

**Item 1 – Cover Page**

Sageview Capital LP

Part 2A of Form ADV - The Brochure

55 Railroad Avenue  
Greenwich, CT 06830  
(203) 625-4200  
[www.sageviewcapital.com](http://www.sageviewcapital.com)

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This brochure provides information about the qualifications and business practices of Sageview Capital LP (“Sageview” or “Adviser”). If you have any questions about the contents of this brochure, or to receive an additional complimentary copy of it, please contact our Chief Compliance Officer, Dino Verardo, at 203-625-4200 or [Dino@sageviewcapital.com](mailto:Dino@sageviewcapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Sageview is also available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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55 Railroad Avenue \* Greenwich, CT 06830  
Tel: (203) 625-4200 / Fax: (203) 625-4201  
<http://www.sageviewcapital.com>

## **Item 2 - Material Changes**

Sageview does not consider any of the information contained in this version of the brochure to represent a material change from the information contained in its last annual update dated March 29, 2023.

Our current and prospective private fund investors (each an “investor”) are encouraged to read The Brochure, as well as all of the governing documents applicable to their current or prospective investment, in their entirety.

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## **Item 4 - Advisory Business**

Sageview was founded in 2006 and is owned 100% by Sageview Management, LLC (“Sageview Management”). The Edward and Karen Gilhuly Trust UAD August 3, 1993 between Edward A. Gilhuly and Karen H. Gilhuly as Settlers and Trustees and the Scott M. Stuart 2009 Revocable Trust own 25% or more of Sageview Management.

As of December 31, 2023, Sageview managed \$ 2,098 million (calculated based on regulatory assets under management) on a discretionary basis on behalf of ten private fund clients.

Sageview provides discretionary investment advice and management services to ten private investment funds (each a “private fund” and collectively, the “private funds”), which are organized either as U.S. or non-U.S. limited partnerships, that generally seek to generate attractive risk-adjusted returns as a value-added stakeholder by making privately negotiated investments in

privately owned, lower middle market companies. Sageview may also selectively invest in public companies and special situations. Throughout this brochure, “clients” shall be used to refer to these private funds.

Each private fund is managed only in accordance with its own investment objectives and is not tailored to any particular private fund investor. Sageview currently manages three families of private funds referred to as “Sageview Fund I”, “Sageview Fund II”, and “Sageview Fund III” each of which invests or will invest in a long-term, concentrated portfolio consisting primarily of private investments and/or domestic and international stocks.

Sageview does not participate in any wrap fee programs.

### **Item 5 - Fees and Compensation**

Sageview and/or the general partner of the private funds have the authority to: (i) deduct management and performance-based fees from the assets of the private funds, and (ii) authorize the payment of other fees and expenses to third parties from the assets of the private funds.

#### **Management Fees**

Sageview earns a management fee from the private funds in accordance with their respective offering documents and limited partnership agreements. The private funds, and consequently the underlying investors, generally incur an annual “management fee” of 2.0% based upon the private fund’s committed capital during the investment period and thereafter based upon actively invested capital. Sageview charges management fees quarterly in advance at the beginning of each quarter and these fees are generally prorated by Sageview for any period that is less than a full quarter. In the event an advisory contract is terminated prior to the end of the quarter for which the management fee has been paid for in advance, a pro-rata portion of that management fee will be refunded to the client.

Sageview will generally offset the management fees paid by a private fund in the amount of any transaction or monitoring fees or other portfolio company fees paid to Sageview or its affiliates in connection with such private fund’s investment activities. If amounts to be applied to reduce the management fees in any period exceed the management fees payable for such period, such excess will be applied to reduce the management fees payable in the next period and each succeeding period thereafter. To the extent that such reductions have eliminated all future management fees, the remaining amounts of such reductions will generally not be refunded to the private funds.

All management fees were negotiated during the fundraising period of the applicable fund. Sageview may elect to waive all or a portion of any future management fees payable by certain funds.

#### **Performance-Based Fees**

Refer to Item 6 below for a description of the performance-based fees.

#### Directors' Fees; Transaction Fees

Investment personnel of Sageview have in the past and may, from time to time in the future, serve on the board of directors of public and private companies, including those in which the private funds invest (each a "portfolio company" and, collectively the "portfolio companies"). In addition, from time to time Sageview or its affiliates receive transaction fees, monitoring fees, break-up fees, commitment fees, investment banking fees, termination fees, directors' fees, and similar fees, payments or compensation (whether in the form of cash, options warrants, stock or otherwise) (collectively "transaction fees") in connection with a potential or existing investment. In the case of transaction fees received from portfolio companies, Sageview investment personnel will contribute any directors' fees they receive to Sageview, which will in turn offset or reduce the management fees paid by the private funds in the amount of such directors' fees as described in the limited partnership agreement of each private fund. Sageview will offset the management fees of the private funds for the amount of realized transaction fees and proceeds from any stock options or other share-based compensation received by Sageview's investment personnel in connection with serving on the boards of directors of portfolio companies.

Notwithstanding the general fee structure described above, Sageview may negotiate different fee structures with certain investors. Such negotiations and agreements are governed by separate agreements commonly referred to as "side letters". The side letter provisions, which are not found in the private funds' governing documents, entitle certain investors to different terms and conditions related to fees, reporting, liquidity, and notifications, among other terms. Sageview reserves the right, but does not have the obligation, to negotiate, reduce or waive fees, including, but not limited to, the management fee and performance-based fee (as defined below) applicable to certain investors, as well as other investor terms and conditions. Sageview has waived fees for certain investors, including but not limited to Sageview employees and Sageview senior advisors.

Detailed information regarding the management fees borne by investors of the private funds is contained in the relevant private fund's private placement memorandum (each, as amended and/or supplemented "PPM") and limited partnership agreement. Investors should not consider an investment in a private fund without fully understanding such private fund's management fee structure.

#### Private Fund Expenses

Detailed information regarding all the fees to be paid by each private fund is contained in the relevant private fund's PPM and limited partnership agreement. In addition to management fees and performance-based fees, investors will bear indirectly the costs and expenses charged to the funds. Such costs and expenses will vary but will generally include (among others): (i) costs and expenses incurred in connection with the discovery, evaluation, acquisition, monitoring, management or disposition of investments, whether or not consummated (which may be in excess of a private fund's pro rata allocation based on its expected participation in any such unconsummated investment (see Item 7 under "Co-Investors")), including, without limitation, loan

fees, private placement fees, sales commissions<sup>1</sup>, appraisal fees, taxes, brokerage fees, research fees, interest and commitment fees, transfer taxes and premiums, underwriting commissions and discounts, and legal, accounting, investment banking, advisory, consulting, information services and professional fees, travel-related costs and expenses (including transportation, meal, entertainment and lodging expenses), communications and all other expenses related to the discovery, investigation, development, making and disposition of investments, fees, costs of attending industry conferences, research (including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems used to obtain such research and other information), fees paid to operating consultants and other specialty professionals (including industry executives, subject matter experts or similar persons, including such persons providing services to portfolio companies); (ii) costs and expenses incurred in connection with the carrying or management of investments, including interest and related expenses and custodial, trustee, record keeping and other administrative fees and expenses; (iii) costs and expenses incurred in connection with the incurrence of indebtedness, including, without limitation, borrowings, dollar rolls, reverse purchase agreements, credit facilities, margin financing, total return swaps and the issuance of debt securities and the costs of establishing such indebtedness, the costs of monitoring compliance therewith, and the costs of any commitment, trustee, underwriting and legal fees and expenses; (iv) costs and expenses incurred in connection with the preparation, printing and delivery of the funds' financial statements, reports, tax returns and K-1's (or additional or similar tax-related schedules) or other reports of the funds and any meetings with investors, including, expenses incurred in connection with providing partners on-line or electronic access to information and relating to the funds and fees associated with the preparation of materials for the limited partners (including the representation of the funds and the partners by the partnership representative), responses to questions and inquiries and fulfillment of requests regarding investments, operations, and compliance of the funds; fees, costs, costs and expenses incurred in connection with General Data Protection Regulation, and fees, costs, costs and expenses incurred in connection with compliance or filings related to the reporting requirements of Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended and similar legislation in other jurisdictions; (v) fees, costs and expenses incurred in connection with transfers of interests by the partners that are not otherwise borne by the applicable transferor or transferee; (vi) fees and disbursements of attorneys and accountants relating to fund matters, including, without limitation, fees and disbursements associated with updating the funds' private placement memoranda and subscription documents; taxes and other governmental charges that may be incurred or payable by a fund; all premiums and expenses, including broker fees, associated with insurance coverage in respect of the activities of the funds, including errors, omissions, fidelity, general partner liability, directors' and officers' liability and similar coverage for any person acting on behalf of the funds; (vii) costs and expenses incurred in connection with the maintenance, operation and administration of the funds (including for purposes of maintaining the funds in good standing with respect to state and similar registrations); (viii) costs and expenses (including legal fees and expenses) incurred to

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<sup>1</sup> Please see the "Brokerage Practices" section below for further information about Sageview brokerage practices and other trading-related matters.

comply with any law or regulation related to the activities of the funds, including (A) regulatory expenses of the general partner to each of the funds or any of their respective affiliates incurred in connection with the operation of the funds, (B) expenses related to the compliance with or filings under Section 1471 and 1474 of the U.S. Internal Revenue Code of 1986, as amended, (C) the offering of limited partnership interests in the funds and any related “blue sky” filing fees and expenses and (D) incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the funds, including the amount of any judgments, settlements or fines paid in connection therewith; (ix) insurance premiums and expenses (including in respect of errors, omissions, fidelity, general partner liability, directors’ and officers’ liability and similar coverage for Sageview, the general partners of the private funds, their respective affiliates and related entities, any other persons acting on behalf of the funds and any persons acting on behalf of Sageview, the general partners of the private funds, their respective affiliates and related entities); (x) any taxes, costs and expenses or other governmental charges levied against the funds and all expenses incurred in connection with any tax audit, investigation, settlement or review of the funds or any their tax returns and K-1s; (xi) costs and expenses incurred in connection with the dissolution, winding up or termination of the funds; (xii) costs and expenses incurred in connection with computing the value of the assets of the funds (including and as applicable, fees, costs and expenses associated with advisors, independent pricing services and third party valuation consultants); (xiii) costs and expenses incurred in connection with any meeting of the partners or the advisory committee relating to the funds; (xiv) expenses related to the funds’ indemnification obligations; and (xv) administration fees payable to an administrator of the funds and related costs and expenses.

