

# ROARK

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March 29, 2024

Form ADV, Part 2A (the “Brochure”) provides information about the qualifications and business practices of Roark Capital Management, LLC (“RCM”). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Louis J. Matthews (404-591-5200 / [lmattthews@roarkcapital.com](mailto:lmattthews@roarkcapital.com)). Additional information about RCM is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

RCM is registered as an investment adviser with the United States Securities and Exchange Commission (the “SEC”) under the Investment Advisers Act of 1940 (the “Advisers Act”). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

## Item 2: Material Changes

This Brochure contains information about RCM. RCM filed its most recent annual amendment on March 29, 2024. RCM is required in this section to identify and discuss any material changes made to the previous Brochure filed on March 31, 2023. This annual amendment reflects routine updates to this Brochure, including but not limited to (i) revisions to certain risk factors in order to address evolving conditions in the investment environment (Item 8) and (ii) additional language regarding RCM’s fees and compensation (Item 5), practices relating to co-investments (Item 8), and the use of borrowing facilities (Item 8), in order to provide further clarification regarding RCM’s existing and potential activities relating to these matters.

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## Item 4: Advisory Business

RCM is an investment adviser organized as a limited liability company under the laws of the State of Delaware. Neal K. Aronson, managing partner of RCM (the “Managing Partner”), founded Roark Capital Group in 2001. RCM is wholly-owned by RCM Manager LLC, of which Neal Aronson is the Managing Member and controlling owner. RCM employs the entire RCM team and provides consulting and advisory services to the Funds (as defined below) and their portfolio companies. The investment activities of RCM are led by the Managing Partner and RCM’s investment committee (the “Investment Committee”). Neal K. Aronson, Stephen D. Aronson, Roanne Daniels, Dennis Gies, Paul D. Ginsberg, Clayton D. Harmon, Geoff A. Hill, Kevin Hofmann, Erik O. Morris, Steven M. Romaniello, Anthony P. Scotto, Michael Sharkey, Gregory D. Smith, Sarah Spiegel, Michael R. Thompson, and David Wierman comprise all of the members of RCM’s Investment Committee. RCM employs a number of other investment professionals who help RCM execute its investment strategy. RCM’s Chief Compliance Officer is Louis J. Matthews.

As of March 29, 2024, RCM serves as an investment manager and provides discretionary advisory services to fourteen (14) privately offered investment funds (together with any related parallel funds and related alternative investment vehicles a “Fund,” and collectively, the “Funds”) and RCM or its affiliates serve as the general partner or managing member of co-investment vehicles (each, a “Co-

investment Vehicle” and which, for the avoidance of doubt, are included in the definition of “Funds” to the extent applicable). With respect to a Fund that is an alternative investment vehicle, an affiliate of RCM may serve as the direct investment manager of such Fund. Within each Fund structure is a designated general partner that is an affiliate of RCM (the “General Partner(s)”). Unless and only to the extent that the context otherwise requires, references to RCM includes the General Partner(s) and any affiliate of RCM that serves as the direct investment manager of a Fund that is an alternative investment vehicle.

The Funds are organized to make equity and equity-related investments primarily in companies that have substantial operations, business or customers in North America. Equity investments will typically range from \$50 million to \$1 billion and more, with larger transactions occasionally involving equity co-investments by Co-investment Vehicles. The Funds primarily invest in industries where the senior members of its investment team have operating and principal investing experience, such as franchising/multi-location, consumer products and services, and business services. As of December 31, 2023, RCM managed \$31,927,560,154 of invested capital and uncalled capital commitments on behalf of the Funds (excluding the Co-investment Vehicles), all of which is managed on a discretionary basis. As of December 31, 2023, RCM does not manage any Fund assets on a non-discretionary basis.

In providing services to the Funds, RCM formulates each Fund’s investment objectives, directs and manages the investment of each Fund’s assets, and provides reports to investors. Investment advice is provided directly to the Funds and not individually to the limited partners of the Funds (the “Limited Partners”). RCM manages the assets of the Funds in accordance with the terms of each Fund’s partnership agreement and other applicable governing documents. A Fund’s partnership agreement and its other applicable governing documents are referred to herein as the “Governing Fund Documents”. All material terms (including any restrictions on investments in certain securities or types of securities) are generally established at the time of the formation of a Fund, but may be amended from time to time in accordance with the terms of the Governing Fund Documents.

Limited partnership interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and the Funds are not registered under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements, either in private transactions within the United States or in offshore transactions.

## **Item 5: Fees and Compensation**

RCM provides investment advisory services to each of the Funds, as applicable, pursuant to a separate investment advisory agreement for such Fund (the “Advisory Agreements”). The Advisory Agreements, along with the applicable Governing Fund Documents, set forth in detail the fee structure relevant to each such Fund. The terms of the Advisory Agreements are generally established at the time of the formation of the applicable Fund, subject to amendment in accordance with the terms of the Governing Fund Documents. RCM typically receives compensation from: (a) fees based on a percentage of committed capital or actively invested capital; and (b) certain other fees or expenses related to transactions or portfolio companies. The General Partner of each Fund (excluding any Co-investment Vehicle) also receives compensation in the form of Carried Interest

(as defined below) allocations. Limited Partners should review all fees charged by RCM and others to fully understand the total amount of fees to be paid by a Fund or its portfolio companies and, indirectly, by the Limited Partners.

*Management Fee:* Most of the Funds pay RCM an annual management fee (the “Management Fee”) at rates ranging from 1.75% to 2.00% (per annum) of committed capital during the commitment period and 1.50% to 2.00% (per annum) of actively invested capital thereafter, in each case in accordance with each Fund’s Governing Fund Documents. Certain of the Funds pay RCM a Management Fee at a rate of 0.50% (per annum) of actively invested capital (and not on committed capital), including any portion of the original cost basis of any investment purchased using indebtedness incurred by the Fund pursuant to any borrowing arrangements entered into by the Fund. In certain circumstances, the “actively invested capital” used as the basis for calculating the Management Fee includes, with respect to each Limited Partner, such Limited Partner’s allocable share of the original cost basis of all investments (including investment expenses and, for the avoidance of doubt, any portion of the original cost basis of any investment purchased using indebtedness incurred by the Fund pursuant to any borrowing arrangements entered into directly by Fund and interest expenses associated with the use of a Fund’s subscription line of credit to complete the acquisition of such investment) that, in all cases, have not been disposed of, as determined by RCM in its sole discretion.

The Management Fee typically is payable quarterly in advance. The Management Fee may be paid out of current income and disposition proceeds of the Funds and, to the extent necessary, from drawdowns which will reduce the unfunded capital commitments of a Fund’s partners. Distributions up to any amount drawn down from capital commitments to pay Management Fees may, at the discretion of the General Partner, be added to the unfunded capital commitments and be subject to recall or reinvestment. Certain of the Funds (including the Co-investment Vehicles) do not pay (or no longer pay) RCM a Management Fee.

As part of RCM’s “management profits interest” program that applies to certain Funds, each of RCM and its affiliates may, in its sole discretion and from time to time, elect to waive, in whole or in part, the Management Fee with respect to any Limited Partner in such Funds, and such waived fee amounts will be invested in the applicable Fund’s investments and will reduce aggregate commitments of the RCM principals and their affiliates and related persons to the applicable Fund. RCM or one of its affiliates, which will be a Limited Partner in the applicable Funds solely for the purposes of the “management profits interest” program, will receive a share of profits, if available, in an amount equal to this notional investment and profit thereon.

*Carried Interest Allocations:* A portion of the net investment profit of each Fund (other than any Co-investment Vehicle) may be allocated to the capital account of its General Partner as “Carried Interest.” The manner of calculation of such Carried Interest is disclosed in the Governing Fund Documents, and varies by Fund. Generally, however, 20% of the investment profits of the Funds (other than any Co-investment Vehicles) are allocated as Carried Interest to such Fund’s General Partner subject to a preferred return of 8% per annum, and subject to a catch-up and a giveback. Certain of the Funds allocate an alternative percentage of their investment profits and in an alternate manner as Carried Interest to such Fund’s General Partner, subject to a catch-up and a giveback. As is the case with Management Fees, RCM and its affiliates reserve the right to waive or reduce

Carried Interest for certain Limited Partners, including employees, strategic partners, advisors and consultants and others as may be determined in RCM's sole discretion.

*Other Fees Earned by RCM:* RCM may receive, and in the past has received, transaction fees, monitoring fees (including any accelerated or early termination monitoring fees), break-up fees, commitment fees, termination fees, portfolio company management fees, directors' fees, advisory fees, consulting fees and similar fees, payments or compensation (whether in the form of cash, options, warrants, stock or otherwise) in connection with investments or proposed investments (whether or not consummated), including upon the acquisition, disposition and/or initial public offering of an investment (collectively, "Other Fees"). The types of fees that constitute Other Fees may vary among the Funds and from investment to investment. Other Fees may be accelerated and payable upon partial or complete disposition, exit or initial public offering of an asset, to the extent permitted by applicable law and the relevant Governing Fund Documents. A portion of certain of these Other Fees may be applied to reduce all or a portion of the Management Fees, if any, payable by a Fund, in each case in accordance with the applicable Governing Fund Documents. As described further in Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), an employee of RCM also receives compensation from a portfolio company of Roark Capital Partners CF LP and Roark Capital Partners CF RI LP, and the compensation he receives from that portfolio company does not reduce or offset Management Fees. Depending on the timing of the payment of Other Fees to RCM and the terms of the relevant Governing Fund Documents, Limited Partners in a Fund may not receive the benefit of a reduction of the Management Fees for such Other Fees to the extent such Fund is not (or is no longer) charging Management Fees at the time such Other Fees are paid or to the extent that the aggregate amount of Other Fees exceeds the aggregate amounts of Management Fees charged to such Fund. The recipients of this Brochure must refer to the detailed information found in each Fund's Governing Fund Documents for specific information about the reduction of Management Fees as a result of Other Fees earned by RCM, and the fees charged to the Funds.

