potential to impair the profitability of a business, to require it to adapt or to even relocate to operate through an establishment in the EU. Understanding and preparing for these new arrangements may result in increased operational and compliance burdens for the Funds.

It will continue to take some time to observe the many and varied effects on U.K. and European Economic Area businesses and asset value in those regions of the consequences of the U.K. leaving the single market and customs union (taking into account the flow of goods and services in both directions). Given the size and global significance of the U.K.’s economy, uncertainty, at least in the near term, about the effect of the TCA on the day-to-day operations of those

businesses that engage in the cross-border trade of goods or services between member states of the EU and the U.K. may be a continued source of currency fluctuations or have other adverse effects on international markets, international trade and other cross-border cooperation arrangements.

Additionally, the UK government and the EU have ongoing disagreements regarding the Northern Ireland Protocol ("NIP"). The NIP is part of arrangements put in place as part of the TCA to address cross-border trade in goods between Great Britain, Northern Ireland and the EU. The UK government has subsequently raised concerns as to the manner in which the NIP has been interpreted and implemented, and has indicated that it may take action to suspend and/or override aspects of the NIP. The European Commission has stated that it reserves the right to take retaliatory measures in response to actions taken by the UK government.

The present uncertainty could therefore adversely affect the Funds, the performance of its investments and its ability to fulfil its investment objectives (especially if its investments include, or expose it to, businesses with operations in or doing business in, or having services or other significant relationships in or with, the UK or the EEA, or that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or an investor's evaluation of the Firm's advisory business or the integrity of the Firm's management.

Item 10: Other Financial Industry Activities and Affiliations

The Firm is affiliated with Riverwood Capital L.P., Riverwood Capital II L.P., Riverwood Capital III L.P., Riverwood Capital Latam L.P., Riverwood Capital IV L.P., and Riverwood Capital Latam II L.P., which each serve as a general partner of a Fund (or Funds) advised by the Firm. While these general partner entities are not separately registered as investment advisers with the SEC, the general partner entities are deemed registered in reliance on the Firm's registration and the Form ADV filing made by the Firm, based on SEC staff guidance. In addition, employees and persons acting on behalf of each general partner of the Funds are subject to the Firm's supervision and control. Thus, the general partner entities and all of their employees and the persons acting on its behalf are "persons associated with" the registered investment adviser and the information in this Brochure regarding the advisory services provided by the "Firm" applies to and includes the general partner entities.

Neither the Firm nor any management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither the Firm nor any management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of any of the foregoing entities.

The Firm does not recommend or select other investment advisers for clients.

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

1. Code of Ethics and Personal Trading

As an investment adviser, the Firm stands in a position of trust and confidence with respect to its clients. The Firm has a fiduciary duty to place the interests of the Funds before its own interests and before the interests of its employees. All of the Firm's personnel must put the interests of the Funds before their own personal interests and must act honestly and fairly in dealings with clients. All of the Firm's personnel must also comply with all federal and other applicable securities laws. The Firm has developed a compliance program to establish these rules of conduct for its personnel.

As part of its compliance program, the Firm has adopted a personal trading policy requiring all personnel to disclose all holdings in "Reportable Securities" as defined by the Advisers Act, in personal trading accounts and certain personal securities transactions in a timely manner. The Firm also maintains a "restricted list" of companies about which a determination has been made that it is prudent to restrict trading activity by the Firm and/or its personnel. An employee may not trade securities of a company included on the restricted list without first obtaining pre-approval from the Firm's Chief Compliance Officer. Additionally, employees may not make an investment in a private security without pre-approval from the Chief Compliance Officer. Factors to be taken into account in such prior approval include, among other considerations, whether the investment opportunity is appropriate for the Fund(s) and whether it should be considered on behalf of the Fund(s).