In addition to the foregoing, the fees, costs, and expenses incurred in connection with the organization of a private fund and expenses related to the sale of its interests (other than placement fees), or the negotiation of terms and conditions of investments from limited partners, will generally reduce the management fees otherwise borne investors to the extent such costs and expenses exceed a certain dollar amount. Furthermore, placement fees will generally offset such management fees on a dollar-for-dollar basis, as described in the PPM and the limited partnership agreement of each private fund.

Detailed information regarding all of the fees, costs, and expenses to be paid by each private fund is contained in the relevant fund’s PPM and limited partnership agreement. Investors should not consider an investment in a private fund without fully understanding the fund’s cost and expense structure.

#### **Item 6 - Performance-Based Fees and Side-by-Side Management**

The general partners of the private funds, which are affiliates of Sageview, charge a “performance-based fee” generally equal to 20% of the net profits attributable to each investor, ultimately dependent on the respective private fund’s limited partnership agreement. This performance-based fee is referred to as “carried interest”. The carried interest may vary in fee rate, timing, and calculation methodology for different clients. The performance-based fee may create an incentive for Sageview or the general partners of the private funds to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments,

than would be made if such performance allocation were not part of the overall compensation structure, or to favor certain investments for private funds that have a higher performance-based fee than other private funds managed by Sageview. To maintain fair and equitable treatment of all of its private funds, Sageview has implemented controls to further its efforts to treat all accounts fairly, regardless of their corresponding fee-structure. Sageview believes that the existing controls provide an environment that fosters the fair and equitable treatment of all private funds managed by Sageview. Sageview seeks to address these conflicts through careful vetting of investment opportunities by its investment professionals and disclosure of investments to limited partners through capital call notices and periodic reports. Additionally, the principals and certain investment professionals of Sageview will often invest in the private funds, both directly and indirectly (e.g., through general partner commitments), which is intended to align the interests of Sageview and those of the private funds. Sageview's performance fee is charged in compliance with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act").

Notwithstanding the general performance-based fee structure described above, Sageview may negotiate different performance-based fee structures with certain investors. Such negotiations and agreements are governed by separate agreements commonly referred to as "side letters". The side letter provisions, which are not found in the private funds' governing documents, entitle certain investors to different terms and conditions related to fees, reporting, liquidity, and notifications, among other terms. Sageview reserves the right, but does not have the obligation, to negotiate, reduce or waive fees, including, but not limited to, performance-based fees applicable to certain investors, as well as other investor terms and conditions. Sageview has waived performance-based fees for certain investors, including but not limited to Sageview employees and Sageview senior advisors.

Detailed information regarding the carried interest to be borne by the investors in each of the private funds is contained in the relevant private fund's PPM and limited partnership agreement. Investors should not consider an investment in a private fund without fully understanding the private fund's carried interest structure.

#### **Item 7 - Types of Clients**

Sageview provides investment advisory services to private funds, which are generally organized as limited partnerships under the laws of the State of Delaware or as exempted limited partnerships under the laws of the Cayman Islands. Sageview expects each private fund to qualify for exclusion from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "1940 Act") pursuant to Section 3(c)(7) thereunder, and to offer interests to investors pursuant to Regulation D or Regulation S under the Securities Act of 1933, as amended (the "Securities Act"). **This brochure is designed solely to provide information about Sageview and should not be considered to be an offer of interests in any private fund. Any such offer may be made only by delivery to the prospective investor of the PPM for the private fund under consideration. Investors considering an investment in the private funds should consult with their own investment, tax and/or legal consultants prior to investing.**

Private fund investors may include high net worth individuals and a variety of institutional investors (e.g., trusts, employee benefit plans, endowments, foundations, corporations, and other types of entities, including private funds of funds) meeting the terms of the exceptions and exemptions under which the private fund operates and wishing to invest in accordance with the private fund's investment objective. Each U.S. investor must be (i) an "accredited investor," as defined in Regulation D promulgated under Securities Act and (ii) a "qualified purchaser," as defined in Section 2(a)(51) of the 1940 Act or a "knowledgeable employee" as defined in Rule 3C-5 promulgated under the 1940 Act and must also meet other suitability requirements. Interests in offshore private funds may be purchased by tax-exempt U.S. investors that qualify as accredited investors and qualified purchasers or knowledgeable employees, or by non-U.S. persons (as defined in Regulation S of the Securities Act).

#### Co-Investors

When the general partner of a private fund deems it appropriate and consistent with the interests of such private fund, it may, but shall not be obligated to, provide the private fund's limited partners or third parties with co-investment opportunities. Decisions regarding whether and to whom to offer such co-investment opportunities are made in the sole discretion of the general partner. The general partner of such private funds may arrange for the organization of a new limited partnership or other type of entity to serve as a co-investment entity. The terms of any such co-investment are negotiated by the general partner and the potential co-investor on a case-by-case basis in their respective sole and absolute discretion, but the economic terms on which such co-investors participate in the underlying portfolio investment must be on terms substantially similar to those of the private fund. A private fund's general partner may make a nominal investment in any vehicle formed for a co-investment opportunity. Co-investors typically bear their pro rata share of various fees, costs, and expenses related to their co-investments and in some instances are required to pay their pro rata share of fees, costs and expenses related to their potential co-investments that are not consummated, such as reverse breakup fees or broken deal costs. To the extent co-investors do not agree to or do not otherwise bear fees, costs and expenses related to unconsummated co-investments, such fees, costs, and expenses will typically be borne by the private funds that would have participated in such investment had it been consummated, as determined by Sageview, in each case, in excess of the private fund's pro rata allocation based on its expected participation in any such investment.

#### Subscriptions

When accepting new investors, the private funds generally require a minimum investment of \$5 million but may accept lesser amounts at the discretion of Sageview and/or the general partner of the private funds.

#### Transfers

An investor may not pledge, assign, sell, exchange, or transfer its interest (or any portion thereof) in a private fund, and no assignee, purchaser or transferee may be admitted as a substitute investor, except with the consent of the general partner of such private fund, which consent may be given or withheld in such general partner's sole and absolute discretion.



## **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

### **Investment Strategy**

Sageview Fund I's investment strategy is to take a private equity-like approach to investing in the private and public markets. Sageview concentrates on: (i) investing in leading lower middle market private companies with large addressable markets and where Sageview believes its experience and capital can help scale the business and (ii) acquiring significant ownership stakes in publicly traded companies through open-market purchases, privately negotiated transactions, block purchases, participation in underwritten offerings, or a combination thereof. In many cases, Sageview then seeks to actively implement value-creating financial strategies and operational improvements in an attempt to generate a return substantially independent of the market.

Sageview Fund II and Sageview Fund III focus on generating attractive risk-adjusted returns as a value-added investor in leading lower middle market private companies with large addressable markets and attractive growth prospects, where Sageview believes its experience and capital can help scale the business. In many cases, Sageview then seeks to actively implement value-creating financial strategies and operational improvements in an attempt to generate a return substantially independent of the market.

The investment strategy is implemented through Sageview's Investment Committee, which is comprised of all the investment partners of Sageview. The Investment Committee generally meets weekly to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

Detailed information regarding the investment strategy of the private funds is contained in the relevant private fund's PPM and limited partnership agreement. Investors should not consider an investment in a private fund without fully understanding the private fund's investment strategy.

### **Types of Investments**

The private funds invest primarily in equity and equity-linked securities of portfolio companies. From time to time the private funds also invest in corporate debt securities including corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. In addition, the private funds may utilize financial instruments such as forward contracts, options, and swaps for investment purposes and to seek to hedge against fluctuations in the value of the private funds' portfolios as a result of changes in currency exchange rates, market interest rates and equity prices. Finally, the private funds generally may not invest more than 20% of their assets or commitments, as of the date of the investment, in the securities of any one issuer.

Specifically with respect to Sageview Fund I, each portfolio investment will be held in a separate sub-account on behalf of the private fund and each investor participating therein and capital allocated to each portfolio investment generally may not be withdrawn by an investor until the investment is liquidated or deemed liquidated by Sageview. Only those investors of Sageview Fund

I who are admitted on a date a portfolio investment is made participate in the profits and losses associated with the portfolio investment.

In certain instances, as mentioned in the governing documents of the private funds, the private funds have and in the future may co-invest with third parties through partnerships, joint ventures or other entities. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner could at any time have economic or business interests or goals that are inconsistent with those of the private funds, or could be positioned to take action contrary to the investment objectives of the private funds. In addition, the private funds could in certain circumstances be liable for actions of its third-party co-venturer or partner.

Finally, in its discretion, Sageview and/or the general partner of a private fund permit or require certain investors to be excluded from making or holding specific investments. As such, only the non-excluded investors will participate in such investments.

#### Sources of Information

Although Sageview utilizes information, reports, and data from various external sources, including consulting arrangements with independent analysts and meetings with the management of current and prospective portfolio companies, its investment decision-making with respect to the accounts it manages is based primarily upon its internal research and analytical capabilities, including the research and analytical experience and expertise of its investment staff.

#### Material Risks

Acquiring an interest in a private fund involves a number of significant risks, including, but not limited to, those discussed below. An investment in a private fund is a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and can bear the risk of an investment in the private funds. No guarantee or representation is made that the private funds will achieve the investment objective or that investors will receive a return of their capital. Prospective investors should consult their own legal, tax and financial advisors as to all these risks and as to an investment in a private fund generally.

**Reliance on the General Partner and Sageview** – Sageview and the applicable general partner will be responsible for the overall management of each private fund. The quality of the decisions of the general partner and Sageview will determine the private funds' success or failure. Investors will not have an opportunity to select or evaluate any investment, or to review the related securities positions at any time.