*Other Expenses Charged to the Funds:* In addition to the Management Fee and Carried Interest, if any, the Funds pay (or reimburse) RCM for certain fees and expenses. Those fees and expenses will vary by Fund, but typically will include, among other things: fees, costs and expenses incurred in connection with the discovery, investigation, evaluation, development, acquisition, holding, monitoring, financing, licensing, operating, taking public or private or disposition of investments, including, without limitation, expenses paid by a Fund with respect to potential investments that are not consummated, private placement fees, sales commissions, appraisal fees, taxes, brokerage fees, underwriting commissions and discounts, transfer agent fees, clearing, settlement and bank charges, investment sourcing database licenses and fees, mobile device and conference call service fees, costs and expenses, travel and travel-related expenses (including transportation, meal, entertainment and lodging expenses and which may include travel by way of non-commercial aircraft (at rates not in excess of, for some Funds, commercial aircraft rates for first class travel, and for other Funds, customary charter rates), and legal, accounting, investment banking, advisory, consulting, information services and professional fees and expenses (which reimbursement may, subject to the terms of the Fund's Governing Fund Documents, include affiliates of the General Partner or RCM, whether or not such fees, costs and expenses payable to such affiliates exceed the amount customarily charged by third parties for services similar to those actually provided) related to the discovery, investigation, evaluation, development, acquisition, holding, monitoring, financing,

licensing, operating, taking public or private or disposition of investments (whether or not consummated); fees, costs and expenses incurred in connection with the carrying or management of investments, including custodial, trustee, actuarial, depository, transfer agent, accounting, record keeping and other administration fees, as well as portfolio accounting and reporting system licenses and fees and performance management system licenses fees and expenses; fees, costs and expenses incurred in connection with the preparation and distribution of a Fund's financial statements and reports, tax returns, K-1's (or similar schedules) and other communications with a Fund's Limited Partners and a Fund's limited partner advisory board, including expenses incurred in connection with purchasing, licensing or leasing computer software and hardware for such uses and expenses incurred in connection with providing a Fund's partners on-line or electronic access to information and reporting relating to a Fund; fees, costs and expenses with respect to the representation by the "partnership representative" of a Fund and a Fund's Limited Partners; fees and disbursements of attorneys and accountants relating to Fund matters (and, for certain Funds, including allocable compensation for in-house attorneys (other than current in-house attorneys) that may be employed by RCM in connection with a determination by RCM in its discretion that such allocable compensation would be less than fees and disbursements of external counsel otherwise paid to provide similar services); taxes and other governmental authority charges that may be incurred or payable by a Fund; insurance premiums, expenses and brokers' fees and commissions incurred by a Fund in connection with the activities of a Fund, including errors, omissions, fidelity, crime, general partner liability, fiduciary, directors' and officers' liability, employment practices liability, contingent liability, cybersecurity liability and similar coverage for any indemnified person acting on behalf of a Fund or any related entity; fees, costs and expenses (including legal fees and expenses) incurred to comply with any laws or regulations related to the activities of a Fund (including, without limitation, related to the preparation and filing of Form PF and complying with the reporting requirements of (i) Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, (ii) the Common Reporting Standard issued by the Organization for Economic Cooperation and Development, (iii) similar legislation, regulations or guidance enacted in any other jurisdiction which seeks to implement equivalent tax reporting and/or withholding tax regimes, any regulations, intergovernmental agreement or other guidance issued thereunder or with respect thereto, any legislation, regulations, rulings, notices or guidance implemented to give effect to such matters or any agreement a Fund enters into with respect to such matters, (iv) the European Alternative Investment Fund Managers Directive, and (v) the Private Funds Law (as amended) of the Cayman Islands); fees, costs and expenses incurred in connection with any pending or threatened litigation or governmental authority inquiry, investigation or proceeding involving or otherwise applicable to a Fund, the General Partner, RCM or a Fund's Limited Partners in connection with the activities of a Fund or any of its portfolio companies, including fees, costs and expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of any such inquiry, the amount of any judgments, settlements or fines paid in connection therewith, except, however, to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in a Fund's Governing Fund Documents; fees, costs and expenses associated with maintaining a Fund and any of its subsidiaries and special purpose investment vehicles, including fees, costs and expenses incurred in connection with the organization, operation, refinancing, recapitalizing and restructuring of such subsidiaries and special purpose investment vehicles; interest on, and fees, costs and expenses arising out of a Fund's borrowing arrangements and guarantees by a Fund or any of its subsidiaries (including the fees, costs and expenses incurred in obtaining or maintaining lines of credit, loan commitments and letters of credit for the account

of a Fund or any of its subsidiaries); fees, costs and expenses incurred in connection with the dissolution, winding up or termination of a Fund; fees, costs and expenses related to defaults by a Fund's partners in the payment of any capital contributions; any and all out-of-pocket expenses for transactions that are not consummated; except as provided in a Fund's Governing Fund Documents, fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of a Fund and related entities, including its General Partner and RCM; fees, costs and expenses incurred in connection with distributions to a Fund's partners; fees, costs and expenses incurred in connection with any meeting of a Fund's partners or the limited partner advisory board of a Fund called by the General Partner; fees, costs and expenses related to a Fund's indemnification obligations (including with respect to indemnified persons pursuant to a Fund's Governing Fund Documents); fees, costs and expenses incurred in connection with the formation of alternative investment vehicles (to the extent such formation is permitted under the Fund's Governing Fund Documents) and any amendments, modifications, revisions or restatements to the constituent documents of such alternative investment vehicles, provided, that, such expenses shall be borne solely by the Fund's partners who invest therein or for whose benefit such alternative investment vehicles have been established; reasonable out-of-pocket expenses incurred by the members of a Fund's limited partner advisory board in connection with the fulfillment of their duties pursuant to a Fund's Governing Fund Documents (including meals, entertainment, lodging and other similar expenses, and which may include reasonable travel expenses incurred by the limited partner advisory board member travelling to and from limited partner advisory board meetings called by the General Partner); compensation and other similar expenses (including retainers) of consultants (including industry executives, advisors, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to a Fund or its investments (including with respect to potential investments); fees, costs and expenses incurred in connection with the valuation of the assets of a Fund (including with respect to the acquisition, implementation, onboarding and ongoing use of valuation software) (including the costs associated with any fairness opinions); fees, costs and expenses relating to transfers of limited partner interests in a Fund (and admission of a substitute Partner) or a permitted withdrawal of a Fund's partner (but only to the extent not paid or otherwise borne by the relevant transferring partner and/or the assignee or the withdrawing partner, as applicable) or relating to regulatory matters or disclosure requests pertaining to a Fund's partner; fees, costs and expenses incurred in connection with complying with side letters and, for certain Funds, complying with the most-favored nations processes associated with side letters; fees, costs and expenses incurred in connection with meetings called by the General Partner in the ordinary course for the chief executive officers, chief financial officers, chief marketing officers, chief information officers and other senior managers of the portfolio companies of any Fund or any affiliate of the General Partner (including meals, entertainment, lodging and other similar expenses, and which may include reasonable travel expenses incurred by such persons travelling to and from such meetings); fees, costs and expenses of any third party administrator hired to provide fund administration services to a Fund; fees, costs and expenses incurred in connection with any market data, relevant news or third-party research services and related terminals for the delivery of such services; fees, costs and expenses (excluding compensation of RCM's employees) incurred in connection with RCM's data analytics efforts, including subscription services, data storage and database management costs and systems design and implementation costs; and fees, costs and expenses incurred in connection with the activities of any committee selected by the General Partner from members of the limited partner advisory committee for the purposes described in the Fund's Governing Fund Documents and, as applicable,

costs incurred by a lead investor in respect of negotiating the Governing Fund Document of a secondary transaction led by a General Partner.

In addition to the full-time investment professionals of RCM, the Funds and their portfolio companies may engage the services of certain advisers to provide strategic and operational consulting services. These advisers are not full-time employees of RCM or any of its affiliates, but rather advisors and/or consultants engaged by RCM, a portfolio company, or a Fund. RCM seeks to allocate the compensation of such individuals in a manner it deems fair and reasonable and that reflects the work such advisers perform for the various portfolio companies, for the Fund(s), and for RCM, as applicable.

RCM may (and often does), in its discretion, pay third party expenses on behalf of a Fund and subsequently seek reimbursement from such Fund.

The General Partner of a Fund may, in its discretion, call capital for the expenses described above or pay them out of current income and disposition proceeds of the Fund. At the discretion of the General Partner, any amount drawn down from unfunded capital commitments to pay the expenses described above may, to the extent a Fund's partners receive distributions, be added to the unfunded capital commitments and be subject to recall or reinvestment.

To the extent practicable, any third party expenses relating to consummated investments will be charged to the relevant portfolio company. Depending on the circumstances, such third party expenses can be paid directly by the portfolio company or capitalized into the cost of the transaction. In some cases, third party expenses include all or a portion of the actual or estimated interest expense associated with the use of a Fund's subscription line of credit to consummate its investment in a portfolio company. While this can have the effect of reducing the amount of overall third party expenses borne by a Fund (insofar as it results in other investors in the portfolio company, such as co-investors and management-related investors, bearing a portion of the third party expenses that might otherwise be borne solely by the Fund (and indirectly, by the Fund's investors)), the practice also results in an increase in the value of the portfolio company for purposes of calculating the Management Fee payable to RCM during periods when a Fund's Management Fee is calculated on the basis of actively invested capital.