The Firm has also adopted policies regarding the control of material non-public information, outside business activities, political contributions and gifts and entertainment. The Firm's compliance program is designed to promote the ethical behavior of all of the Firm's personnel and to ensure compliance with applicable regulation and best practices. The Firm will provide a copy of its Code of Ethics to any investor or prospective investor upon request.

2. Participation or Interest in Client Transactions

The Funds are typically structured as limited partnerships where an affiliate of the Firm serves as the general partner and makes a capital commitment to the Fund. Typically, the general partner's capital commitment is not subject to management fees or carried interest. While an affiliated general partner has a financial interest in a Fund, the Firm believes that their interests are aligned with those of the Fund's investors because the general partner makes capital contributions and receives distributions from the Fund at the same time and pro rata in proportion to its percentage interest in such investment alongside the other investors. The Funds only allow the general partner to receive carried interest distributions after investors have received a return meeting certain pre-agreed hurdles, as more fully described in the relevant Fund's governing document. Accordingly, the Firm believes that neither it, nor its affiliates, have a conflict of interest with respect to these arrangements.

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a "principal transaction"), the adviser must

make certain disclosures to the client of the terms of the proposed transaction and obtain the client's consent to the transaction.

The Firm and its affiliates generally do not engage in transactions between their proprietary accounts and Fund accounts. If the Firm, in the future, were to seek to engage in a principal transaction, it would comply with any applicable requirements of the Advisers Act as they relate to principal transactions, as well as any additional requirements set forth in the Funds' governing documents.

From time to time, the Firm considers transactions whereby a Fund seeks to invest in a portfolio company in which one or more members of the Firm have a pre-existing personal investment. This is permitted under the Funds' governing documents and the Firm manages this conflict of interest by either disclosing to or obtaining consent from the Fund's limited partner advisory board to the extent required by the Fund's governing documents before proceeding with such transaction.

Section 206 under the Advisers Act also regulates cross transactions effected by an investment adviser among its clients. Very generally, if an investment adviser proposes to act on both sides of a client transaction (referred to as a "cross transaction" or an "agency cross transaction"), the adviser must make certain disclosures to the clients and obtain the clients' consent to the transaction.

The Funds also generally do not engage in transactions among one another. If the Firm, in the future, were to seek to cause the Funds to engage in an agency cross transaction, for example, by causing a fund to purchase investments from another fund, or causing a fund to sell investments to another fund, it would comply with any applicable requirements of the Advisers Act as they relate to cross transactions, as well as any additional requirements set forth in the Funds' governing documents. Such transactions can create perceived and potential conflicts of interest because, by not exposing such buy and sell transactions to market forces, a fund may not receive the best price otherwise possible, or the Firm might have an incentive to act in favor of one fund at the expense of another.

When a fund is fundraising, and makes an investment prior to its final closing or the final closing of a parallel fund or sidecar fund, such investments may be initially warehoused by one or more funds until a final allocation can be determined. Following the final closing of the funds, the allocation of such investments is rebalanced among the participating funds in accordance with the Firm's allocation policy. This is permitted under the Funds' governing documents and the Firm does not receive any special or one-time fee or other compensation when rebalancing such investments among Funds.

3. Other Conflicts of Interest and Disclosures

Allocation of Investment Opportunities

The Firm will encounter situations where an investment opportunity falls within the investment objective of more than one Fund and must determine how to allocate such opportunity among the Funds and when applicable, co-investors. The Firm generally allocates investment opportunities to Funds on a basis that it reasonably determines in good faith to be fair and

reasonable, taking into account a number of factors, including but not limited to, the nature of the investment focus of each Fund, the relative amounts of capital available for investment, the size and stage of the investment, and any requirements contained in the governing documents of such Funds. With respect to funds and their respective parallel funds, investment opportunities are typically allocated on a pro rata basis in accordance with their capital commitments, subject to the terms of their governing documents and other contract restrictions. In the case of a fund and a side fund, investment opportunities are typically allocated in accordance with the terms of their governing documents.