**Dependence on Key Individuals** – The success of the private funds depends upon the ability of Sageview investment staff to continue to develop and implement investment strategies that achieve the private funds' investment objectives. If Sageview were to lose the services of certain key investment staff, the consequence to the private funds could be material and adverse and could lead to the premature termination of the private funds.

**Risks of Particular Investments** – Investments by the private funds will be subject to all of the risks attendant to any investment in equity securities. In addition to the factors discussed in each private fund’s PPM, investments may decline in value for any number of reasons over which the private funds have no control, including changes in the overall market for equity securities and factors pertaining to particular portfolio securities, such as management, the market for the issuer’s products or services, sources of supply, scientific or technological changes within the issuer’s industry, the availability of additional capital, and labor and other similar conditions.

**Inside Information** – From time to time, the members or employees of Sageview have and in the future may come into possession of material, non-public information concerning an entity in which the private funds have invested or propose to invest. This is particularly relevant to Sageview because often its employees serve as directors of the private funds’ portfolio companies. Applicable law could limit the ability of the private funds to buy or sell securities of such entity while such information remains non-public and material. The resulting illiquidity could result in delays and additional costs and transactions may be possible only at substantial discounts or not at all.

**Risk of Realization of Investments and Limited Liquidity of Some Portfolio Securities** – There is a significant risk that the private funds will be unable to realize their investment objectives by the sale or other disposition of portfolio companies at attractive prices or that they will otherwise be unable to complete any exit strategy from portfolio companies. Some portfolio securities are thinly traded and relatively illiquid, even if they are publicly traded, and a significant portion of the private funds’ portfolio could be securities that are not publicly traded at all. The private funds often own a relatively large percentage of an issuer’s equity securities and/or in certain situations Sageview and/or Sageview employees serve on the issuer’s board of directors. Therefore, the private funds, and/or Sageview could be deemed to be “affiliates” or “control” persons with respect to certain portfolio companies. The private funds also invest in securities and other financial instruments or obligations for which no market exists and/or which are restricted as to their transferability under federal or state securities laws. Therefore, significant legal or practical limitations could inhibit the private funds’ ability to liquidate certain of their investments, which could adversely affect their gain or loss on the investment. The sale of any such investments may be subject to delays and additional costs and may be possible only at substantial discounts.

**Concentration of Investments** – Each private fund’s investment portfolio could be confined to the securities of relatively few issuers. The private funds are permitted to invest (indirectly, through the applicable fund or master/feeder) up to 20% of an investor’s available capital account balance (measured as of the date the investment is made) or 20% of an investor’s committed capital, as applicable, and as further described in the relevant private fund’s PPM, in any single issuer or security. As a result of these factors, each private fund’s portfolio could be heavily concentrated, which will increase the risk of an investment in a private fund by increasing the relative impact that each portfolio investment will have on the overall performance of the private fund. As a result of this lack of diversification, a significant loss in any single issuer, or a material economic, regulatory

or other change affecting a particular industry, could have a material adverse effect on the performance of a private fund.

**Expedited Transactions** – Investment analyses and decisions by Sageview will often be undertaken on an expedited basis in order for the private funds to take advantage of investment opportunities. In such cases, the information available to Sageview at the time of an investment decision could be limited, and Sageview may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, Sageview may rely upon independent consultants in connection with its evaluation of proposed investments. There can be no assurance that these consultants will accurately evaluate such investments.

**Middle Market Companies** – From time to time portfolio companies will consist of investments in middle market companies. Although investments in middle market companies could present greater opportunities for growth, such investments could also entail larger risks than are customarily associated with investments in larger companies. Among these risks are: limited product lines, markets, and financial and other resources, dependence on additional financing, a more limited marketplace for the sale of interests, and relative illiquidity.

**Investments in Early-Stage Companies** – From time to time Sageview invests a portion of its assets in the securities of less established companies, such as start-ups, early stage companies, or new business enterprises, including, without limitation, early stage technology companies. Such companies often have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Investments in such early stage companies and/or new businesses will involve substantially greater risks than those generally associated with investments in more established companies and there could be no partners to share the risk of loss. These risks are generally heightened in investments in early stage companies, in particular, as such companies are often highly dependent on the success of a small number of products that may not be fully developed and could be susceptible to rapid and significant changes in technology.

**Investments in Financial Services Companies** – Financial services companies have asset and liability structures that are essentially monetary in nature and are directly affected by many factors, including domestic and international economic and political conditions, broad trends in business and finance, legislation and regulation affecting the national and international business and financial communities, monetary and fiscal policies, interest rates, inflation, currency values, market conditions, the availability and cost of short-term or long-term funding and capital, the credit capacity or perceived creditworthiness of customers and counterparties, and the level and volatility of trading markets. Such factors can impact customers and counterparties of financial services companies and could impact the value of financial instruments held by financial services companies. Fluctuations in interest rates, which affect the value of assets and the cost of funding liabilities, are not predictable or controllable, can vary from country to country and could impact economic activity in various regions.

The profitability of the financial services industry could be adversely affected by a worsening of general economic conditions in domestic and international markets and by monetary, fiscal or other policies that are adopted by various governmental authorities and international bodies. Monetary policies have had, and will continue to have, significant effects on the operations and results of financial services companies.

There can be no assurance that a particular financial services company will not experience a material adverse effect on its net interest income in a changing interest rate environment. Factors such as the liquidity of the global financial markets, the level and volatility of prices of financial instruments, investor sentiment, and the availability and cost of credit could significantly affect the activity levels of customers with respect to size, number and timing of transactions. A change in all or any of these factors could lead to a decline in the volume of transactions that financial services companies execute for their customers and thus lead to a decline in revenues from fees, commissions, and spreads.

The financial services industry is extremely competitive, and it is expected that competitive conditions in the industry will continue to intensify. Merger activity in the financial services industry has resulted in, and could continue to result in, larger institutions with greater financial and other resources that are capable of offering a wider array of financial products and services. The financial services industry has become considerably more concentrated as numerous financial institutions have been acquired by or merged into other institutions. Technological advances and the growth of e-commerce have made it possible for nonfinancial institutions to offer products and services that have been traditionally offered by financial services institutions. It is expected that cross-industry competition will continue to intensify.

The financial services industry is highly dependent on communications and information systems and is exposed to many types of operational risk, including the risk of fraud by employees or other parties, record keeping error, errors resulting from faulty computer or telecommunication systems, computer failures, and damage to computer and telecommunication systems caused by internal or external events. Financial services companies operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. Failure to comply with any of these laws, rules or regulations, some of which are subject to interpretation and could be subject to change, could result in a variety of adverse consequences, including civil penalties, fines, suspension or expulsion, and termination of deposit insurance, which could have material adverse effects. In order to comply with banking laws, rules and regulations, a private fund could be required to invest in a manner that is not as advantageous as the manner of making investments that are not subject to such laws, rules and regulations.

**Investments in FinTech** – Sageview private funds may invest in specialty finance, real estate, and related financial technology (“FinTech”) companies. Such companies may have limited product lines, markets, financial resources or personnel. The FinTech industry is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products,

services and/or improvements in existing products. Additionally, many FinTech activities in OECD Jurisdictions are regulated with varying levels of requirements that often are subject to inconsistent judicial interpretations. These requirements include consumer protections (such as disclosure requirements and usury), licensing (such as non-bank lending and debt collection) and supervision (in particular banking and insurance). While the Dodd-Frank Act clarified certain pre-emption issues, there often is a tension between these state regulatory regimes and federal regulation. Potential Sageview portfolio companies in this industry will compete in this volatile environment. There is no assurance that products or services sold by these portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that these portfolio companies will not be adversely affected by other challenges, including the changing regulatory environment. Instability, fluctuations or an overall decline within the technology industry may not be offset by increases in other industries not so affected. FinTech-oriented companies are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

**Investments in Late-Stage Tech Venture Companies** - Sageview private funds may invest in private, later-stage technology companies. These companies typically have modest revenues and may or may not be profitable. They may require additional capital, at high valuations, to develop technologies and markets, acquire customers and achieve or maintain a competitive position. This capital may not be available at all, or on acceptable terms.

Further, the technologies and markets of such companies may not develop as anticipated, even after substantial expenditures of capital. Such companies may face intense competition, including competition from established companies with much greater financial and technical resources, more extensive development, manufacturing, marketing and service capabilities, and a greater number of qualified managerial and technical personnel. Although Sageview may be represented by a member of the general partner of a private fund on the board of directors of a late-stage company in which a private fund invests, such company will be managed by its own officers (who generally will not be affiliated with Sageview or the general partner). Portfolio companies may have substantial variations in operating results from period to period an experience failures or substantial declines in value at any stage.

**Midsized & Regional Banking Risk** – As a result of increasing interest rates, reserves held by banks and other financial institutions in bonds and other debt securities could face a significant decline in value relative to deposits and liabilities which, coupled with general economic headwinds resulting from a changing interest rate environment, creates liquidity pressures at such institutions. This pressure may be greater for midsized or regional banks that have less diversified customer bases or whose customer bases are concentrated in certain industries. Because of the nature of the portfolio companies of the private funds, there is a risk that they will have exposure to midsized or regional banks that face liquidity pressure. As a result of this environment, certain sectors of the credit markets could experience significant declines in liquidity, and it is possible that the private funds will not be able to manage this risk effectively.

**Non-Control Investments** – The private funds may purchase or hold a non-controlling interest in certain portfolio companies and, therefore, will have a limited ability to protect its position in such portfolio companies. Further, the private funds may have no right to appoint a director and a limited ability to protect its interests in such companies and to influence such companies' management. In such cases, the private funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the private funds are not affiliated and whose interests may conflict with the interests of Sageview's private funds. Although the Sageview private funds may not have control over these investments and, therefore, may have a limited ability to protect its position therein, the Sageview private funds generally expect that appropriate minority investor rights will be obtained to protect its interests to the extent possible. There can be no assurance that such minority investor rights will be available, however, or that such rights will provide sufficient protection of the private funds' interests.