If third party expenses relating to consummated investments are not paid directly by such portfolio company or capitalized in the manner described above, then they will be paid by the applicable Fund and included in the cost of investment (including for purposes of determining a Fund's actively invested capital for Management Fee calculations). Any third party expenses relating to unconsummated investments will be borne by the Fund. If any related partnership or other entity is participating in the same transaction as the Fund, then the expenses of such transaction that are not borne by a portfolio company, including any expenses relating to an unconsummated transaction, will be borne by the Fund and such participating investor pro rata to the amounts of funds invested or to be invested by each of the foregoing in such investment, unless, subject to a Fund's Governing Fund Documents, RCM reasonably determines for equitable reasons that such costs will be borne in different proportions. For purposes of the foregoing sentence, a potential co-investor is deemed a "participating investor" only to the extent such potential co-investor has agreed to bear its share of expenses relating to an unconsummated transaction. A Fund may bear, either directly or



indirectly pursuant to its obligation to reimburse RCM, expenses relating to unconsummated transactions that are in excess of its pro rata share of the funds that the Fund planned on investing in the co-investment.

RCM may from time to time enter into arrangements with service providers that provide fee discounts for services provided to the Funds and/or the portfolio companies. If such service providers also provide services to RCM, generally RCM will not itself seek to receive discounts with respect to similar services provided to it unless the applicable Funds and/or portfolio companies are charged similar discounted rates. A portfolio company may not enjoy such discounts to the extent it engages such service provider on its own behalf and on independent terms. Any rebates earned in connection with such arrangements will be allocated to the portfolio companies based upon their buying volumes and will not be retained by RCM (except to the extent related to RCM's buying volumes.)

The recipients of this Brochure must refer to the detailed information found in each Fund's Governing Fund Documents for specific information about the expenses charged to the Fund(s).

*Organizational Expenses:* Each Fund will be responsible for: all legal, accounting, filing and other out-of-pocket expenses of organizing and raising capital ("Organizational Expenses"). Organizational Expenses will typically include: fees and expenses of counsel to, accountants for and agents of the Fund, the Fund's General Partner and RCM; travel and travel-related expenses (including transportation, meal, business entertainment and lodging expenses and which may include travel by way of non-commercial aircraft (at rates not in excess of, for some Funds, commercial aircraft rates for first class travel, and for other Funds, customary charter rates) of personnel of the Fund's General Partner and its advisors; and other expenses, in each case, incurred in connection with the formation of the Fund and related entities, the preparation of a Fund's Governing Fund Documents, compliance with applicable laws or regulations and the offering of limited partner interests in the Fund. Organizational Expenses for certain Funds do not include expenses related to complying with the most favored nations processes associated with side letters, in which case those expenses are part of the on-going expenses charged to the Fund as described above under the heading "Other Expenses Charged to the Fund". Organizational Expenses in excess of amounts as set forth in the applicable Fund's Governing Fund Documents will reduce the Management Fees otherwise payable by the Fund by an identical amount.

RCM may (and often does), in its discretion, pay third party expenses on behalf of a Fund and subsequently seek reimbursement from such Fund.

At the discretion of the General Partner, any amount drawn down from unfunded capital commitments to pay Organizational Expenses may, to the extent a Fund's partners receive subsequent distributions, be added to the unfunded capital commitments and be subject to recall or reinvestment.

*Expenses:* Certain types of costs that constitute operating expenses, Organizational Expenses, or other types of fees, expenses or costs that are borne directly or indirectly by a Fund can overlap with or include costs associated with regulatory compliance obligations of RCM. For example, the organizational documents of an applicable Fund typically require the preparation and distribution of audited annual financial statements, the cost of which is borne by the Fund as an operating

expense, even though this contractual requirement also serves as a means for RCM to comply with requirements that are applicable to RCM under SEC rules relating to the custody of client assets. Similarly, a Fund can be expected to bear Organizational Expenses that include costs incurred by RCM to comply with regulatory standards relating to, among other things, “advertisements” and other communications with prospective investors under SEC rules. These and other direct or indirect operating expenses, Organizational Expenses, and other types of fees, expenses and costs generally will be allocated to the Fund or another Fund to the extent permitted by the relevant organizational documents, even though the underlying requirement or activity associated with such fees, expenses or costs may relate, in whole or in part, to requirements that, from a legal or regulatory perspective, are applicable to RCM, rather than to the Fund or a portfolio investment.

*Placement Fees:* All fees due to placement agents engaged to raise investor capital for the Fund will not be subject to the limitation set forth in “Organizational Expenses” above. Subject to a Fund’s Governing Fund Documents, such placement agent fees for a Fund will reduce the Management Fees otherwise payable by the Limited Partners of such Fund by an identical amount. In addition, Limited Partners participating in a secondary transaction led by a Fund’s General Partner may bear the cost of placement agents engaged to identify third parties acquiring interests in such transaction.

*Overhead Expenses:* Each Fund’s General Partner and RCM will pay all of their respective ordinary administrative and overhead expenses in managing Fund investments, including salaries, benefits and rent.

*Certain RCM Related Investment Vehicles:* Investment vehicles owned by RCM’s investment professionals, employees and related persons may invest in certain Funds. In RCM’s sole discretion, such persons may not be required to pay Management Fees and/or Carried Interest in connection with their investment in a Fund.

See Item 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading) below for discussion of allocation of expenses.

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

As described above, the General Partner receives performance-based compensation in the form of Carried Interest from certain Funds, which is calculated based on the profits generated from the recapitalization, sale or disposition of Fund assets, in each case in accordance with such Fund’s Governing Fund Documents. Although Carried Interest is a method of compensation that is generally used to align the General Partner’s interests with those of its Funds’ Limited Partners, it may also create an incentive for the General Partner or RCM to make investments on behalf of the Funds that are more speculative than would be the case in the absence of such compensation. In addition, compensation in the form of Carried Interest may incentivize the General Partner to make different decisions regarding the timing and manner of the realization of its Funds’ portfolio investments than would be the case if such Carried Interest were not part of its overall compensation structure. RCM 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, certain affiliates of the General Partner and certain of RCM’s investment professionals will often invest in the Funds indirectly (e.g., through sponsor commitments) intended to align the interests of RCM and those of the Funds. In addition, the

Governing Fund Documents of the Funds provide for after-tax “claw back” arrangements if the performance-based compensation results in an over distribution of the agreed upon amount of Carried Interest.

Detailed information regarding the Carried Interest to be borne by the Limited Partners in each Fund is contained in the relevant Fund’s Governing Fund Documents. Investors should not consider an investment in a Fund without fully understanding the Fund’s Carried Interest structure.

It is likely that multiple Funds may have capital available for investment at the same time and that a prospective investment or a follow-on investment may fit within the investment mandate of more than one Fund. In such case, RCM will allocate the opportunity, including any related co-investment opportunities, in accordance with the methodology set forth in the applicable Funds’ Governing Fund Documents and RCM’s policies and procedures. In cases where the Funds’ Governing Fund Documents do not specifically address allocations, RCM will make the allocation determination in its sole discretion, but may discuss the allocation with the applicable Funds’ limited partner advisory boards.

The Funds may participate in, and certain Funds have participated in, the same investment opportunities. In such case, RCM will take measures set forth in the applicable Funds’ Governing Fund Documents and in RCM’s policies and procedures in order to address potential conflicts of interest between the Funds relating to the terms of the investment, the allocation of expenses and fee income, the purchase price of the investment and the availability of exit opportunities.

RCM has adopted policies and procedures governing co-investment opportunities pursuant to which RCM may, to the extent it believes in its sole discretion that it is appropriate to do so, offer any Limited Partner or any third party the opportunity to co-invest through a Co-investment Vehicle in any transaction in which an applicable Fund has made, or will make, an investment, subject in all cases, to the provisions of the Fund’s Governing Fund Documents. The structure and terms of any co-investment opportunity to be offered by RCM to any Limited Partner shall be determined by RCM, subject to the restrictions, if any, set forth in the Funds’ Governing Fund Documents. RCM or any of its affiliates may (or may not) in their discretion charge performance based carried interest, management fees or other similar fees to co-investors.

## **Item 7: Types of Clients**

RCM provides discretionary management and advisory services to the Funds, as applicable, directly, subject to the direction and control of the General Partner of each Fund, and not individually to the Limited Partners. Investors in the Funds may include, but are not limited to, high net worth individuals, pension plans (corporate, state and foreign), sovereign wealth funds, endowments, foundations, banks, pooled investment vehicles (e.g., funds-of-funds), trusts, estates or charitable organizations, and corporate or business entities.

The minimum commitment for a Limited Partner is outlined in the Governing Fund Documents; however RCM maintains discretion to accept less than the minimum investment threshold. Investors will be required to meet certain suitability qualifications, such as being an “accredited investor” within the meaning set forth in Rule 501(a) of Regulation D under the Securities Act, a

“qualified purchaser” or “knowledgeable employee,” each as defined in the Investment Company Act, or a “non-U.S. person,” as defined under Rule 902 under the Securities Act. Also, investors will be required to make certain representations when investing in a Fund, including, but not limited to representations that: (i) they are acquiring an interest for their own account, (ii) they received or had access to information they deem relevant to evaluate the merits and risks of the prospective investment, and (iii) they have the ability to bear the economic risk of an investment in the Funds. Details concerning applicable investor suitability criteria are set forth in the respective Governing Fund Documents and subscription materials, which are furnished to each Limited Partner.

RCM, the Funds and/or the General Partners may enter into separate agreements, commonly referred to as “side letters”, or other similar agreements with a particular Limited Partner in connection with its admission to one of the Funds without the approval of any other Limited Partner, which would have the effect of establishing rights under, altering or supplementing the terms of, or confirming the interpretation of, the applicable Fund’s partnership agreement or such Limited Partner’s subscription agreement with respect their applicability to such Limited Partner, without entitling any other Limited Partner to the benefits of such rights, alterations, supplements or confirmations. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) excuse rights applicable to particular investments (which may increase the percentage interest of other Limited Partners in, and contribution obligations of other Limited Partners with respect to, such investments); (ii) reporting obligations; (iii) waiver of certain confidentiality obligations; (iv) consent to certain transfers by such Limited Partner; (v) rights or terms requested or necessary in light of particular investment, legal, regulatory or public policy characteristics of a Limited Partner; (vi) right to serve on the Fund’s advisory board; (vii) confidentiality protections and disclosure rights; or (viii) the obligation of RCM to minimize certain adverse tax consequences to an investor in connection with the structuring of investments in portfolio companies.