Subject to the governing documents of the Funds, the Firm has in the past, and may in the future, offer co-investment opportunities to certain persons, including investors and other third parties. Generally, the governing documents of a Fund provide the general partner with the sole and absolute discretion regarding offering such opportunities. The general partner of a Fund may present co-investment opportunities to certain limited partners and other third-party potential co-investors at any time and with respect to any particular co-investment opportunity, at different times. In addition, certain Firm employees and their affiliates have in the past, and may in the future, co-invest with a fund. Investing in a fund does not give limited partners any rights, entitles or priority to co-investment opportunities. The performance of co-investments is not aggregated with that of a fund, including for purposes of determining the general partner's carried interest or management fees under the governing documents of the applicable fund except as provided therein.

There have been circumstances in the past, and may be circumstances in the future, where an amount that would have otherwise been invested by a fund is instead offered to co-investors (e.g., due to a determination by the general partner of a fund that allocating such portion to co-investors is in the fund's best interests, for instance in order to increase diversification), which may include, without limitation funds, accounts or vehicles, certain of the Firm's employees and their affiliates or third-parties and there is no guarantee for any limited partner that it will be offered any co-investment opportunities. As a general matter, the general partner of a Fund, in determining the allocation of discretionary co-investment opportunities, generally expects to take into account various facts and circumstances deemed relevant by the general partner of such Funds. Such factors are likely to include, among others, whether a potential co-investor has expressed an interest in evaluating co-investment opportunities, whether a potential co-investor has a history of participating in co-investment opportunities with the Firm, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the fund's investment (which is likely to be based on the size of the potential co-investor's capital commitment and/or investment in the fund), the timing of the co-investor's commitment to the fund, the existence of accounts or vehicles formed to co-invest in investments across all or a portion of the Firm's platform (whether or not formed in connection with the admission of a limited partner to the fund), whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Firm, the fund or other funds or co-investments, the overall size of a co-investor's commitments to the Firm's Funds, vehicles and accounts, the expected amount of negotiations required in connection with such co-investor's commitment and such other factors that the Firm deems relevant under the circumstances. Prospective investors in a Fund should also note that, except as may be otherwise agreed in

advance with a limited partner of a Fund, limited partners of a Fund are not required to participate in co-investments offered by the general partner of the Fund. The allocation of co-investment opportunities will in many or all cases involve a benefit to the Firm including, without limitation, carried interest or management fees from the co-investment opportunity or capital commitments to a Fund. Co-investors, including without limitation Firm-related funds, accounts or vehicles formed to invest in co-investment opportunities alongside a Fund, may purchase their interests in a portfolio company at the same time as such fund or may purchase their interests from such fund after such has consummated its investment in such portfolio company (also known as a post-closing sell down or transfer). The Firm may charge (or may decide not to charge) a co-investor interest costs for the time period between the closing of a fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor. In addition, co-investors, including without limitation funds, accounts or vehicles formed to invest in co-investment opportunities alongside a Fund, generally will not share in broken deal expenses (all of which may be borne by the fund, even if a portion of such investment would have been or was offered for co-investment). Further, in the event that the Firm or its affiliates receive certain fees from a portfolio company in which co-investors invest through a co-investment vehicle controlled by the Firm or its affiliates and such co-investment vehicle is not subject to management fees, then such co-investment vehicle will not benefit from any management fee offset that is applicable to a Fund that also invests in such portfolio company.

Allocation of Personnel

The general partner of a Fund and its affiliates will devote such time as necessary to conduct the business and operational affairs of such Fund in an appropriate manner and as provided by the governing documents of such Fund. Firm personnel will work on other projects, including other Firm sponsored funds or vehicles as provided herein and in the governing documents of such fund. Such personnel may also serve as members of the boards of directors of various entities other than portfolio companies. Conflicts may arise as a result of such other activities. The possibility exists that such entities could engage in transactions that would be suitable for a Fund, but in which such Fund might be unable to invest.