**Control Position Risk** – From time to time the private funds make investments to acquire control or exercise influence over management and the strategic direction of a portfolio investment. The exercise of control over a company imposes additional risks of liability for a wide range of potential liabilities, including, without limitation, environmental damage, regulatory investigations, product defects, pension liabilities, and failure to supervise management. The exercise of control over a portfolio investment could expose the assets of the private funds to claims by the portfolio companies underlying such investment, their security holders, and their creditors. The possibility of successful claims, either directly against the private funds or resulting from indemnification obligations, and loss of capital cannot be precluded. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company and, in certain cases, the private funds themselves. Additionally, the private funds will generally indemnify their respective general partner and Sageview from such claims and, as a result, will be indirectly exposed to any such liability incurred by such general partner and Sageview.

**Private Portfolio Investments** – With respect to investments by certain private funds in certain portfolio investments, valuation and/or liquidation of such investments may not be possible at the time an investor seeks to withdraw any portion of its capital accounts invested in a portfolio investment. Withdrawals from private funds with respect to such portfolio investments cannot be made until the investments can be liquidated or until the applicable general partner decides that a portfolio investment is no longer a portfolio investment. Therefore, investors are generally not able to readily liquidate their entire capital accounts with respect to the private funds for a significant period of time.

**Third Party Involvement** – The private funds have, and in the future may, co-invest with third parties through partnerships, joint ventures, or other entities. Such investments involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner could at any time have economic or business interests or goals that are inconsistent with those of the private funds, or could be in a position to take action contrary to the

investment objectives of the private funds. In addition, the private funds could in certain circumstances be liable for actions of their third-party co-venturer or partner.

**Investment Expenses; Broken Deal Expenses** – The investments of the private funds will require extensive due diligence, legal, and other costs prior to their consummation and could be subject to broken deal expenses if they are not consummated. The private funds will pay any fees, costs, and expenses incurred in developing, investigating, negotiating, or structuring any investment opportunities it pursues, whether or not such investments are ultimately consummated. Additionally, a private fund could enter into agreements that involve payments, such as reverse break-up fees, by such private fund if it does not consummate the transaction. These expenses can be significant and could be material to a private fund. A private fund could incur, either directly or pursuant to its obligation to reimburse Sageview for any such expenses advanced by it, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses.

**Economic Conditions and Recent Events** – Changes in economic conditions – including, for example, interest rates, availability of credit, inflation rates, industry conditions, changes in market liquidity, competition, technological developments, political and diplomatic events and trends, tax laws and innumerable other factors – could adversely affect the value of the private funds’ investments and the business and prospects of the private funds. While Sageview has maintained its investment strategy through highly adverse conditions, there can be no assurance that Sageview will be able to maintain its investment strategy during future periods of severe economic stress. The current global economic environment may continue to contribute to market volatility and could have long term effects on the U.S. and international financial markets. Various sectors of the global financial markets have also been experiencing an extended period of adverse conditions. These conditions have resulted in reduced liquidity, greater volatility, general widening of credit spreads, and a lack of price transparency. The short- and longer-term impact of these events is uncertain but could have a material effect on general economic conditions, consumer and business confidence and market liquidity. In the event of a prolonged market downturn, the private funds could be affected in many ways, including by reducing the value of performance of the investments that Sageview manages or by reducing the ability of the private funds to raise or deploy capital, each of which could negatively impact the private funds’ net income and cash flow and adversely affect the private funds’ financial condition. Investments made by the private funds are expected to be sensitive to the performance of the overall economy. A negative impact on economic fundamentals and consumer and business confidence would likely increase market volatility which could have a material adverse effect on the performance of the private funds and these or similar events may affect the ability to execute the investment strategies of the private funds. Sageview cannot predict how long these events will continue and cannot predict the effects of these or similar events in the future on the private funds or the global economy and securities markets.

**Market Disruptions** – The private funds could incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships (on which Sageview bases a number of its investment positions) become materially distorted. The risk of loss from pricing



distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for the private funds, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. The financing available to the private funds from their banks, dealers, and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the private funds.

**Investment and Trading Risks** – The private funds will invest substantially all available capital in securities, especially in equity securities. Equity markets in general are subject to fluctuations, and fluctuations are often greater within certain sectors (technology, for example). Furthermore, fluctuations tend to be greater for securities that have limited liquidity, and a relatively low per-share price. No assurance can be given that the investment portfolio will generate any income or appreciate in value or avoid substantial losses. To a limited extent, the private funds' investment programs may utilize such investment techniques as margin transactions, short sales, leverage, and options on securities, which practices can, in certain circumstances, significantly increase the risks to which the private funds may be subject.

**Leveraged Investments** – The private funds occasionally invest in companies that have a significant amount of indebtedness. In addition, certain investments incur significant indebtedness in connection with various corporate transactions, such as acquisitions, self-tender offers, recapitalizations, and others. A highly leveraged company is generally more sensitive to downturns in its business and to changes in prevailing economic conditions than is a company with a lower level of debt. In addition, companies with a significant level of debt could be limited in their ability to fund expenditures and to react to changes in their businesses and industries and could be restricted in their ability to borrow additional funds.

**Potential Exposure of Assets** – Assets of a private fund could be deposited as margin or pledged as collateral with brokers. Such assets need not be segregated and could become available to the creditors of such brokers in the event of the insolvency of such brokers. Securities pledged by a private fund as collateral with a prime broker could be available to the creditors of such prime broker in the event of such prime broker's insolvency. In certain circumstances, a prime broker could also have the discretion to liquidate a private fund's assets held by such prime broker.

**Foreign Securities** – From time to time the private funds invest in foreign securities. Investments in securities of non-U.S. issuers (including foreign governments) and securities denominated or whose prices are quoted in non-U.S. currencies pose currency exchange risks (including blockage, devaluation, and non-exchangeability) as well as a range of other potential risks which could include, depending upon the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, from time to time less information is available regarding securities of non-U.S. issuers, and non-U.S. companies may not be subject to accounting, auditing, and financial reporting standards and requirements

comparable to or as uniform as those of U.S. companies. Transaction costs of investing in non-U.S. securities markets are generally higher than in the United States.

**Corporate Debt Securities** – From time to time the private funds invest in corporate debt securities. Corporate debt securities include corporate bonds, debentures, notes, and other similar corporate debt instruments, including convertible securities. The investment return on a corporate debt security reflects interest earnings and changes in the market value of the security. The market value of a corporate debt security will generally increase when interest rates decline and decrease when interest rates rise. There is also the risk that the issuer of a debt security will be unable to pay interest or principal at the time called for by the instrument.

**Hedging Transactions** – The private funds may hedge some or all of its portfolio exposure to certain risks, such as currency exchange rate fluctuations or commodity prices. While the transactions implementing such hedging strategies may reduce certain risks, such transactions themselves may entail certain other risks, such as the risk that counterparties to such transactions may default on their obligations and the risk that the prices and/or cash flows being hedged behave differently than expected. Hedging against a decline in currency exchange rates or commodity prices does not eliminate fluctuations in the values of related portfolio positions or prevent declines in the values of such positions. Such hedging transactions also limit the opportunity for gain if relevant currency exchange rates or commodity prices should increase. In the event of an imperfect correlation between hedging transactions and related portfolio positions, the private funds may be exposed to very significant risk of loss (including total loss), particularly with respect to uncapped hedges. In addition, it is not possible to hedge fully or perfectly against all foreign exchange risk or commodity price risk, and hedging entails its own costs. Thus, while the private funds and/or a portfolio company may benefit from the use of these hedging strategies, unanticipated changes in interest rates or currency exchange rates or other events related to hedging activities may result in a poorer overall performance for the private funds and/or its portfolio companies than if it or its portfolio companies had not implemented such hedging strategies. The general partner may determine in its sole discretion not to hedge against certain foreign exchange risks or commodity price risks or other risks.

**Debt Investments in Portfolio Companies** – From time to time the private funds make investments in debt instruments or convertible debt securities in connection with investments in equity or equity-related securities. Such debt could be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness. Moreover, such debt investments may not be protected by financial covenants or limitations upon additional indebtedness and there is no minimum credit rating for such debt investments. Various factors could materially and adversely affect the market price and yield of such debt investments, including, without limitation, investor demand, changes in the financial condition of the applicable issuer, government fiscal policy, and domestic or worldwide economic conditions.

**Equity Investments Risk** – A substantial portion of investments could be in equity or equity-related investments (including, without limitation, equity investments in private companies), which by their

nature involve a high degree of business, financial, market and/or legal risks that can result in partial or total losses. There can be no assurance that Sageview will correctly evaluate the nature and magnitude of the various factors that could affect the return on investments.

**Public Health Emergencies** – Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the private funds and their investments and could adversely affect the private funds’ ability to fulfill their investment objectives. No previous success by Sageview or its affiliates is any guarantee of the private funds’ success in respect of investing and managing investments during or after any public health emergencies.

The occurrence of a pandemic or other extreme event may result in (and, in the case of COVID-19, has already resulted in) the closure of offices, the implementation of global or regional work-from-home policies, and/or travel disruptions or restrictions. Any such actions may increase Sageview’s and its affiliates’ and service providers’ dependency on technology systems, result in the rapid deployment of new and potentially less familiar technology or operations systems or lead to the utilization of existing systems in a significantly increased scope or unanticipated manner. If a significant number of the personnel of the private funds, Sageview, the general partners of the private funds or any of their respective affiliates were to be unavailable in the event of a disaster or other event, Sageview’s ability to effectively conduct the private funds’ business could be severely compromised. All of the above could increase the risk of cybersecurity or business continuity related losses, all of which could have a material effect on the private funds.

**Difficulty of Locating Suitable Investments** – The activity of identifying, completing, and realizing an attractive investment opportunity is highly difficult and involves a high degree of uncertainty. Accordingly, there can be no assurance that Sageview will be able to identify a sufficient number of suitable investment opportunities.

**Climate Change** – The private funds could, directly or indirectly, acquire investments that are located in areas that are susceptible to the effects of climate change. For example, any portfolio companies located in coastal regions could 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 could be significant physical effects of climate change that have the potential to have a material effect on the business and operations of the private funds. Physical impacts of climate change could include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise and extreme temperatures and wildfires. As a result of these physical impacts from climate-related events, the private funds could be vulnerable to the following: risks of property damage to the private fund’s investments; indirect financial and operational impacts from disruptions to the operations of the private fund’s 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 the products and services of

the investments, increase in energy cost impacting operational returns, changes in the availability or quality of water or other natural resources on which the business depends, decreased consumer demand for consumer products or services resulting from physical changes associated with climate change; incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment and economic disruptions arising from the foregoing.