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

### Methods of Analysis and Investment Strategies

Each Fund’s investment objective is to achieve long-term capital appreciation primarily through investments in companies in which the Fund will generally have significant influence on the management, operations and strategic direction of the business. The Funds’ investments are primarily in the form of control positions in companies, achieved through leveraged acquisitions, recapitalizations, restructurings and growth equity transactions.

RCM researches, targets and actively pursues companies that meet its investment criteria. RCM’s investment strategy is to generate attractive risk-adjusted returns by identifying companies in targeted industries and business models where RCM seeks to capitalize on its industry insight and operating experience to source investments, drive growth and create value. These companies are typically characterized by: predictable, stable and recurring revenues; strong and sustainable competitive positions; attractive cash flow characteristics; actionable growth opportunities; and talented and committed management teams.

RCM is dedicated to acting in accordance with the highest ethical and professional standards in its business and is committed to considering material environmental, social, and governance (“ESG”)

factors throughout the investing lifecycle alongside other investment considerations. RCM believes investing responsibly by assessing, monitoring and addressing material ESG risks and opportunities is consistent with its objectives of driving equity value creation for its investors. In 2021, RCM updated its Responsible Investment Policy. RCM's Responsible Investment Committee ("RIC"), chaired by a senior investment professional and composed of representatives from investor relations, operations, legal counsel, RCM's Chief Compliance Officer and RCM's Head of Diversity and Social Responsibility, is tasked with ensuring implementation and adherence to the Responsible Investment Policy as well as continuously advancing its approach. RCM's investment objective is to promote the growth of profitable businesses that deliver attractive risk-adjusted returns to its investors. A thoughtful approach to ESG factors is aligned with RCM's core values and will help RCM to achieve its investment objectives. RCM has adopted ESG principles to guide its approach in consideration of the UN Principles for Responsible Investment, as well as guidance from the American Investment Council and the Institutional Limited Partners Association.

Although RCM seeks investments in targeted industries in proprietary transactions or limited auctions, RCM will also consider investments in industries other than those described in the Funds' Governing Fund Documents and this Brochure and will evaluate transactions sourced from investment banking firms conducting wide scale auctions.

*Allocation of Investment Opportunities:* With respect to certain Funds, through the end of such Fund's commitment period, if an investment opportunity is presented to RCM, and RCM believes, in good faith, that such investment is suitable for such Fund, then such investment will be offered to such Fund; provided, however, that the foregoing obligation to offer investment opportunities to such Fund will not apply to the following types of investment opportunities (it being understood that, although such investment opportunities are not required to be offered to such Fund, nothing in such Fund's Governing Fund Documents will prevent such investment opportunities from being offered to such Fund): (i) investment opportunities related to current portfolio holdings of RCM or its affiliates (including another Fund); (ii) investment opportunities anticipated to require less than a defined amount of equity investment (as set forth in each Fund's Governing Fund Documents); (iii) investment opportunities suitable for any pre-existing investment fund sponsored by the RCM principals or their respective affiliates or any other investment fund permitted to be organized by the RCM principals or their respective affiliates under a Fund's Governing Fund Documents; (iv) investments intended to protect or enhance the value of investments included in paragraphs (i) through (iii) above; (v) investment opportunities presented to the RCM principals in their capacity as directors of public or private companies and in similar circumstances where pre-existing fiduciary duties apply; and (vi) as otherwise provided in such Fund's Governing Fund Documents.

*Reinvestment of Capital:* As set forth in each Fund's Governing Fund Documents, at the discretion of RCM, a Fund may retain or recall for reinvestment the (x) invested capital portion of any proceeds received by such Fund from the sale, refinancing or recapitalization of any investment that is realized within 18 months after the capital contributions in respect of such investment were originally made (or such other period of time as set forth in the Fund's Governing Fund Documents), and (y) without duplication, an amount of distributed proceeds equal to the Fund's expenses (including Management Fees) and Organizational Expenses.

*Co-Investment:* Where appropriate, RCM intends, but will not be obligated, to provide co-investment opportunities to Limited Partners and/or third parties subject to the provisions described in the applicable Funds' Governing Fund Documents and in accordance with RCM's policies and procedures.

RCM may make co-investment opportunities available to any Limited Partner(s) and/or third party(ies) as RCM, in its sole discretion, determines. In determining whether to make co-investment opportunities available, and the amount or size of such opportunities, RCM has considered, and in the future expects to consider, any factors it deems relevant, including, without limitation, the sophistication of the prospective co-investor, ability of the co-investor to close the transaction quickly, tenure as a Fund investor, commitment to making co-investment funds available, commitment to invest in current or future products of RCM, strategic expertise and financial resources of the prospective co-investor, and such other factors as RCM deems relevant, which may include subjective determinations such as working relationships and strategic benefits to RCM and/or the applicable Funds. Co-investors may also include prospective investors that RCM believes will be of benefit to itself or its past or future Funds or portfolio companies, or who may provide strategic, sourcing, or similar benefits to RCM, the Funds, and/or portfolio companies. For the avoidance of doubt, RCM reserves the right to permit consultants, advisors, vendors or service providers to co-invest alongside the Funds. The degree of control over these entities will vary depending upon circumstances and may be limited.

Allowing any co-investment can reduce the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund(s), and because co-invest opportunities generally appeal to investors and third parties, RCM is subject to conflicts of interest in determining the amount of investment opportunities that it allocates to the relevant Fund(s) relative to the amount made available to potential co-investors. However, co-investment opportunities will only be made available to the extent that RCM has determined the amount that is available for investment by the relevant Fund(s) represents the amount of capital that RCM deems prudent for the relevant Fund(s) to invest in such opportunity.

A co-investor's (including a controlled co-investment vehicle's) pro rata share (relative to capital invested) of transaction fees, monitoring fees and similar payments from portfolio companies may be retained by RCM or its related persons to the extent permitted pursuant to the relevant Governing Fund Documents and not otherwise agreed with co-investors. These fees and payments will not reduce the compensation, if any, paid to RCM by the Funds.

In most cases, co-investors will not agree to pay or otherwise bear fees, costs, or expenses related to unconsummated co-investments, such as break-up fees or broken deal expenses, in which case such fees and expenses will be considered expenses of and be borne by the Funds.

*Follow-On Investments:* After a Fund's commitment period (if any) has expired, such Fund may make additional investments in existing investments ("Follow-On Investments"); provided, that after the end of the Fund's commitment period, calls for capital contributions with respect to Follow-On Investments will not in the aggregate exceed 20% of such Fund's capital commitments (or such other amount set forth in such Fund's Governing Fund Documents).

*Exclusion from Certain Investments:* Limited Partners will not be obligated to contribute capital toward any investment if the making of such investment, in the opinion of counsel satisfactory to RCM, would be illegal or is otherwise prohibited by statute or regulation for such Limited Partner(s), and/or if a Limited Partner is excused or opts out from participating in such investment under the Limited Partner's side letter with the Fund. Certain Limited Partners may also be permitted to withdraw from a Fund in specific limited circumstances for legal or regulatory reasons. Limited Partners may be excluded from an investment if RCM determines that participation in such investment is reasonably likely to violate any regulatory requirements or have financial, legal or other material adverse effects on the Funds, any Limited Partner or any portfolio company. If one or more Limited Partners are excused or opt out from participation in an investment, RCM may either elect to have the Funds not make the investment or elect to have the Funds make the investment without the participation of such Limited Partner(s). The undrawn capital commitment of an excused or excluded Limited Partner will not be reduced as a result of any excuse or exclusion. RCM may make additional capital calls to replace the capital contributions not made by any excused or excluded Limited Partners, but Limited Partners will not be required to fund amounts in excess of their undrawn capital commitments. If a Limited Partner is excused or opts out from an investment or withdraws from a Fund, any such election to be excused, opt out or withdraw by such Limited Partner may increase other Limited Partners' indirect percentage interest in, and contribution obligations of other Limited Partners with respect to, such investment (in the case of an excuse or an opt out) or all future investments (in the case of a withdrawal).

*Risk of Loss:* An investment in the Funds involves significant risks, certain of which are described in more detail in each Fund's Governing Fund Documents. An investment in the Funds should be undertaken only by investors capable of evaluating the risks of the Funds and bearing the risks they represent. Prospective investors must rely upon their own examination of and ability to understand the nature of the investment, including the risks involved, in making a decision to invest in the Funds. There can be no assurance that the Funds will be able to achieve their investment objectives or that Limited Partners will receive a return on their capital or that any returns will occur in a timely manner; investment results may vary substantially on a quarterly and annual basis. Each prospective investor should make its own inquiries and consult its own advisors as to the Funds and as to legal, tax and related matters concerning an investment in interests in a Fund.

The descriptions contained below are a brief overview of different risks related to RCM's investment strategy; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with the management and operations of the Funds. A more detailed list of risks is provided in the confidential memoranda relating to each of the Funds.

*Dependence on Key Personnel:* The success of the Funds will be highly dependent on the expertise and performance of the RCM principals. The loss of the services of one or more of these individuals could have a material adverse effect on the performance of the Funds. There can be no assurance that the RCM principals will continue to be associated with RCM or any of its affiliates throughout the life of the Funds, as they are under no contractual obligation to remain with RCM or any of its affiliates for all or any portion of the terms of the Funds. In addition, in the event that the RCM principals cannot agree on decisions affecting the Funds, the investment results of the Funds may be adversely affected. Furthermore, although investment professionals employed by RCM intend

to devote a significant portion of their time and attention to the management of the Funds, they are not required to devote all of their business time to the Funds' affairs.