Transactions between Investors and Portfolio Companies

The Firm has, from time to time, facilitated introductions between prospective or actual investors and its portfolio companies, to create business opportunities between the investors and portfolio companies if the Firm believes that one may be in need of services of the kind provided by the other. The Firm does not receive any referral or success fee for facilitating such introductions.

Arrangements Between Portfolio Companies and/or between Portfolio Companies and the Firm or its Members

Certain portfolio companies are or will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of the same Fund or other Funds. The Firm has, from time to time, facilitated introductions between portfolio companies, to create business opportunities between them if the Firm believes that one may be in need of

services of the kind provided by the other. The Firm does not receive any referral or success fee for facilitating such introductions.

The Firm or its employees and affiliates have had, from time to time, agreements, transactions or other arrangements with the Firm's portfolio companies which may not have been entered into but for the portfolio company's association with the Firm. These arrangements can involve commissions, services, discounts and/or other remuneration that may, directly or indirectly, inure to the benefit of the Firm or its employees and affiliates, or to certain Funds and/or their respective portfolio companies. For example, the Firm has in the past and may in the future utilize a product of a portfolio company for the benefit of the Firm or the Funds, and receive a discount for such product. While these discounts could reduce the revenue received by the portfolio company, such discounts are not expected to be material and are given by a portfolio company after the investment decision with respect to such company has been made and not while the Firm is evaluating a prospective investment in such portfolio company.

Board Participation

The Firm typically seeks representation on the board of directors (or similar managing body) of the Funds' portfolio companies in order to oversee the company's operational, strategic, financial and governance matters. To the extent that a Fund designates one or more members of the Firm to serve as a member (or observer) on a portfolio company's board of directors (or similar managing body) and such individual(s) receive fees for such board service, such fees are 100% offset against management fees paid by investors in such Fund. After a Fund's contractual right to designate a board member (or similar representative) is terminated (for example, in the case of an initial public offering), but before the Fund has fully exited its investment in the portfolio company, such Fund designee typically continues to serve on the board (or similar managing body) in order to continue to enhance the Firm's monitoring of such investment. However, such board seat can also have the effect of impairing the Fund's ability to sell the related securities when and upon the terms, it may otherwise desire, and subject the Firm, the Fund, the general partner to claims they would not otherwise be subject to as a shareholder, including claims of breach of duty of loyalty (including because such designee may be both a member of the board of directors of such portfolio company and also be partner or employee of the Firm), securities claims and other director-related claims, along with potential aiding and abetting claims against such Fund. In general, a Fund will indemnify the Firm, the general partners, and their respective members from such claims.

Following a Fund's full disposition of its interest in a portfolio company, from time to time, such member(s) of the Firm may continue to remain on the company's board of directors (or similar managing body) in his or her own personal capacity, and any compensation received by such member of the Firm for board or similar service after the company ceases to be a portfolio company is no longer offset against management fees.

Compensation of Senior Advisors, Executive Advisors, Growth Advisors, and Other Consultants

The Firm has created a group of Senior Advisors, Executive Advisors, and Growth Advisors consisting of industry executives and leaders to provide advice and help drive scalability and growth for the Firm and its portfolio companies. All such advisors are third-party consultants, and

are not employees or affiliates of the Firm. Senior Advisors and Growth Advisors are compensated by the Firm. Executive Advisors may be compensated by the Firm, the Funds, or a portfolio company, depending on the nature of the service provided. When the consulting services of an Executive Advisor are provided for the benefit of the Firm, then the associated fees and expenses of such services are borne by the Firm. When the consulting services of an Executive Advisor are provided to a Fund (for example, deal due diligence or other investment-related work), then the associated fees and expenses will be charged to the Fund. A portfolio company may also directly engage a Senior Advisor, Executive Advisor, or other third-party industry executive, advisor, consultant, or other subject matter expert who has been identified or referred by the Firm, for operationally-focused consulting services. The fees and expenses for such services would be borne by the portfolio company. Compensation by a Fund or portfolio company may take the form of cash or grants of equity or other incentive compensation arrangements. Any such compensation amount received by a Senior Advisor, Executive Advisor, or other consultant referred by the Firm is not offset against management fees. For administrative convenience, the Firm may retain such consultants and service providers for the benefit of a Fund and/or its portfolio companies and obtain reimbursement in whole or in part from such Fund and/or its portfolio companies, as applicable.