**Competition for Investment Opportunities** – The private funds will compete for the acquisition of investments with many other funds in the marketplace, some of which will have greater resources. Some of these competitors have more relevant experience, greater financial, technical, marketing, and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital, synergistic cost savings, a need to invest expiring capital commitments, and access to funding sources unavailable to the private funds. Increased competition for appropriate investment opportunities could reduce the number of opportunities available to the private funds and adversely affect the terms, including, without limitation, pricing, upon which portfolio investments can be made. Such competition could be particularly acute with respect to participation in auction proceedings.

**Co-Investments** – See under “Co-Investors” above.

**Limited Partners as Service Providers** – In some cases, investors could directly or indirectly (through an affiliate) provide financing, insurance, advisory or other services to Sageview or a private fund or one or more of the private fund’s portfolio companies. To the extent Sageview, any such private fund or any such portfolio company is seeking a provider of such services, they may be incentivized to procure such services from an investor (or one of its affiliates) on a basis other than best execution, best price or other similar basis. Such investors could also be aligned with Sageview, a private fund or one or more portfolio companies in manner that could give rise to conflicts of interest to the extent such investors are represented on the advisory committee of the applicable private fund. Prospective investors should expect that certain investors have such enhanced relationships with Sageview, a private fund or one or more of its portfolio companies and that such relationships give rise to conflicts of interest for both Sageview and such investors.

**Agreements with Certain Investors** – Certain investors in the private funds have been granted and in the future additional investors may be granted one or more of the following rights with respect to their investments: (i) a reduced management fee and/or performance-based compensation and/or operating expense; (ii) the right to receive improved fees, liquidity, information rights and other terms received by other investors; (iii) the right to receive certain additional information with respect to certain funds, including position-level portfolio information or events related to Sageview; (iv) the right to reserved capacity for a certain fund; (v) notification to the investor with respect to the investor’s ownership percentage of a certain fund; (vi) limitation on the investor’s ownership percentage of a certain fund below certain thresholds; (vii) notification to the investor with respect to the ownership by benefit plan investors of a certain fund’s equity classes; (viii) certain limitations on an investor’s confidentiality obligations under a certain fund’s organizational

documents pursuant to laws or regulations to which the investor is subject (such as the public information or “sunshine” laws); and (ix) an acknowledgement that such investor is entitled to sovereign status under U.S. federal, state or non-U.S. law.

In addition to the above, certain investors in the private funds have been granted and in the future additional investors may be granted one or more additional rights with respect to their investments, including, but not limited to: (i) the right to opt out of the requirement to fund capital calls or otherwise be excused from participating in certain investments due to regulatory, tax or public policy or the investor’s internal considerations; (ii) the right to designate one or more members of an investor advisory or oversight committee; (iii) rights with respect to distributions in kind; (iv) rights with respect to transfers of interests; (v) the right to receive information regarding the investment and/or disposition strategy of the relevant private fund; (vi) an acknowledgement that such investors are interested in learning about potential co-investment opportunities; (vii) the right to provide selected confidential information to certain other recipients; (viii) the right to modifications to an investor’s subscription agreement; (ix) arrangements with respect to waivers of certain obligations; and (x) agreements by a general partner (or similar governing body) to refrain from exercising certain remedies or taking certain actions against an investor (including in connection with a default by such investor).

Such rights can be, and have been, granted on the basis of: (i) the size, nature, timing or other features of the investor’s investment in, or commitment made to, a private fund; (ii) the type, category, nature, specificity or other features of the investor; (iii) the involvement or participation in private funds, the Adviser’s or the applicable general partner’s management or activities (whether past, present and/or future; in each case only to the extent permitted under applicable laws); or (iv) any other criteria, element or feature as may be determined from time to time by, and in the discretion of, the Adviser or the applicable general partner, to extent that such is not inconsistent with applicable laws and regulations.

Certain investors will be granted “most favored nation” rights (an “MFN”) pursuant to the respective private fund’s limited partnership agreement and/or in their side letter, which will give such investors the right to review and/or elect the benefit of certain side letter rights granted to other investors that have made the same or smaller commitments to the private fund. However, certain provisions will not be subject to disclosure or election, in all cases in accordance with the terms of the MFN. Sageview will make certain decisions regarding how to implement the MFN, including what information to redact when side letters are shared, whether an investment policy or practice is unique to a limited partner (and therefore not disclosable or electable) and whether certain affiliated, related or commonly advised investor commitments should be aggregated for purposes of the MFN. Further, the terms agreed with certain investors, including investors that are affiliated with or managed by Sageview, will be carved out in accordance with the terms of the MFN.

Certain investors may engage investment consultants to evaluate a potential investment by such investors in a private fund and/or monitor such investment on an ongoing basis. Such private fund could have an incentive to agree to provide additional information to such investment consultants,

offer fee breaks to clients advised by such investment consultant (including by aggregating such investors for purposes of the MFN) or provide other benefits because such investment consultants may refer additional investors to the private funds.

**Purchase or Transfer of LP Interests** – Purchase of limited partnership interests in any private fund should be considered a long-term investment. Subject to the terms set forth in each private fund’s governing documents, limited partners generally may not sell, redeem or transfer their interests in a private fund without the consent of the general partner of the private fund. Each private fund is not obligated to, nor does it intend to, register the interests or create any form of secondary market in order to permit the resale or transfer thereof by limited partners. Because of these restrictions and the absence of a secondary market for the interests, limited partners may be unable to liquidate their investments even though financial circumstances would make liquidation advisable or desirable. In certain circumstances, such as when restricting the sale or transfer of interests would result in a risk of default by a limited partner, the general partner may approve of a purchase or transfer of a particular limited partner’s interests in a private fund to another limited partner, Sageview, the general partner and/or one or more of the general partner’s affiliates, as determined in Sageview or general partner’s discretion. Such transfers, including where the identification of potential transferees is dependent on Sageview or general partner, may pose conflicts of interest due to the asymmetrical information that exists between Sageview, the general partner and the transferring limited partner with respect to the valuation of the relevant private fund’s interests and the potential that the transferee may obtain the transferring limited partner’s interests for less than fair value.

To the extent that the general partner or Sageview has discretion over approving a transfer of interests in a private fund or is asked to identify potential purchasers in a transfer, the general partner or Sageview will do so in its discretion, and is permitted to take into account a variety of factors, including but not limited to its own interests including: the financial resources of the potential purchaser, including its ability to meet capital commitment obligations; past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future private funds and/or Sageview and the expected amount of negotiations required in connection with a potential purchaser’s investment; whether the potential purchaser would subject Sageview, the applicable private fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens; requirements in such private fund’s organizational documents; a potential purchaser’s investment into another private fund (including any commitment to a future fund or a co-investment); and such other facts as it deems appropriate under the circumstances in exercising such discretion.

**Valuation** – Sageview is responsible for valuing the assets of certain private funds. Such valuation will affect reported private fund management and performance-based fees received by Sageview, as well as reported performance metrics such as rates of return and multiples on invested capital, which calculations depend on the valuation of private funds assets. Although Sageview will be performing its valuation of private fund assets pursuant to its Valuation Policy, which generally involves current market price information, there will be investments as to which current or reliable

market price information is unavailable, in which event Sageview has discretion in determining the appropriate means of valuation. For investments for which current or reliable market price information is unavailable, valuation involves uncertainties and judgmental determinations and are subject to the risk that the information utilized to value assets or to create price models is incomplete, inaccurate or subject to other error. Private investments may be valued using information provided on a lagged basis, including investments made through special purpose vehicles or in a private fund. There can be no assurance that the value assigned to an investment at a certain time will equal the value that such private funds are ultimately able to realize, or that would be realized upon an immediate disposition of the investment. In the event of a cross trade, the price paid by the applicable private fund in connection with such trade will be based on the fair value of the applicable securities or obligations as determined by Sageview in accordance with its then-current policies and procedures.

**Borrowing; Subscription Credit Facilities** – The flexibility to borrow money varies among the private funds. Certain of the private funds borrow money to pay expenses of the private funds (including, without limitation, management fees) or to provide interim or long-term financing to facilitate the consummation or furtherance of the private funds’ investments prior to or in lieu of the private funds’ receipt of capital contributions or co-investment funds becoming available, in each case, as permitted by the private funds’ constituent documents. The inability of the private funds to repay borrowings under a credit facility secured by the capital commitments of its limited partners could enable a lender to call unfunded commitments from the limited partners and, if the limited partners’ unfunded commitments are insufficient to repay such borrowings, limited partners could be required to return amounts previously distributed to them to fund such borrowings, subject to certain limitations set forth in the private funds’ constituent documents. Borrowing is expected to represent a significant portion of capital commitments. As a result of borrowings (or for other reasons), the due date in the funding notice to the limited partners for the payment of the management fees may be on a date later than the management fee payment date for the applicable period, at which time one or more portfolio investments for which the management fee will be payable may have already been disposed of, written off and/or written down.

While a private fund is subject to certain limits on borrowings as set forth in its governing agreement, portfolio companies, holding companies and/or special purpose entities formed by such private fund to hold investments (i.e., asset level vehicles) may engage in borrowings and incur leverage, which may not count towards any caps on borrowings and guarantees on such private fund, as contained in such private fund’s governing agreement, as such borrowings do not have recourse to such private fund and do not reduce unpaid capital commitments of its investors. This may be the case even if such borrowings or leverage by entities owned by such private fund engage in joint borrowings and/or are cross-collateralized with or among other such entities, such that multiple investments are pledged to and at risk with respect to a borrowing in connection with a single investment (even if the amounts involved are greater than the single investment diversification limit set forth in such private fund’s governing agreement).