*Illiquidity of Investments; Availability of Exit Opportunities:* An investment in the Funds requires a long term commitment with no certainty of return. It is unlikely there will be near term cash flow available to the Limited Partners. Many of the Funds' investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. The ability of the Funds to achieve successful and profitable exits of their portfolio investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time a Fund seeks a realization. Partial or complete sales, transfers or other dispositions of investments that may result in a return of capital or the realization of gains, if any, may not occur for a number of years after an investment is made. Consequently, a Fund may not be able to dispose of an investment when it desires to do so or realize what it perceives to be its fair value in the event of a sale. Further, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Limited Partners. Furthermore, the Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the Funds' investments. The sale of restricted securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. As such, restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Such illiquidity may continue even if a Fund's portfolio company obtains a listing on a securities exchange and/or after the term of a Fund has ended or a Fund has commenced dissolution. In addition, there can be no assurance that the disposition of a portfolio company will occur in one transaction. If a Fund effects a disposition of a portfolio company by means of a multi-step disposition (such as a first-step cash tender offer or stock sale followed by a merger or in the case of a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder can be successfully sold. A multi-step disposition may result in a Fund holding a non-controlling interest in a portfolio company, which will result in the Fund having a limited ability to protect its position in such portfolio company.

*Portfolio Concentration:* Although the Funds' Governing Fund Documents may set forth certain concentration limits, diversification of investment is not a mandated objective of the Funds. The Funds' portfolios may include a small number of large positions, and for certain Funds, include a singular position. While this portfolio concentration may enhance total returns to the Limited Partners, if any large position has a material loss, then returns to the Limited Partners may be lower than if they had invested in a more diversified portfolio. Because the Funds may make a limited number of investments and such investments generally will involve a high degree of risk, poor performance by even a single investment could severely affect the total returns to the Limited Partners.



*Over-Commitment:* In order to facilitate an investment, a Fund may make (or commit to make or borrow funds to make) such investment with a view to selling a portion of such investment to co-investors or other persons or obtaining third-party financing prior to or within a reasonable time period after the closing of the acquisition. In such event, the Fund will bear the risk that any or all of the excess portion of such investment may not be sold or financed or may only be sold or financed on unattractive terms and that, as a consequence, the Fund may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment or may realize lower than expected returns from such investment. In addition, the Fund may be unable to make a different investment that it otherwise would have made had it not committed its capital to make such investment that would ultimately be sold-down. Further, if the sale occurs at a price equal to the Fund's original cost for such investment, then such sales would not reflect any appreciation in the value of the investment transferred. The General Partner of a Fund endeavors to address such risks by requiring such investments to be in the best interests of the Fund, regardless of whether any sell-down or financing ultimately occurs. In addition, as further described in the applicable Governing Fund Documents, the General Partner of a Fund may determine to impose a cost of carry on the purchase price for the interest in such investment to be acquired by the co-investors participating in such sale or disposition by the Fund.

*Advisory Board Approvals or Consultations for Certain Investments:* Certain Funds have made, and may continue to make, investments in a portfolio company in which another Fund has made an investment. With respect to these investments, the Governing Fund Documents of certain of these Funds require the prior approval of, or consultation with, such Funds' limited partner advisory boards.

*General Nature of the Funds' Investments:* A substantial portion of the Funds' investments will be in equity or equity related investments which by their nature involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial losses. There can be no assurance that the RCM principals will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. Prices and market movements of the Funds' investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of the Fund's activities and the value of the Fund's investments. As a result, the Funds' performance over a particular period may not necessarily be indicative of the results that may be expected in future periods and may not show any return for a considerable period of time, if at all. Given the nature of the targeted companies, there is a likelihood that one or more investments of the Funds may result in losses or fail to yield any returns. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities that may exceed the value of the Funds' original investments therein.

A portion of the Funds' investments may involve under performing companies or companies identified by RCM as being in need of additional capital. The financial condition of such companies may be weak or their balance sheets highly leveraged, and any investment in them may involve a high degree of risk and may not show any return for a considerable period of time, if at all.

The Funds may co-invest in a company with financial, strategic or other third-party investors. Such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that the co-investor may have interests or objectives that are inconsistent with those of the Funds or may be in a position to take action contrary to the Funds' investment objectives. Such investors will not be under the control of RCM and are expected to be independent strategic partners or RCM's clients. Unless otherwise agreed to, these investors will not pay expenses and/or costs incurred directly or indirectly by the Funds, including, but not limited to, consultants and advisors of the Funds, which will cause the Funds to bear more than their pro rata portion of such costs and expenses. In addition, the Funds may in certain circumstances be liable for actions of its third party co-investors or partners.

Although the Funds intend to make primarily control-oriented investments, the Funds may make minority investments in companies where they may have limited influence. Although the Funds will seek certain minority shareholder protections, the Funds' control over the investment policies of these companies may be limited. The management or other shareholders of such companies may have economic or business interests or goals that are inconsistent with those of the Funds.

*Environmental Hazards:* Some of the Funds' portfolio companies may generate, emit, store, transport and arrange for disposal of hazardous materials as a consequence of their operations, and therefore could be subject to numerous and extensive environmental, health and safety laws and regulations in respect of their operations. In addition, under environmental laws enacted by the United States and various states, owners of property may be liable for the cleanup and removal of hazardous substances even where the owner was not responsible for placing the hazardous substances on the property or where the property was contaminated prior to the time the owner took title. Compliance with these laws and regulations and obtaining necessary operating permits and licenses can be costly, and failures to comply can result in material monetary civil and criminal sanctions. The costs of removal and cleanup of hazardous substances and wastes can be extremely expensive and, in some cases, can exceed the value of a property. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of the Funds. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations, or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Even in cases where a Fund is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of a Fund to achieve enforcement of such indemnities.

*Regulated Industries:* The Funds may invest in companies that operate in regulated industries. Examples include, without limitation, franchising and financial services. The operations of such companies will be subject to compliance with applicable regulations, and such companies may be subject to increased regulations resulting from both new requirements and re-regulation of previously de-regulated markets. Prices may be artificially controlled, and regulatory burdens may

increase costs of operations. New or increased regulations could adversely affect the performance of the companies in which the Funds invest. Additionally, such companies may be highly dependent on government contracts, which could further increase the risks of investing in such companies.

*Contingent Liabilities on Acquisition or Disposition of Investments:* Much of the Funds' investments are expected to involve private securities. In connection with an investment in private securities, the Funds may assume, or acquire, a portfolio company subject to contingent liabilities. These liabilities may be material and may include liabilities associated with pending litigation, regulatory investigations or environmental actions, among other things. To the extent these liabilities are realized, they may materially adversely affect the value of a portfolio company. In addition, if the Funds have assumed or guaranteed these liabilities, the obligation would be payable from the assets of the Funds, including the unfunded capital commitments of Limited Partners. In connection with the disposition of an investment in private securities, the Funds may be required to make representations and warranties about the business and financial affairs of the company typical of those made in connection with the sale of a business, or may be responsible for the contents of disclosure documents under applicable securities law. The Funds also may be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations and warranties or disclosure documents turns out to be inaccurate, incorrect or misleading. These arrangements may result in the incurrence of accrued expenses, liabilities or contingencies for which the Limited Partners may be required to make capital contributions, even after a Fund's commitment period (if any) has expired, or for which RCM may establish reserves or escrow accounts. In that regard, distributions, including final distributions, to Limited Partners will be subject to any such reserves or holdbacks and Limited Partners may be required to return amounts distributed to them to fund the Fund's indemnification obligations or other Fund obligations arising out of any legal proceeding against the Fund.

*Valuation:* The valuation methodologies employed by RCM, particularly with regard to securities of private companies and securities that are subject to lock-ups or other limitations on free marketability, vary from security to security and can change from time to time, without notice, for a variety of reasons, including the following: (i) valuation rules under generally accepted accounting principles are in constant evolution; (ii) different methodologies may be more appropriate (in RCM's view) at different stages of a particular portfolio company's lifecycle (depending, for example, upon whether the portfolio company is generating revenue, is generating profit, has become a candidate for acquisition or public offering, or has readily determinable comparables in the marketplace); (iii) preferences or subordinations applicable to particular portfolio securities; (iv) special circumstances affecting a particular portfolio company (such as actual or threatened litigation, loss of key customers, vendors or personnel, or lack of sufficient operating capital); and (v) RCM's own judgment, including "macro" considerations such as developments in markets and technologies and "micro" considerations such as the quality of a particular portfolio company's management or personnel. As a general matter, investors will not have access to the details of RCM's valuation methodologies or to the information utilized by RCM in applying such methodologies.

*General Economic Risks:* General economic conditions, interest rates and the availability of alternate sources of financing may affect the Funds' results, including the value of its companies and its ability to sell them for a profit. The securities of portfolio companies of the type targeted by the Funds may be adversely affected by changes in technological developments, political events,

inflation, governmental policies, taxation, housing starts, petroleum prices, commodity prices, unemployment rates, organized labor activities, minimum wage laws (at the federal, as recently contemplated by the Biden administration, state and local levels), laws about restrictions on non-compete contractual provisions, elimination of, or restrictions on, mandatory arbitration agreements for employment disputes, family and medical leave laws, health insurance laws (e.g., the Affordable Care Act of 2010), other laws and regulations and currency fluctuations. The Funds' strategy in some portfolio investments may be based, in part, on the premise that appropriate businesses and assets will be available for purchase by the Funds at prices that the General Partner considers favorable. Furthermore, the Funds' strategy relies, in part, on the existence of market conditions conducive to generating favorable prices during the term of the Funds. Instability in the securities markets, labor markets and economic conditions generally may also increase the risks inherent in the Fund's investments. No assurance can be given, however, that appropriate businesses and assets can be acquired at favorable prices as this will depend, in part, on events and factors outside the control of the General Partner.

*Middle-Market Companies:* The Funds are expected to invest in, among others, middle-market companies. Investments in middle-market companies may entail more risks than are customarily associated with investments in larger companies. Middle-market companies often have more limited product lines, smaller marketing, research and development budgets, fewer customers and more limited financial resources than larger companies. Middle-market companies may be more dependent on a smaller and less experienced management group than larger companies. They may also have a higher concentration of sales with a smaller number of customers. As a result, such middle-market companies may be more vulnerable to general economic trends, competition, and changes in markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in middle-market companies, could make it difficult for the Fund to respond effectively to negative economic or political developments.