Some of these advisors may also be investors in one or more Funds managed by the Firm, or they may be executives of current or past portfolio companies.

Follow-on Investments

Investments to finance follow-on acquisitions have presented, and in the future are likely to present, conflicts of interest, including 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 and such determinations are made by the Firm in accordance with the Firm's allocation policy. In addition, as has happened in the past and could happen again in the future, a Fund may participate in leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest often arise, including determinations of whether, to the extent existing investors are being cashed out, whether they 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, or whether, if two Funds will be invested simultaneously, whether one Fund has structural priority over another in a manner that could cause the Firm to be conflicted. Follow-on opportunities where multiple Funds have invested (either at the same or different times) will be allocated in a manner consistent with the applicable governing documents of the Fund, relevant policies, and/or associated disclosures and such allocations are likely to present potential conflicts that could be resolved in a manner that does not favor one or multiple Funds.

Investments in which Funds Have Different Interests

The Funds may invest in a broad range of securities, instruments and obligations throughout the corporate capital structure. These investments include (but are not limited to) investments in common equity securities, preferred equity securities and corporate loans and debt obligations.

Accordingly, certain Funds may invest in different parts of the capital structure of an issuer in which other Funds invest. Such investments may give rise to conflicts of interest, or perceived conflicts of interest, for the Firm. In the event that a conflict of interest arises, the Firm will attempt to resolve such conflict on a case by case basis and in the best interests of the parties involved, while maintaining its duty of fiduciary care to the relevant Funds. When the Firm deems it appropriate, conflicts of interest are disclosed to a Fund's limited partner advisory board for review and approval.

Valuation Matters

The fair value of all investments or of property received in exchange for any investments will be determined by the general partner of a Fund in accordance with the applicable governing documents of such Fund. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of investments will, under certain circumstances, affect the amount of management fees and/or carried interest payable to the Firm. The valuation of investments may also affect the ability of the Firm to raise successor funds. As a result, there may be circumstances where the general partner of a Fund is incentivized to determine valuations that are higher than the actual fair value of investments. In the event that the valuation determined by the general partner is objected to by the applicable Fund's limited partners or such Fund's limited partner advisory committee, the Firm will select a U.S. nationally recognized investment banking firm to provide a valuation.

Management Fee and Impaired Investments

As is generally the case in private equity funds, the Funds' governing documents provide that a Fund's management fees will be calculated and charged on a basis that generally is not tied to a Fund's then-current net asset value. As further specified in the Funds' governing documents, from the activation date of the relevant Fund (or for certain Funds, the initial closing of the relevant Fund) until a date specified in the governing documents (the "Stepdown Date"), management fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate capital commitments or capital contributions. Further, after the Stepdown Date, management fees generally will be charged and calculated based on a formula tied to the amount of investment contributions made by the relevant Fund relating to investments that have not been disposed, which includes investments that have been deemed worthless by the general partner (such investments, "Worthless Investments").

Under the governing documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date management fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the governing documents do not require management fees to be reduced or refunded following the occurrence of a write-down, a decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of (1) investments meeting the relevant Worthless Investment standard under the governing documents and (2) in the case of certain Funds, such Fund having aggregate net losses from write-downs.