Investors should note that a private fund's general partner (or other similar managing fiduciary) may have the right to borrow for the purpose of funding distributions to limited partners. To the extent a general partner elects to do so in order to accelerate a distribution that is expected to be made to the limited partners in connection with a legally binding agreement or the declaration of a dividend or similar distribution by a portfolio company (directly or indirectly), the proceeds from such borrowing will be split between the limited partners and such general partner on the same basis as the proceeds would be distributed upon consummation of the transaction contemplated by the applicable binding agreement (or dividend announcement). Accordingly, the general partner has an incentive to cause the private fund to borrow for this purpose in order to accelerate its receipt of carried interest. To the extent an applicable transaction is not consummated, or dividend not made (or, in either case, materially delayed) the private fund may be required to call capital or dispose of other assets to repay the applicable borrowing and the general partner may be required to make a clawback payment to applicable limited partners. The general partner of a private fund may also enter into one or more margin loans, including to effect a distribution to such private fund's partners, which are not subject to the restrictions on borrowings for distributions, or borrowings generally, in the governing agreement of such private fund.

Where a private fund uses borrowings under a subscription line and/or net asset value facility in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such facility will typically result in a higher or, at times, lower reported internal rate of return ("IRR") than if the facility had not been utilized and instead capital contributions from investors had been contributed at the inception of an investment. This presents conflicts of interest, including with respect to Sageview's marketing efforts, as Sageview will have various incentives to use the facility if doing so could result in a higher reported IRR. For example, the interest rate on any borrowings is likely to be less than the rate of the preferred return due to the investors under the applicable governing documents. Because the preferred return of private funds typically does not accrue on such borrowings, but rather only accrues on capital contributions when made, the use of such subscription line facilities could reduce or eliminate the preferred return received by the investors and accelerate or increase distributions of performance-based allocations to the relevant general partner. As a result, Sageview will have an economic incentive to fund investments through such facilities in lieu of capital contributions in certain cases. Moreover, the fees, costs, and expenses of any such facilities will generally be considered an expense of the private fund, which will increase the expenses borne by the applicable limited partners and will reduce net cash on cash returns. Depending on the circumstances, such fees, costs and expenses may be capitalized into the cost of the transaction. For investments in certain U.S. corporations by U.S. tax-exempt limited partners, there may be incremental tax costs related to "unrelated business taxable income" that would not have applied in the absence of leverage.

**Regulatory Developments Relating to Investment Advisers and Private Funds** – Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect Sageview and its clients, particularly those clients that are private funds. In particular, the regulatory environment relevant to private investment funds is evolving. This evolution may entail increased regulatory involvement in Sageview's business or result in ambiguity or conflict among legal or regulatory schemes



applicable to Sageview's business, all of which could adversely affect the investment strategies pursued or the value of investments held by a private fund.

In 2023 and early 2024, the SEC voted to adopt several new rules and amendments that can be expected to affect Sageview's business and the private funds.

#### Recently Adopted Rules

*Private Fund Adviser Rules.* In August 2023, the SEC voted to adopt new rules and amendments to existing rules under the Advisers Act (collectively, the "Private Fund Adviser Rules") specifically related to investment advisers and their activities with respect to private funds. The various Private Fund Adviser Rules have compliance dates of either September 14, 2024 or March 14, 2025.

The Private Fund Adviser Rules, among other things: (i) require quarterly reporting by registered private fund advisers to investors concerning performance, compensation, fees and expenses; (ii) require registered advisers to obtain an annual audit for private funds they advise; (iii) require registered advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); (iv) prohibit advisers from charging certain fees and expenses to private fund clients without disclosure and in some cases investor consent; (v) prohibit advisers from reducing an adviser clawback by the amount of certain taxes, unless disclosed; (vi) prohibit an adviser from borrowing or receiving an extension of credit from a private fund client without disclosure and investor consent; and (vii) impose limitations on and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with an adviser. Several trade groups representing private fund managers have filed a legal challenge to the Private Fund Adviser Rules.

The Private Fund Adviser Rules are likely to have a significant effect on Sageview, the private funds and their operations, including: (i) increasing compliance burdens and associated regulatory costs; (ii) increasing the risk of regulatory action, including public regulatory sanctions; and (iii) creating additional regulatory uncertainty. The Private Fund Adviser Rules may result in material alterations to how Sageview operates its business and/or the private funds, as well as Sageview's implementation of the investment strategy of the private funds, and there can be no assurance that such alterations will not have a material adverse effect on Sageview, the private funds and/or their portfolio companies.

*Beneficial Ownership Reporting Rule Amendments.* In October 2023, the SEC adopted rule amendments governing beneficial ownership reporting under Sections 13(d) and 13(g) of the Exchange Act. Exchange Act Sections 13(d) and 13(g), along with Regulation 13D-G, require an investor who beneficially owns more than 5% of a covered class of equity securities to publicly file either a Schedule 13D or a Schedule 13G, as applicable. The amendments update Regulation 13D-G to require market participants to provide more timely information on their positions. Among other things, the amendments (i) shorten the deadline for initial Schedule 13D filings and amendments; (ii) generally accelerate the filing deadlines for Schedule 13G beneficial ownership reports; (iii) clarify the Schedule 13D disclosure requirements with respect to derivative securities; and (iv)

require that Schedule 13D and 13G filings be made using a structured, machine-readable data language. Compliance with the revised Schedule 13G filing deadlines will be required beginning on September 30, 2024. Compliance with the structured data requirement for Schedules 13D and 13G will be required on December 18, 2024.

*Form PF Amendments.* In May 2023, the SEC adopted substantial amendments to Form PF. Among other requirements, the amended Form PF: (i) imposes quarterly event reporting requirements on all private equity fund advisers regarding certain triggering events including the removal of a general partner, certain fund termination events and the occurrence of an adviser-led secondary transaction; and (ii) creates additional annual reporting requirements for “large” private equity fund advisers (i.e., private equity fund advisers with at least \$2 billion in private equity assets under management) including reporting on the occurrence of any GP clawback or LP clawback, as well more detailed information on fund investment strategies, fund-level borrowings, events of default, bridge financings to controlled portfolio companies and geographic breakdowns of investments. The compliance date for the quarterly event reporting requirements occurred in December 2023 and the compliance date for the amendments to the annual reporting requirements is in June 2024.

In February 2024, the SEC and the U.S. Commodity Futures Trading Commission (“CFTC”) jointly adopted amendments to Form PF. Among other requirements, the joint amendments: (i) require private fund advisers to report additional information about themselves and their private funds, including identifying information, assets under management, withdrawal and redemption rights, gross asset value and net asset value, inflows and outflows, base currency, borrowings and types of creditors, fair value hierarchy, beneficial ownership, and fund performance; and (ii) require private fund advisers to report separately each component fund in complex fund structures, such as master-feeder arrangements and parallel fund structures. The compliance date for the joint SEC and CFTC amendments to Form PF is in March 2025.

### Proposed Rules

*Predictive Data Analytics Proposal.* In July 2023, the SEC proposed a new rule and amendments to the books and records rule to address conflicts of interest associated with advisers’ interactions with investors through the use of certain technologies that that optimize for, predict, guide, forecast, or direct investment-related behaviors or outcomes (i.e., predictive data analytics). The proposal would require all investment advisers registered, or required to be registered, with the SEC to identify and eliminate (or neutralize the effect of) any conflict of interest associated with their use of covered technology in investor interactions that place the adviser’s or its associated person’s interest ahead of investors’ interests. In addition, the proposal would require all investment advisers registered, or required to be registered, with the SEC to adopt and implement written policies and procedures reasonably designed to prevent violations of the proposed rule; and to comply with extensive recordkeeping obligations.

*Cybersecurity Risk Management Proposal.* In January 2022, the SEC proposed new cybersecurity risk management rules and amendments that would require advisers to adopt and implement written cybersecurity policies and procedures, confidentially report significant cybersecurity incidents to

the SEC within 48 hours of discovery, make enhanced disclosure about cybersecurity risks and incidents, and maintain related books and records.

*ESG Proposal.* In May 2022, the SEC proposed amendments to Form ADV which would require investment advisers, including private fund advisers, to provide additional information regarding their incorporation of environmental, social and governance (“ESG”) factors in their investment strategies. The proposal seeks to categorize certain types of ESG strategies broadly and would require advisers to provide specific disclosures based on the ESG strategies they pursue.

*Adviser Outsourcing Proposal.* In October 2022, the SEC proposed a new rule and related rule amendments under the Advisers Act that would establish a new oversight framework for outsourcing by registered investment advisers. The proposal would: (i) require advisers to conduct due diligence prior to engaging a “service provider” to perform a “covered function” and to periodically monitor the performance and reassess the retention of the service provider; (ii) require advisers to conduct due diligence prior to engaging a third party to perform a “recordkeeping function” (as defined below) and to periodically monitor the performance and reassess the retention of the third-party recordkeeper, as well as to obtain reasonable assurances that the third party will meet certain standards; (iii) require advisers to make and/or keep books and records related to the foregoing due diligence and monitoring requirements; and (iv) amend Form ADV to collect census-type information about advisers’ use of service providers.

*Safeguarding Proposal.* In February 2023, the SEC proposed to amend and redesignate the custody rule, which governs the safeguarding of client assets by investment advisers, and amend associated reporting and recordkeeping rules. The proposal would, among other things: (i) broaden existing requirements to cover all client assets (not just funds and securities); (ii) expand the definition of “custody” to include discretionary investment authority for assets; (iii) require an adviser to enter into a written agreement with and obtain certain reasonable assurances from qualified custodians; and (iv) narrow the current custody rule’s exception from the obligation to maintain client assets with a qualified custodian for certain privately offered securities and physical assets.

*Regulation S-P Proposal.* In March 2022, the SEC proposed enhancements to Regulation S-P (which relates to the privacy and protection of consumer financial information) to require registered investment advisers, among others, to notify individuals affected by certain types of data breaches that may put them at risk of harm. The proposal would: (i) require registered advisers to adopt written policies and procedures for an incident response program to address unauthorized access to or use of customer information; (ii) require registered advisers to have written policies and procedures to provide timely notification to affected individuals whose sensitive customer information was or is reasonably likely to have been accessed or used without authorization; and (iii) broaden the scope of information covered by Regulation S-P’s requirements.