*Effects of Regulatory Efforts on Franchise Business Models:* The Funds target as an area of investment focus investments in companies employing a franchise business model. Potential changes in law could be adverse to the franchise business model as an investment opportunity. For example, franchisors and franchisees are currently subject to various regulatory efforts to enforce employment laws, such as: efforts to categorize franchisors as the co-employers of their franchisees' employees; legislation to categorize individual franchised businesses as large employers for the purposes of various employment benefits; and other legislation or regulations that may have a disproportionate impact on franchisors and/or franchised businesses. In addition, the Federal Trade Commission (the "FTC") has requested public comments on franchise agreements and franchisor business practices, including how franchisors may exert control over their workers. These changes may impose greater costs and regulatory burdens on franchising, and negatively affect a franchisor's ability to sell new franchises. As a result of these changes, the franchise business model could become less attractive.

*Risks Associated with Franchisors Being Held as Joint Employer with its Franchisees:* The Funds expect to target as an area of investment focus investments in companies employing a franchise business model. One of the legal foundations fundamental to the franchise business model has been that, absent special circumstances, a franchisor is generally not responsible for the acts, omissions or liabilities of its franchisees, whether with respect to the franchisees' employees or otherwise. There have been significant policy and legal battles over the last two presidential administrations over when two or more otherwise unrelated employers may be found to be joint employers. In August 2015, the National Labor Relations Board ("NLRB") under the Obama administration adopted a very broad rule for determining joint employment under the National Labor Relations Act. Franchise relationships were not excluded from the August 2015 rule. If the August 2015 rule were applied to the Funds' portfolio companies, it could have caused them to be liable or held responsible for unfair labor practices and other violations of law and subjected such portfolio companies to other liabilities, and required such portfolio companies to conduct collective bargaining negotiations, regarding employees of totally separate, independent employers. In such event, the Funds' portfolio companies' operating expenses could increase as a result of modifications to their respective business practices, increased litigation, governmental investigations or proceedings, administrative enforcement actions, fines and civil liability. Furthermore, it could subject such portfolio companies and/or their respective franchisees to liability for the unfair labor practices, wage-and-hour law violations, employment discrimination law violations, Occupational Safety and Health Act violations and other employment-related liabilities of one or more franchisees. If expansive joint employer standards are expanded outside of the employment context, such portfolio companies could be held liable for other claims against franchisees such as personal injury claims by guests at franchised locations. Any regulatory actions or court decisions expanding the vicarious liability of franchisors could impact the Funds' portfolio companies' ability or desire to grow their franchised base and have a material adverse impact on their respective business, financial condition and results of operations. After years of litigation, the NLRB under the Trump administration issued a rule that became effective in April 2020 reinstating the standard that existed prior to August 2015. However, if the August 2015 rule is restored or if a more expansive standard is adopted by the NLRB under the Biden administration or by other government agencies, it would likely increase the risk that the Funds' portfolio companies could be subjected to the types of obligations, claims and liabilities that were of concern under the August 2015 rule. The NLRB announced in December 2021 that it will reexamine the joint employer standard and issue a notice of proposed rulemaking on joint employment. The Obama administration also took broad views of joint employer liability under the Fair Labor Standards Act ("FLSA"). The Trump administration issued a final rule to narrow such joint liability which became effective in March 2020. The rule described instances in which joint employment will not ordinarily be found to exist under the FLSA, including the relationships that exist under the typical franchise business model. The Department of Labor's rule was struck down partially by a court in September 2020. On July 29, 2021, the Department of Labor announced a final rule to rescind the Trump administration's joint employer rule. The final rule became effective on October 5, 2021. This could result in the Funds and/or their portfolio companies being liable for FLSA violations by franchisees. The increased likelihood of any such liabilities under the National Labor Relations Act and the FLSA could also make it more difficult or expensive for the Funds and/or their portfolio companies to obtain and/or maintain relevant insurance. There are ongoing legislative, administrative and legal battles at the federal and state levels regarding the scope of joint employer liability which could impact the franchise business model and the franchisor/franchisee relationship.

In 2019, California passed Assembly Bill 5 (“AB 5”) which went into effect on January 1, 2020. AB 5 codifies and expands a 2018 decision by the California Supreme Court abandoning the longstanding “economic realities test” used to determine worker classification and, instead, adopting the “ABC test.” Under the ABC test, workers are presumed to be employees unless the entity engaging the individual can prove all of the following conditions are met: (a) the worker is free from its control and direction; (b) the worker is performing work outside the usual course of its business; and (c) the worker is customarily engaged in an independently established business, trade or occupation of the same nature as the work performed. While there are many enumerated professions that are excepted from the application of the ABC test, the law does not address or carve out an exception for franchisor/franchisee contractual relationships. Thus, depending upon the application of AB 5 or any other similar existing or future state or federal law, a franchisor could be liable to its franchisees (and potentially their employees) based upon the rights and remedies available to employees and, as a result, could be required to treat its franchisees (and their employees) as the franchisor’s employees. Indeed, on March 9, 2021, the U.S. House of Representatives again passed the Protecting the Right to Organize or “PRO” Act (H.R. 842), which would, among other sweeping changes, expand California’s AB 5 standard nationwide. The PRO Act has been referred to a committee in the U.S. Senate. Given opposition from Republicans and some conservative Democrats, there likely will not be enough votes to overcome a filibuster although Democrats may attempt to include all or parts of the PRO Act within other legislation that is not subject to the filibuster. The International Franchise Association and other groups have requested amendments to, and/or clarifications of, AB 5 from lawmakers. Recently, Assembly Bill 2257 (“AB 2257”) was enacted as urgency legislation in California, effective September 4, 2020, revamping AB 5. AB 2257 exempts additional occupations and certain business-to-business transactions from the ABC test but did not directly address franchise relationships. Proposition 22, which was passed on the November 2020 California ballot, exempts rideshare and delivery drivers from the ABC test provided certain conditions are met. On August 20, 2021, a California superior court ruled that Proposition 22 was unconstitutional, which decision has been appealed. Litigation over AB 5 and AB 2257 and their impact continues in various courts. While active efforts to narrow the reach of AB 5 continue, a bill (SB 967), which was introduced specifically to exempt the relationship between a franchisor and franchisee from the scope of AB 5, died in the legislature.

*Risks Associated with “No-Poaching” Clauses in Franchise Agreements:* Governmental authorities and private litigants have recently asserted claims against franchisors for provisions in their franchise agreements which restrict franchisees from soliciting and/or hiring the employees of other franchisees or the applicable franchisor. Claims against franchisors for such “no-poaching” clauses include allegations that these clauses violate state and federal antitrust and unfair practices laws by restricting the free movement of employees of franchisees or franchisors (including both corporate employees and the employees of company-owned stores), thereby depressing the wages of those employees. In addition, the FTC has requested public comments on a proposed rule to ban noncompete clauses for workers in some situations and whether this proposed rule should apply to noncompete clauses between franchisors and franchisees. If any such other matters or regulations result in increases in the operating expenses and/or modifications to the business practices of the Funds’ portfolio companies, such increases and/or modifications may each reduce the profitability of such portfolio companies, thereby reducing returns to the Funds.

*Unions:* Elements of organized labor and other representatives of labor unions have recently embarked on “corporate campaigns” targeting private equity firms on a variety of matters of interest to organized labor, including with respect to affording favorable treatment or significant deference to organized labor and labor unions in dealings with businesses. These campaigns include tactics such as organizing boycotts, filing of mass lawsuits and other regulatory complaints and interfering with a company’s customer and vendor relationships. Further, there has recently been an increase in aggressive action by unions in their organizing activity, including by exerting pressure on private equity fund sponsors through their associated pension and benefit plans. Specifically, union-associated pension and benefit plans both (i) use their influence as investors in private equity funds to pressure fund sponsors and their portfolio companies to enter into card-check / neutrality agreements with the union and (ii) withhold capital commitments to private equity fund sponsors whose funds’ portfolio companies refuse to enter into card-check / neutrality agreements with the union. While unions often frame these card-check / neutrality agreements as a company simply agreeing not to interfere in its employees’ desire to unionize, these agreements often also allow the union to present a one-sided argument in favor of unionization and pressure employees into signing authorization cards. The likelihood of unionization following the entry into card-check / neutrality agreements is significantly higher than in those circumstances that proceed through the standard NLRB process. Further, the involvement of a private equity fund sponsor in the decisions regarding, or execution by the sponsor of, a card-check / neutrality agreement could be argued as an admission that the fund sponsor is a joint employer of its funds’ portfolio companies’ employees, opening up risk that the fund could be held liable for wages and other employment liabilities of the portfolio company. There can be no assurance that RCM will not be targeted by unions or other elements of organized labor, which may divert time and attention from portfolio management activities.

*Systems Risk:* The Funds depend on RCM to develop and implement appropriate systems for their activities. RCM relies heavily on computer programs and systems (and may rely on new systems and technology in the future) for various purposes in connection with its activities on behalf of its investors, including, without limitation, to trade, clear and settle transactions, to evaluate certain financial instruments, to monitor its portfolio and net capital, and to generate risk management and other reports that are critical to oversight of such investors’ activities. Certain of RCM’s and the Funds’ activities will be dependent upon systems operated by third parties, including prime brokers, market counterparties and other service providers, and RCM may not be in a position to verify the risks or reliability of such third-party systems. The failure, corruption or breach of one or more systems (including as a result of the occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in RCM’s disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy investor’s needs, including, without limitation, the execution of orders, could have a material adverse effect on RCM’s ability to conduct business and thus, the Funds, particularly if those events affect RCM’s computer-based data processing, transmission, storage and retrieval systems or destroy RCM’s data. If a significant number of RCM’s personnel were to be unavailable in the event of a disaster, RCM’s ability to effectively conduct the Funds’ businesses could be severely compromised. In any of the foregoing or similar instances, there are increased risks relating to the Funds’ (and their portfolio companies’ and service providers’) reliance on their computer programs and systems if their personnel are required to work remotely for extended periods of time as a result of events such as the outbreak of infectious disease or other adverse public health developments or

natural disasters, including an increased risk of cyber-attacks and unauthorized access to their computer systems.