As a result, and as is generally the case for private equity funds, the amount of management fees generally will not correspond with fluctuations in the fair market value of individual investments or of the Fund, including following the relevant investment period, and will not be reduced in connection with any write-downs (whether temporary or permanent), except in the case of (1) Worthless Investments and (2) in the case of certain Funds, such Fund having aggregate net losses from write-downs. Except where the governing documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of dividend recapitalizations, reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, in each case in circumstances that do not result in the disposition of the relevant Fund's interest therein.

In many circumstances, the post-Stepdown Date management fee base will include capitalized transaction-specific expenses of unrealized investments. Further, management fees generally will not be reimbursed or refunded under the governing documents in the event of realizations, dispositions or partial write-downs or write-offs that occur partway through the relevant calculation period.

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

Given that the governing documents of the Funds provide the general partner with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect the compensation of the general partner of the Funds and its affiliates, such general partners are subject to potential conflicts of interest. For example, the potential to earn additional compensation can create an incentive for such general partner to make investments and to hold investments longer than otherwise would be the case in the absence of the Fund's management fee and carried interest compensation arrangements. The general partners expect to be incentivized to cause the respective Fund to make investments and hold on to investments (and to delay or forego a determination that investments with an impaired value should be deemed worthless under U.S. GAAP (i.e., completely written off for U.S. federal income tax purposes)) in order to generate greater ongoing management fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

Where the post-Stepdown Date management fee is reduced when an investment has become a Worthless Investment, the general partners will have incentives to make determinations that result in the continued payment of, or a higher, management fee. Where a Fund's governing documents do not require management fees to be reduced in connection with investment reorganizations, restructurings, extraordinary dividends or similar transactions, the general partner expects to be incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the general partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are

Worthless Investments, and the general partner expects to be subject to related conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is a Worthless Investment, within the requirements of the governing documents.

The criteria used by the general partners or their affiliates in valuing an investment, or determining whether an investment is a Worthless 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 such general partner's determination that an investment is a Worthless Investment, and, except as set forth in the governing documents of the Funds, neither the relevant 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 partners are entitled to make their own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the governing documents of the respective Fund. As a general matter, the standards for determining Worthless Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of compensation to the general partner and its affiliates is dependent in part on an investment's status as a Worthless Investment, the general partners face potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the general partners and their affiliates intend to operate in accordance with the governing documents of the respective Fund, as well as the Firm's 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.

Varying Interests Among Limited Partners

The investors in the Funds may have varying and at times conflicting investment, tax and other interests with respect to their investments in such Funds. The conflicting interests of individual investors may relate or arise from, among other things, the nature of investments made by the Funds, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by the general partner of a Fund, including with respect to the nature or structuring of investments that may be more beneficial for one investor, including such general partner, than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for the Funds, the general partners of the Funds will consider the investment and tax objectives of the Funds and its investors as a whole, not the investment, tax or other objectives of any investor individually. In addition, the interests held by a relatively small number of investors may be significantly larger than those held by other investors which could have a material impact on the outcome of matters requiring investor consent or approval.

Line of Credit and Batching of Capital Calls

The Funds are typically parties to one or more subscription-based credit facilities. Borrowings by the Funds under such facilities will generally be secured by investors' capital commitments as well as by the Funds' assets, subject to certain limitations, and the terms of such facilities may provide that during the continuance of a default under such facilities, the interests and distributions of the Funds' investors may be subordinated to such facilities. Use of a subscription-based credit facility can cause a higher reported net internal rate of return for a Fund than if the facility had not been utilized, and as a result of this and other factors (including that the interest rate on such borrowings is typically less than the rate of the preferred return (if any) and that such preferred return (if any) does not accrue on such borrowings, and only accrues on capital contributions when made) may present conflicts of interest and the general partner of a Fund may make distributions prior to the repayment of outstanding borrowings. As a result, use of such facilities may reduce the preferred return (if any) received by investors in a Fund and provide the general partner of such Fund with an incentive to fund investments, fees, or expenses through borrowings, in lieu of, or to delay capital contributions. Subject to the limitations in the governing documents of a Fund, the use of a subscription-based credit facility by such Fund is within the applicable general partner's discretion.