*Potential Impact.* The scope and timing of any final rules and amendments with respect to the foregoing proposals is unknown. If adopted, even with modifications, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs and operational complexity. The cost of implementing requirements relating to such proposals is

expected to be substantial and may, to the extent permitted by the relevant governing documents and applicable regulations, be borne by the Adviser, the private funds, and/or portfolio investments of the private funds.

**Ongoing Crisis in Ukraine** – On February 24, 2022, Russia launched a large-scale invasion of Ukraine marking the largest escalation of crisis in Ukraine to date. Although the Russian invasion and the conflict in Ukraine is ongoing and its long-term effects remain to be seen, the 2022 Russian invasion of Ukraine is likely to cause significant economic disruption and further calls from other countries for a severe sanctions regime that would seek to further isolate Russia from the world economy. In response to the Russian invasion of Ukraine in February 2022, the European Union, the United States, the UK and other governmental entities have passed a variety of severe economic sanctions and export controls against Russia, including imposition of sanctions against Russia's Central Bank and largest financial institutions. In addition, a number of businesses have curtailed or suspended activities in Russia or dealings with Russian counterparts for reputational reasons. While current sanctions may not target Sageview, the private funds or their target investments more generally, these sanctions have had and may continue to have the effect of causing significant economic disruption and may adversely impact the global economy generally, and the Russian economy specifically by, among other things, creating instability in the energy sectors, reducing trade as a result of economic sanctions and increased volatility and uncertainty in financial markets, including Russia's financial sector. Additionally, any new or expanded sanctions that may be imposed by the United States, EU, UK or other countries may materially adversely affect the Adviser's operations, including the private funds and their investments. In addition, one or more investors in the private funds could become subject to sanctions or similar restrictions, whether related to the Ukraine conflict or otherwise, which could result in a default by such investors or other adverse consequences to such investors or the private funds or their investments, including as it relates to the ability of the private funds to consummate investments or to obtain financing.

**Israel-Hamas Conflict** – In October 2023, Hamas militants and members of other terrorist organizations infiltrated Israel's southern border from the Gaza Strip and conducted a series of attacks on civilian and military targets. Following the attack, Israel declared war against Hamas and commenced a military campaign against Hamas and other terrorist organizations in the Gaza Strip. In addition, there have been increasing numbers of attacks and other clashes between Israel and Hezbollah on Israel's northern border with Lebanon and in the West Bank, and the escalating conflict may in the future expand into a greater regional conflict or otherwise adversely impact other regions, as demonstrated by Houthi attacks on vessels traveling towards the Suez Canal. It has become increasingly difficult to predict the impact of these events or how long this conflict will last. The Israel-Hamas conflict and related events may significantly exacerbate the normal risks associated with the private funds and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs and supply chain constraints; (iii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iv) demand for the types of investments made by the private funds; (v) available credit in certain markets; (vi) import and export activity from certain markets and capital controls; (vii) the availability of labor in certain markets; and (viii) laws, regulations, treaties, pacts, accords, and

governmental policies. Such volatility may cause the risk of existing investments to differ significantly from Sageview's initial risk assessment and affect Sageview's ability to assess the risk of investments going forward. Any of the foregoing could seriously and negatively impact the private funds' and their portfolio companies' operations and their ability to realize their respective investment objectives.

**Personal Relationships** – Personnel of Sageview can be expected to have friendships or other personal relationships with personnel and other individuals associated with entities with which Sageview does or may seek to do business, including individuals who serve as directors, principals or employees of investors, clients, and existing and prospective portfolio investments, as well as service providers to the foregoing. Personal relationships may develop out of business-related or other professional interactions, or vice versa. The existence of personal relationships may serve to benefit clients (for example, by providing networking opportunities through which Sageview personnel could be introduced to potential service providers for clients) but also create a potential conflict of interest, by giving rise to incentives for the parties to share business or other professional opportunities, including those relating to the business of Sageview, investors, clients and portfolio companies, in order to enhance or otherwise further their personal relationship, even when doing so may not be in the best interest of the client. While Sageview generally expects conflicts of interest of this nature to be mitigated by Sageview's Code of Conduct, which requires supervised persons of Sageview to act in the best interest of clients, without regard to an individual's own interest, it is unlikely that the potential for conflicts of interest relating to personal relationships can be fully mitigated.

#### **Item 9 - Disciplinary Information**

Not applicable.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

Sageview and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Except as set forth in a private fund's offering documents, no Sageview person is obligated to devote any specific amount of time to the affairs of the private funds. Furthermore, senior professionals of Sageview, and other officers and employees of Sageview have in the past and may, from time to time in the future, serve on the boards of directors of one or more entities in which one or more of the private funds has invested. In addition, certain Sageview persons may, from time to time, provide certain services to Sageview, the private funds, and one or more of the investments or companies in which the private funds invest. As a result, there may be a number of conflicts of interest which may arise, which could adversely affect the private funds.

Employees of Sageview have in the past and may, from time to time in the future, serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in

the best interests of the respective private fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of Sageview and such individual's duties as a director or officer of such portfolio company and an employee of Sageview may act in the best interest of a portfolio company rather than in the best interest of the respective private fund. Sageview has implemented policies and procedures for employees of Sageview to disclose any director or officer positions so that such conflicts of interest can be monitored.

#### **Item 11 - Code of Conduct, Participation or Interest in Client Transactions & Personal Trading**

Sageview has adopted a code of conduct (see "Code of Conduct" section below) and implemented procedures relating to personal securities transactions and insider trading that are designed to detect and prevent (or otherwise mitigate) actual conflicts of interest. The Chief Compliance Officer ("CCO") or his designee, among other things, monitors employee trading relative to the private funds' holdings/trading, companies with which Sageview, its partners, or its employees receive material non-public information in an attempt to prevent employees from engaging in improper personal securities transactions and to otherwise detect and prevent potential conflicts of interest.

Sageview, its partners, and/or its employees could give advice and take action for their own accounts or the private funds that differs from advice given, and action taken on behalf of the private funds. In addition, Sageview partners and/or employees could invest in third-party private investment funds that invest in some of the same securities Sageview invests in on behalf of the private funds. Further, from time to time, Sageview, its affiliates, their employees, and/or their partners could have an investment position or interest in the same securities recommended to or owned by the private funds. As such, Sageview could purchase or sell for the private funds securities of an issuer in which Sageview, its affiliates, their employees, and/or their partners also have an investment position or interest.

#### **Code of Conduct (the "Code")**

Sageview and its affiliates have adopted the Code in accordance with Rule 204A-1 under the Advisers Act to govern, among other things, personal securities transactions by employees and to ensure that the interests of employees do not conflict with the interests of clients, including private funds and their investors. A basic tenant of the Code is that the interest of clients is always placed first. The Code includes standards of conduct requiring Sageview employees to comply with federal securities laws and the fiduciary duties an investment adviser owes to its clients. A copy of the Code is available upon request.

Under the Code, no Access Person<sup>2</sup> may engage in a transaction in any security of a Contractually Restricted Company<sup>3</sup> or in any security of any company when one or more individuals at Sageview may have material, non-public information. The Code also requires employees to pre-clear any transactions in any permitted securities. All employees must provide to Sageview reports of their personal transactions, which may consist of monthly or quarterly brokerage statements for all accounts in which they have a beneficial interest, except for accounts that only hold securities exempt from the reporting requirements or are solely managed by a third-party sponsor.

The Code also requires all employees of Sageview to comply with ethical restraints relating to investors and their accounts, including restrictions on giving gifts to, and receiving gifts from, investors in violation of Sageview's gift policy as well as provisions intended to prevent violations of laws prohibiting "insider trading", as discussed below. If you have questions regarding Sageview's Code of Conduct, or to receive a copy of it, please contact our Chief Compliance Officer, Dino Verardo, at 203-625-4200 or [Dino@sageviewcapital.com](mailto:Dino@sageviewcapital.com).

#### Statement on Insider Trading

Sageview, its partners, and/or its employees, from time to time, come into possession of material non-public or other confidential information which, if disclosed, might affect an investor's decision to buy, sell, or hold a security. Under applicable law, Sageview, its partners, and its employees are generally prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any other third party. Accordingly, should Sageview, its partners, and/or its employees come into possession of material non-public or other confidential information with respect to any company, they will generally be prohibited from communicating such information to, or using such information for the benefit of, Sageview's clients. Sageview has adopted a Statement on Insider Trading in accordance with Section 204A under the Advisers Act, which establishes procedures to prevent the misuse of material non-public information by Sageview, its partners, and its employees.

#### Participation by Sageview Personnel in Private Fund Profits

Certain partners and other employees of Sageview are permitted to invest directly in the private funds and will participate in the private funds' investments, pro rata, in accordance with their capital account balances or capital commitments, as applicable. In addition, Sageview partners hold

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<sup>2</sup> The term "**Access Person**" means (i) any Supervised Person who (1) has access to non-public information regarding a client's purchase or sale of Securities; or (2) is involved in making Securities recommendations to clients or who has access to such recommendations that are non-public; (ii) all of the directors, officers or partners of Sageview and (iii) any other person who the CCO determines to be an Access Person. The term "**Supervised Person**" means (i) any director, partner, or officer of Sageview or other person occupying a similar status or performing similar function; (ii) any employee of Sageview and (iii) and other persons who provide advice on behalf of Sageview and are subject to Sageview supervision and control.

<sup>3</sup> Any company with which Sageview has entered a standstill or non-disclosure agreement that include terms restricting certain trading activity.

interests in the general partners and management companies of the private funds and in this manner share in revenue generated by private funds (e.g., performance allocation and management fee revenue). The fact that Sageview partners hold interests in the general partners and management companies of the private funds creates a potential conflict in that it could cause Sageview to make different investment decisions than it would if such parties did not have such financial ownership interests. Sageview may have an incentive to favor private funds in which such persons have an interest with respect to trading opportunities, trade allocation and allocation of investment opportunities. Finally, investments by Sageview employees and their family members are generally not subject to the management fees or performance fees incurred by investors in the private funds.