RCM depends heavily upon computer systems to perform necessary business functions. Despite its implementation of a variety of security measures, RCM's computer systems could be subject to cyber-attacks and unauthorized access, such as physical and electronic break-ins or unauthorized tampering. Like other companies, RCM may experience threats to its data and systems, including through malware and computer virus attacks, unauthorized access, system failures and disruptions. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed and stored in, and transmitted through, RCM's computer systems and networks, or otherwise cause interruptions or malfunctions in its operations, which could result in damage to its reputation, financial losses, litigation, increased costs, regulatory penalties and/or customer dissatisfaction or loss.

*Increased Supply of Capital and Competition:* There is an increasing number of private equity firms and other well capitalized firms that are pursuing companies similar to those targeted by the Funds. This competition includes hedge funds, business development companies, special purpose acquisition corporations, and direct investments by firms that have historically been limited partners in private equity firms. In addition, there has been a significant increase in the number of lenders interested in providing financing to middle market companies. These factors have resulted in an increase in the supply of equity and debt capital available to acquire companies that would be of interest to the Funds. As a result, purchase price multiples may increase and the Funds may encounter increased competition.

*No Assurance of Returns; Relation to Other Investments Results:* RCM cannot provide assurance that it will be able to choose, make and/or realize investments in any particular company or portfolio of companies. An investment in the Funds requires a long-term commitment. There most likely will be little or no near-term cash flow available to the Limited Partners. There is no assurance that the Funds will be able to invest their capital on attractive terms, generate returns for their investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. There can be no assurance that the Funds' investment objectives will be achieved or that there will be any return of capital. Therefore, an investor should only invest in the Funds if the investor can withstand a total loss of its investment. The past investment performance of the entities with which the principals of RCM have been associated cannot be taken to guarantee future results of any investment in the Funds.

*Financial Leverage:* The Funds expect to maintain financial leverage within each of their portfolio companies and may re-leverage an investment in order to achieve this goal. Such leverage may be substantial. Utilization of leverage will result in fees, expenses and interest costs to the Funds. If a Fund is unable to refinance a portfolio company in order to maintain the desired amount of financial leverage, the Fund may realize lower than expected returns from the relevant investment and may hold a larger than expected equity investment in that investment. Although RCM will seek to use financial leverage in a manner that they believe to be appropriate, the leveraged capital structure of such portfolio companies and investments may significantly increase their exposure to adverse economic factors, such as rising interest rates, downturns in the economy, changes in commodity prices or deterioration in the condition of such portfolio companies or investments or their



respective industries, each of which may impair such portfolio companies' ability to finance their future operations and capital needs, result in the imposition of restrictive financial and operating covenants and result in such portfolio companies experiencing financial difficulties, becoming insolvent or filing for bankruptcy protection. If a portfolio company cannot generate adequate cash flow to meet debt obligations, for example, a Fund may suffer a partial or total loss of capital invested in the portfolio company.

The instruments and borrowing utilized by a Fund to leverage investments may be collateralized by any assets of the Fund (and may be cross-collateralized with the assets of any parallel partnership, if any, or alternative investment vehicle of the Fund or with the assets of any other Fund) or any of the Fund's portfolio companies, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such instruments and borrowings. The amount of borrowings which a Fund may have outstanding at any time may be substantial in relation to its capital, subject to the terms of the applicable Fund's Governing Fund Documents. A Fund's assets, including any investments made by the Fund and any capital held by the Fund, may be available to satisfy all liabilities and other obligations of the Fund. If a Fund or a portfolio company (or, to the extent a Fund's assets are cross-collateralized with the assets of any parallel Fund or alternative investment vehicle of a Fund or with the assets of any other Funds, such parallel Fund, alternative investment vehicle or other Fund) defaults on secured indebtedness, for example, the lender may foreclose and the Fund could lose its entire investment in the security for such loan. Further, any cross-default provisions in a financing agreement could magnify the effect of an individual default. If a Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and will not be limited to any particular asset, such as the investment giving rise to the liability. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of a Fund or when due for refinancing such that the Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized. Borrowings may be secured by assignment of the obligations of the Limited Partners to make capital contributions to a Fund and a security interest in a Fund's investments. The inability of a Fund to repay borrowings under a credit facility secured by the capital commitments of Limited Partners could enable a lender to take action against its Limited Partner to the extent of their then remaining capital commitment to the Fund. Also, a Fund or any of its portfolio companies may, in the future, enter into financing arrangements that contain financial covenants that could require it to maintain certain financial ratios. If a Fund or a portfolio company were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and a Fund might be forced to sell portfolio investments or to call capital commitments from Limited Partners. A Fund might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of RCM to adopt the financial structure (*e.g.*, by reducing levels of borrowing) which it would have adopted in the absence of such covenants. Further, financial leverage incurred by a Fund and/or its portfolio companies may be in the form of securitizations and other structured finance techniques. These techniques may prevent a Fund and/or its portfolio companies from availing themselves of the benefits of the U.S. Bankruptcy Code and similar statutes that prohibit creditors from taking actions to enforce their creditor claims.

*Subscription Credit Facilities.* Where a Fund uses borrowings under a subscription line and/or a 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 result in a higher or 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 will present conflicts of interest, including with respect to any marketing efforts by RCM, as RCM will have various incentives to use the facility if doing so could result in a higher 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 Fund Documents. Because the preferred return of a Fund 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. This will provide the General Partner with an economic incentive to fund investments through such facilities in lieu of capital contributions. In addition, Management Fees may be paid to RCM using such borrowings even if capital contributions have not been made to the applicable Funds by its investors, and the proceeds of such borrowings and interest borne therein, to the extent capitalized as a transaction-related expense, will inform the calculation of the cost basis of an investment for purposes of calculating and paying Management Fees. Moreover, the fees, costs and expenses of any such facilities will generally be allocated among a Fund and any parallel funds or other vehicles, including other Funds, pro-rata or on such other basis that is determined by RCM to be more equitable under the circumstances, which will increase the expenses borne by the applicable Limited Partners and would be expected to reduce net cash on cash returns.

RCM expects to also structure borrowings as a net asset value loan based on the assets of a Fund’s portfolio or special purpose vehicle that is formed for the purpose of holding one or more debt or equity investments in portfolio companies, in order to borrow additional funds or otherwise obtain leverage for investment or other working capital or general corporate purposes (including to make distributions, follow-on investments or enhance returns).

The net asset value facilities may receive direct or indirect credit support from the Fund (e.g., such facilities may be secured by capital contributions, a pledge of the general partner’s right to draw down on such obligations, a security interest in the Fund’s investments or equity interest and accounts of such special purpose vehicle, or the value of the underlying portfolio of the Fund, depending on the type of borrowing, with the amount of credit available under a net asset value facility being tied to both the creditworthiness of the Funds and the collateral support from the underlying assets pledged. Under such net asset value facilities, RCM will, in its discretion, determine whether and to what extent such borrowing (and any associated agreements to indemnify or provide funds in the event of breaches of contractual provisions by a Fund, its subsidiaries or its investments (whether such agreement to provide funds is described as a guarantee, performance undertaking, equity commitment or otherwise)) is a borrowing of a Fund or “recourse” to a Fund for the purpose of any limitations or caps on borrowings at the Fund level (and could, in the case of any borrowing or other indebtedness that is not secured exclusively by the right to draw down unfunded capital commitments, determine to count such borrowing or indebtedness for the purposes of such cap only to the extent it is secured) and, as a result, will be subject to conflicts of interest in making such determination. In connection with such net asset value loans, RCM has the ability to pledge the assets of a Fund’s portfolio, including on a cross-collateralized basis, without taking into account the potential for non-pro rata investments by Limited Partners as a result of a Limited

Partner's opt-out rights. To the extent that the Fund invests alongside co-investors, the interests of Limited Partners and the co-investors could diverge in connection with the utilization of a net asset value loan as co-investors will not be obligated to participate in any such net asset value loan.

Use of a subscription-based credit facility or net asset value loan (or other leverage) with respect to portfolio investments will impact payment date of capital contributions received from Limited Partners and therefore impact calculations of returns and will result in a higher or lower reported IRR (on an investment, Fund and/or investor level) than if the facility had not been utilized and instead the investors' capital had been contributed at the inception of an investment. In addition, 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.

*Changes in Credit Markets:* A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions (e.g., due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) could impair, potentially materially, the Funds' ability to consummate or profit from these transactions. More specifically, the ability of the Funds' portfolio companies to finance or refinance debt securities may depend on their ability to sell new securities in the high-yield debt or bank financing markets. Uncertainty in the global financial system generally, has made it significantly more difficult than it had been in the past for sponsors or potential buyers to obtain favorable financing for investments. The deterioration of the global debt markets (particularly the U.S. debt markets), the failure of certain U.S. financial services companies and a significant rise in market perception of counterparty default risk has significantly reduced investor demand and liquidity for investment grade, high yield and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling or significantly less willing to finance new investments or to only offer committed financing for investments on less favorable terms than had been prevailing in the past. In addition, to the extent that such marketplace events continue (or worsen), this may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Further economic downturn could adversely affect the financial resources of the Funds' portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Funds could lose both invested capital in and anticipated profits from the affected investment. Such a marketplace may impair the Funds' ability to consummate certain transactions or cause the Funds to enter into certain transactions on less attractive terms. If any one of a Fund's portfolio companies is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from such portfolio company that would adversely affect a Fund's ability to generate attractive investment returns for the Limited Partners. Any failure by lenders to provide previously committed financing could also expose the Funds to potential claims by sellers of businesses which the Funds may have been contracted to purchase.