A Fund may also incur indebtedness and guarantee obligations together with other Funds on a joint and several or cross-collateralized basis (which may be on an investment-by-investment or portfolio-wide basis). While such arrangements may be joint and several with respect to the Fund, such arrangements may not necessarily impose reciprocal joint and several obligations on such other Funds. As a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, the Fund may be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such funds or vehicles are unable to repay their pro rata share of such indebtedness. Moreover, the Fund could also lose its interests in performing investments in the event such performing investments are cross-collateralized with poorly performing or non-performing investments.

In addition, capital calls, including those used to pay interest on such indebtedness, may from time to time be "batched" together into larger, less frequent capital calls or closings, with a Fund's interim capital needs being satisfied by such Fund borrowing money from such subscription-based credit facilities. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Additionally, certain of the Fund's investments may use back leverage in the future. Back leverage potentially enhances the return profile for an investment, but also increases the risk of the

investment, including the risks associated with linked investments held through the same leverage facilities.

In addition, in the event that a portfolio company were to borrow funds directly through a fund facility, the applicable Funds may charge the portfolio company borrower higher interest rates than the interest rate the Funds pay pursuant to such financing facility, among other things, to help offset origination and other facility costs.

Side Letters

The Firm or the Funds have entered, and may in the future enter, into agreements, or “side letters”, with certain investors whereby such investors may be subject to terms and conditions that are more advantageous than those set forth in the Fund’s offering memorandum and limited partnership agreement (or other applicable governing documents). The modifications are solely at the discretion of the Firm and may, among other things, be based on the size of an investor’s investment in a Fund. The Firm and the Funds generally have no obligation to disclose the details of these side letters to all the investors in the relevant fund. Side Letter arrangements with certain investors of the Funds may impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy, or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by the Funds.

Material Non-Public Information

By reason of the responsibilities of the Firm (or its employees) in connection with their other activities, the Firm (or its employees) may acquire confidential or material non-public information or otherwise be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell a portfolio investment that it otherwise might have sold. An officer, employee or other representative of the Firm may serve as a director designee of a Fund’s public portfolio company. As a result, the Fund (through its representatives or otherwise) may receive or be deemed to receive information that would restrict its ability to cause the Fund to buy or sell securities of a company for substantial periods of time when profit could otherwise be realized or loss avoided, which may adversely affect the ability of the Fund to buy or sell securities.

Outside Business Activities and Relationships

The Firm’s investment professionals may serve as a member of the board of directors (or similar managing body) of a company or participate in other business activities unrelated to the Firm. While such outside business activities must be disclosed to, and approved by, the Firm’s Chief Compliance Officer in order to manage and avoid potential conflicts of interest, conflicts of interest may arise as a result of such activities from time to time. For example, a company unrelated to the Firm with which an investment professional is involved could engage in a transaction with a Fund’s portfolio company or engage in a transaction that could be suitable for one of the Funds.

Intangible Benefits

The Firm and its personnel have in the past and may, from time to time in the future, receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund or portfolio company expenses may result in “miles” or “points” or credit in loyalty/status programs to the Firm and/or its personnel, and such benefits, rewards and/or amounts (whether or not de minimis or difficult to value), will exclusively benefit the Firm and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund or portfolio company expense for Firm personnel travelling for appropriate fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other fund-related matter) may benefit such Firm personnel to the extent the trip also serves a personal purpose.

Item 12: Brokerage Practices

Due to the nature of the Firm’s investment strategy, the Firm expects substantially all of the Funds’ investments to be privately negotiated directly with its portfolio companies. As such, the Firm does not anticipate utilizing brokers or dealers regularly. Where the Firm determines to utilize a broker or a dealer to transact on behalf of a Fund, it shall evaluate such broker or dealer based on a range of factors, including without limitation commission price, willingness to commit capital and ability to execute the desired transaction.