## **Item 12 - Brokerage Practices**

### **Prime Broker & Custodians**

Sageview may select one or more firms to serve as its prime broker or custodian (collectively “prime broker”) to hold the funds and securities of, and execute transactions for, the private funds, consistent with its duty to seek to achieve best execution. In addition to custody and execution, a prime broker may provide other core functions (including, but not limited to, reporting, clearing, financing, securities lending, and client service) as well as value-added items (including, but not limited to, advanced research and analytics and technology services) to the private funds. Sageview may select prime brokers that provide specific services to the private funds (including, but not limited to, electronic access to account information and trade confirmations and access to specialized customer service personnel) that it believes will allow the private funds to operate effectively and efficiently.

Sageview, on behalf of the private funds, currently has custodial relationships with Silicon Valley Bank, a Division of First Citizens Bank and JPMorgan (“Custodians”) for the private funds. The Custodians will clear (generally on the basis of payment against delivery) the private funds securities transactions (which may be affected through broker-dealers) and serve as custodian of some of the private funds assets.

Sageview is not required to maintain its relationship with these Custodians and may change or add additional prime brokerage relationships at any time. However, Sageview will provide appropriate notice upon opening such an account and upon any changes to relevant information about the prime broker(s) or the manner of custody.

### **Trade Aggregation and Allocation**

Sageview Fund I generally conducts its trading activities through a master-feeder structure, and thus the feeder funds and the underlying investors generally participate in investment activities pro rata based on their respective capital account balances in the master fund.

Sageview Fund II and Sageview Fund III generally conduct their trading activities through a parallel fund structure, and thus the parallel funds and the underlying investors generally participate in investment activities pro rata based on their respective capital commitments to each of the private funds.



All new investments made by Sageview for its funds will be generally allocated to Sageview Fund III, other than: (i) investment opportunities related to any existing portfolio holdings of Sageview Fund I, Sageview Fund II, Sageview co-investment entity and/or their respective affiliates or (ii) investments that may, in the reasonable belief of the respective general partner, cause Sageview Fund III to fail to qualify as a venture capital operating company (“VCOC”) under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). However, an investment opportunity may, in the discretion of Sageview, from time to time, be allocated in a manner other than in accordance with Sageview's standard allocation practice. Reasons for such non-standard allocations will be documented in Sageview's books and records. The allocation practices are periodically reviewed by the CCO to ensure that such practices are in line with the Sageview's allocation policies and procedures.

#### Cross Trades and Principal Trades

As is consistent with its duty to seek to obtain best execution, occasionally Sageview may engage in cross trades for the accounts of its private funds. A cross trade occurs when Sageview purchases and sells a particular security between the accounts of two or more private funds by instructing brokers to cross the trade. Sageview generally utilizes “cross” trades to address account funding issues, to effectuate rebalancing's between parallel funds and when it specifically deems the practice to be advantageous for each private fund. Sageview does not receive additional compensation when crossing trades for the accounts of two or more private funds. Sageview will seek to ensure that the terms of the transaction, including the consideration to be paid or received, is fair and reasonable, and that the transaction is consummated for the sole benefit of the private funds. In addition, cross trades may be effected between the accounts of two or more private funds subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary brokerage commissions or fees (*i.e.*, except for customary transfer fees or commissions) or other remuneration shall be paid in connection with any such transaction.

Sageview and its members, principals, employees or affiliates may beneficially own, or be deemed to beneficially own, a significant interest in a private fund. As a result, certain transactions could be viewed as principal trades between Sageview (and/or its members, principals, employees or affiliates) and the relevant private fund, and, therefore, to the extent required by law, Sageview has adopted certain additional procedures to be followed to address any conflict of interest with respect to these transactions. Such procedures provide for an independent advisory board to review information with respect to each transaction and, based upon such information, approve or deny the transaction on behalf of the applicable client accounts prior to its execution.

#### **Item 13 - Review of Accounts**

Accounts under Sageview's management are monitored on an ongoing basis by the Investment Committee members and the CCO, generally on a quarterly basis or more frequently if market circumstances warrant. Periodic account reviews consist of an analysis of the account's performance to date in light of its investment objectives and an evaluation of any appropriate

changes which should be made to its portfolio in light of its current positions, the exposure of the portfolio to various forms of risk, and Sageview's ongoing assessment of the overall market, current portfolio companies, and alternative investment opportunities. In addition, because certain of the investment limitations of the private fund are measured at the time of investment, compliance with such investment limitations are generally verified at the time of each new investment.

Private fund investors receive written reports as described in the applicable PPM. Sageview generally supplies quarterly capital account balance statements and quarterly letters to investors that may include investment and market summaries as well as the performance of the applicable private fund versus that of a benchmark selected for comparison to broad market performance. Each investor in an onshore private fund also receives a Schedule K-1 for tax purposes; each investor in an offshore private fund will receive either a Schedule K-1 or other annual tax information needed for the preparation of their tax returns. To comply with Rule 206(4)-2 (the "Custody Rule") of the Advisers Act, annual audit reports are generally provided within 120 days following a private fund's fiscal year end.

Sageview and/or the applicable general partner of the private funds may offer certain investors, upon verbal request or through written side letter agreements, additional information and reporting that other investors may not receive, and such information may affect an investor's decision to request a withdrawal, to the extent permitted by the applicable fund, or transfer of its interests. Sageview's COO/CCO, as relevant, will internally review the information provided to investors in order to detect and prevent potential concerns with respect to information flow, such as a combination of enhanced transparency and liquidity that could benefit particular investors to the detriment of other investors.

#### **Item 14 - Client Referrals and Other Compensation**

Sageview does not compensate third parties for client referrals.

Sageview may compensate third-party placement agents for investor referrals unless prohibited by applicable law or regulation. In such cases, investors are notified of the material facts of such solicitation arrangements, and any compensation paid by the private fund to a third-party placement agent will reduce the investor's management fee by the same amount.

In addition, Sageview does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

#### **Item 15 - Custody**

As general partner and/or investment manager of the private funds, Sageview and/or its affiliates have the authority to directly access the funds of such private funds. Sageview and/or its affiliates have the authority to automatically deduct fees and expenses payable to Sageview, the applicable general partner of the private funds, and/or third-party custodian (*i.e.*, the prime broker). In each such case, Sageview will be deemed to have custody of the client's assets under the Custody Rule. Sageview will comply with the requirements of the Custody Rule with regard to such custody.

Investors in the private funds will receive audited financial statements annually, prepared in accordance with generally accepted accounting principles, within 120 days after the end of the fiscal year of each such fund.

Sageview urges the investors in the private funds to carefully review all statements and reports they receive, and, whenever possible, to compare the same or similar information on different reports. Sageview also urges its investors to compare any reports received from Sageview with reports received from third party administrators, auditors, and/or custodians, as applicable. Management personnel will be available to assist in reviewing and understanding any such reports.

Pursuant to SEC IM Guidance Update No. 2014-07 Private Funds and the Application of the Custody Rule to Special Purpose Vehicles and Escrows, Sageview deems a special purpose vehicle (the “SPV”) formed to hold a specific portfolio position as a client solely for purposes of Rule 206(4)-2 under the Advisers Act (the “Custody Rule”). To comply with the Custody Rule, the SPV is subject to an annual audit and audited financial statements are distributed to each investor in the SPV.

#### **Item 16 - Investment Discretion**

Sageview is retained with respect to its private fund clients on a discretionary basis and is authorized to make the following determinations in accordance with a private fund’s specified investment objectives as described in the applicable fund’s offering documents without consultation or consent before a transaction is effected (unless consultation is required with respect to principal trades, which Sageview does not intend to employ as part of its standard investment strategy):

- The securities to buy or sell;
- The total quantity/amount of securities to buy or sell;
- The broker or dealer through whom securities are bought and sold;
- The commission rates at which securities transactions are effected; and
- The prices at which securities are to be bought or sold, which may include dealer spreads, mark-ups/mark-downs, and transaction costs.

Sageview has investment discretion over the private funds’ accounts, including the amount and price of securities bought and sold, the preferred broker-dealer, and the commission rate. Investors generally cannot place restrictions on Sageview’s investment discretion with respect to the private funds.

While the general partner of a client is responsible for the management, policies and operations of a private fund, it generally grants authority to Sageview to make investment recommendations and monitor investments, as more fully described in the investment advisory agreement executed among

the general partner and such private fund 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 such private fund. When making investment recommendations, Sageview observes the investment policies, limitations and restrictions that are applicable to a private fund.

Sageview reserves the right to charge reduced or no investment management and performance-based fees to certain Sageview affiliates, as well as Sageview's employees, consultants, and their immediate family members. Sageview shall have no obligation to disclose specific details of such arrangements or to offer such additional rights, terms, or conditions to all investors. Private fund investors typically execute a subscription agreement and governing documents of the private funds in connection with their investment in a private fund that each generally contain a power of attorney that grants an affiliate of Sageview certain powers related to the orderly administration of the affairs of the private fund.

#### Class Action Lawsuits

Sageview will complete class action documents when it believes that doing so would be in the best interests of the private funds. Sageview may abstain from attempting to participate in a class action lawsuit involving a portfolio company when it believes that the potential benefit of participating outweighs the cost or when Sageview otherwise believes it is not in the best interest of its private funds to participate.

#### **Item 17 - Voting Client Securities**

To the extent Sageview is deemed to have voting authority on behalf of client securities and Sageview actually exercises such authority, Sageview complies with proxy voting procedures that are designed to ensure that in cases where Sageview votes proxies with respect to a client's securities, such proxies are voted in the best interests of the client.

If a material conflict of interest between Sageview and a client exists, Sageview will determine whether voting in accordance with the guidelines set forth in the proxy voting procedures is in the best interests of the client or take some other appropriate action.

To the extent Sageview is deemed to have voting authority on behalf of a client and actually exercises such authority, additional information about how Sageview voted proxies, would be available by contacting its CCO.

#### **Item 18 - Financial Information**

Sageview does not require or solicit prepayment of Management Fees from private funds more than six months in advance, has never been subject to a bankruptcy petition and is not aware of any financial condition that is expected to affect its ability to manage client accounts.