The Firm does not receive client referrals from brokers-dealers, nor does it receive any “soft dollar” benefits. Additionally, the Firm does not have any directed brokerage practices.

Item 13: Review of Accounts

The Firm’s investment professionals are responsible for reviewing Fund holdings on an ongoing basis to determine if there have been any significant changes to any investments. Each investment is monitored for major events or market shifts affecting the portfolio company or its exit options, and reviewed more formally at least annually. These reviews are prepared by the investment professionals and discussed with the Investment Committee and may include an examination of the original investment thesis, financial performance and forecasts, company management, strategy and competitive positioning, among other things.

Investors receive written quarterly reports related to their investment in a Fund. A typical report includes: a letter from the general partner and overview of the Fund’s performance, a portfolio update, a schedule of investments and financial statements.

Item 14: Client Referrals and Other Compensation

No one other than clients provides economic benefits to the Firm for providing investment advice or other advisory services to clients.

The Firm has in the past, and may in the future receive certain fees from portfolio companies, such as, directors fees, in connection with activities performed on behalf of clients. Generally,

100% of such fees paid to the Firm or a member of the Firm, net of expenses related to the activities leading to the receipt of such fees, will reduce the management fee paid by investors.

The Firm does not compensate a third party for client referrals. However, the Firm may compensate a third-party placement agent for investor referrals. In such cases, investors are notified of the material facts of such solicitation arrangements, and any compensation paid by investors to the third-party placement agent reduce the investor's management fee by the same amount, unless prohibited by applicable law or regulation.

Item 15: Custody

The Firm is deemed to have custody of the Funds' assets because an affiliate serves as the general partner to the Funds. Fund assets are held in the name of the Fund, or in an account for the benefit of the Fund, by an independent qualified custodian, as required by the SEC's custody rule, or fund assets are private, uncertificated securities recorded on the books and records of the issuer in the name of the Fund.

The Firm distributes quarterly reports to investors in the Funds and the Funds are audited annually. With respect to each Fund, a PCAOB-registered independent public accounting firm will audit such Fund's financial statements annually in accordance with U.S. generally accepted accounting principles, and the audited financial statements are distributed to the investors of the Fund within 120 days of the fiscal year end.

Item 16: Investment Discretion

The Firm typically has discretionary investment management authority for the Funds. While the general partner of a Fund is responsible for the management, policies and operations of the Fund, it grants authority to the Firm to make investment recommendations and monitor investments, as more fully described in the investment advisory agreement executed among the general partner, the Fund, investors and the Firm at the outset of the advisory relationship. In all cases, however, this discretion is to be exercised in a manner consistent with the investment strategy and objectives of the Fund. When making investment recommendations, the Firm observes the investment policies, limitations and restrictions that are applicable to the Fund's account.

Item 17: Voting Client Securities

The Firm has full authority to vote securities on behalf of the Funds. Due to the Firm's investment strategy and the nature of investments generally recommended by the Firm, it does not anticipate frequently holding public securities with voting authority on behalf of the Funds. However, if the Funds do hold public securities with voting authority, the Firm shall vote in the best interests of the Funds. The Firm expects to frequently take an active role in the management of its portfolio companies and therefore, will generally vote with management. In some instances, such as in the event of conflict of interests, the Firm may determine that it is in a Fund's best interest to abstain from voting.

Investors may obtain a copy of the Firm's proxy voting policy and procedures and/or a record of all proxy votes cast by a Fund at the direction of Riverwood by contacting Riverwood by email at investor_relations@rwcm.com or by telephone at (650) 618-7300.

Item 18: Financial Information

The Firm does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance. There is no financial condition that impairs the Firm's ability to meet contractual commitments to the Funds. The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19: Requirements for State-Registered Advisers

Not applicable.