*Whole Business Securitizations:* Many of the Funds' portfolio companies are franchised businesses. As franchisors typically have recurring revenues in the form of royalties and other income from their franchisees, the Funds' portfolio companies have entered, and are expected to continue to enter, into whole business securitizations ("WBS"). A WBS is considered to be lower

cost term financing (versus unsecured high yield debt) and a structure that supports increased leverage which may facilitate a recapitalization or shareholder distribution. In a WBS deal, the sponsoring entity conveys the revenue-generating assets arising from its intellectual property (franchise fees, royalties, etc.) into a bankruptcy remote, special purpose vehicle, which serve as collateral for the offered notes. By placing the assets into a bankruptcy remote entity, such assets will be isolated from the credit risk of the parent entities of such portfolio company so that the lender to such bankruptcy remote entity is relying primarily on the value of such assets in making a loan. A WBS typically has extensive covenants and representations with the indenture trustee and the lenders that are generally focused on maintaining the value of assets so that debt service coverage is maintained. A unique feature of a WBS is its parent entity's ongoing involvement in managing the bankruptcy remote special purpose entity's business as franchisor to generate expected cash flow, maintain asset value and nurture the brand. An evaluation of the management team, growth strategy and competitive position is thus central to the analysis. If the pool of franchise fees and royalties underperforms expectations, there could be a breach of the debt service and other financial covenants of a WBS. This in turn could result in a variety of adverse events for the applicable portfolio company, including cash trapping, cash sweeping, increased and early amortization of principal, limitations on the incurrence of additional debt, defaults and foreclosure, all of which could have a material adverse impact on the business, financial condition and results of operations of a Fund and the applicable portfolio company. Because of the bankruptcy remote structure of a WBS, the applicable portfolio company will not be able to avail itself of the benefit of the protections afforded a debtor by the U.S. Bankruptcy Code and similar statutes that prohibit creditors from taking actions to enforce their creditor claims. No previous success by any of the Funds with WBS transactions is any guarantee of the success of any other Fund, or the continued success of such Fund, in respect of any WBS.

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

Any Distress Event has a potentially adverse effect on the ability of RCM and the General Partners to manage the Funds and their investments, and on the ability of RCM, the General Partners, any

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

*Difficulty of Locating Suitable Investments:* There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of their capital commitments in opportunities that satisfy the Funds' investment objectives, or that such investment opportunities will lead to completed investments by the Funds. The activity of identifying, analyzing, completing and realizing an attractive investment opportunity is, and will continue to be, highly competitive and involves, and will continue to involve, a high degree of uncertainty. The Funds will compete for the acquisition of investments with other investors. Some of these competitors may 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, a greater ability to achieve synergistic cost savings in respect of an investment than the Funds, a need to invest expiring capital commitments, a longer investment horizon than the Funds and access to funding sources unavailable to RCM. Such competitors may include other private investment funds, business development companies, special purpose acquisition corporations, firms that have historically been limited partners in private equity firms, venture capital firms, individuals, financial institutions, strategic or scaled acquisition firms, family offices and other institutional investors. In addition, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. Therefore, identification of attractive investment opportunities is difficult and involves a high degree of uncertainty, and competition for such opportunities may become more intense. In addition, there has been a significant increase in the number of lenders interested in providing financing to middle-market companies. These factors have resulted in an increase in the supply of equity and debt capital available to acquire companies that would be of interest to the Funds. As a result, purchase price multiples may increase and the Funds may encounter increased competition. Further, although the primary goal of RCM is to seek investments in targeted sectors in proprietary transactions or limited auctions, RCM will also consider investments for a Fund in sectors other than those described in such Fund's Governing Fund Documents and will evaluate transactions sourced from investment banking firms conducting wide scale auctions. The outcomes of these auctions cannot be guaranteed, thus potentially reducing the number of investment opportunities available to the Funds and potentially adversely affecting the terms, including price, upon which investments can be made. As a result of the foregoing, there can be no assurance that the General Partner of each Fund will be able to identify a sufficient number of investment opportunities for such Fund to enable it to invest fully the capital commitments in opportunities that satisfy such Fund's investment objectives, or that such investment opportunities will lead to completed investments by such Fund. In addition, a Fund may incur significant expenses in

connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third-party advisors, which would reduce returns to such Fund's investors.

*Fund Expenses / Broken Deal Expenses:* The Funds' investments require extensive due diligence, legal, and other costs and expenses prior to their consummation and may be subject to broken deal expenses if they are not consummated. Such costs may include payment to third parties for successfully sourcing deals or other services and could be in the form of cash or equity in the portfolio company, which would likely dilute the Fund's investment. The Fund will pay any fees, costs and expenses incurred in connection with the discovery, investigation, evaluation, development, acquisition, holding, monitoring, financing, licensing, operating, taking public or private or disposition of any investment opportunities it pursues, whether or not such investments are ultimately consummated, including investments pursued by RCM prior to the initial closing of the Fund that are intended to become Fund investments. Additionally, the Fund may enter into agreements that involve payments by the Fund, such as reverse break-up fees, if it does not consummate the transaction. These expenses can be significant and may be material to the Fund. The Fund may incur, either directly or pursuant to its obligation to reimburse the General Partner, RCM or any of their respective affiliates for any such expenses advanced by them, significant expenses in connection with proposed investments that are not consummated without the opportunity for gain or recoupment of such expenses. In addition, co-investors may not agree to pay or otherwise bear fees, costs or expenses related to unconsummated co-investments. In such event, such fees, costs and expenses will be considered Fund expenses.

*Need for Additional Investments:* The Funds may be called upon to provide follow on funding for its portfolio companies or have the opportunity to increase its investment in portfolio companies. There can be no assurance that the Funds will be able to make such additional investments or that the Funds will have sufficient funds to do so. Any decision not to make such additional investments or the inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the respective Fund's ability to influence the portfolio company's future development, including due to a dilution of a Fund's investment in such portfolio company.

*Bridge Loans:* From time to time, the Funds may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities. Such bridge loans will typically be convertible into a more permanent, long-term security; however, for reasons not always in the Funds' control, such long-term securities may not be issued and such bridge loans may remain outstanding. In such event, the interest rate on such loans may not adequately reflect the risk associated with the unsecured position taken by the Funds.

*Investments Longer Than Term:* The Funds may invest in investments which may not be advantageously disposed of prior to the date that the Funds will be dissolved, either by expiration of each Fund's term or otherwise. Although RCM expects that investments will be either disposed of prior to dissolution or suitable for in-kind distribution at dissolution, the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

*Uncertainty of Financial Projections:* RCM will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on judgments of RCM. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values. General economic conditions, which are not predictable, can also have a material adverse impact on the reliability of such projections.

*Expedited Transactions:* Investment analyses and decisions by RCM will sometimes be undertaken on an expedited basis in order for the Funds to take advantage of available investment opportunities. In such cases, the information available to RCM at the time of an investment decision may be limited and RCM may not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, the financial information available to a General Partner may not be accurate or provided based upon accepted accounting methods, and a General Partner will sometimes rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments. Further, a Fund may conduct its due diligence activities in a very brief period and may assume the risks of obtaining certain consents or waivers under contractual obligations, incurring liabilities (including from contractual provisions and other sources that survive the transaction) or violating representation or warranties entered into by a Fund in connection with its investments. While it is expected that RCM will negotiate purchase price adjustments, termination rights and other protections, such rights may not be available or, if available, RCM may elect not to exercise them. Any of the foregoing risks will likely be exacerbated with respect to investments by the Funds in securities of public companies.

*Valuation Of Assets and Changing Accounting Standards:* The Funds will own securities that are not publicly traded, and will be required to be fairly valued by RCM in accordance with its valuation policies and procedures. Valuations are subject to multiple levels of review for approval. Investors should review a Fund's Governing Fund Documents to understand the risks and potential conflicts of interest that may arise in connection with valuation of assets. The valuation of the assets of a Fund will likely affect the Fund's reported performance. The Funds' investments generally will have no, or a limited, liquid market, and the fair value of such investments may not be readily determinable. There is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized by a Fund upon the eventual disposition of the investment and the performance of a Fund could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment. RCM may change its valuation procedures and methods from time to time (within the framework of GAAP) to reflect market practice, regulatory requirements, or other factors deemed appropriate by RCM.

*Control Position Risk:* The Funds intend to primarily make investments that allow the Funds to acquire control or exercise influence over management and the strategic direction of a portfolio investment as described in the Governing Fund Documents. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities,

failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over a portfolio investment could expose the assets of the Funds to claims by the portfolio companies underlying such investments, its security holders and its creditors. While RCM intends to manage the Funds to minimize exposure to these risks, the possibility of successful claims cannot be precluded.

*Integration of Acquisitions:* The Funds or any one of their portfolio companies may acquire one or more companies with the intent of integrating the business and operations of such company into such portfolio company. The integration activities associated with any such acquisition are complex, and such portfolio company may encounter unexpected difficulties or incur unexpected costs as a consequence, including, without limitation: (i) the diversion of the attention of such portfolio company's management to integration matters; (ii) difficulties in the integration of the operations and systems of such portfolio company and such acquired companies; (iii) difficulties in the assimilation of the employees of such portfolio company and such acquired companies; and (iv) challenges in attracting and retaining key personnel of such portfolio company and such acquired companies. As a result, RCM or such portfolio company's management team may be required to devote additional resources to integration activities that would otherwise be spent on additional investment activities that could benefit the Funds.

*Operating and Financial Risks of Portfolio Companies:* Any one portfolio company and/or one or more of the businesses that such portfolio company acquires or that is integrated with the business and operation of such portfolio company could deteriorate as a result of, among other factors, an adverse development in their business, a change in their competitive environment, or an economic downturn. As a result, business that may have expected to be stable may operate at a loss or have significant variations in operating results, may require substantial additional capital to support their operations or to maintain their competitive positions, or may otherwise have a weak financial condition or be experiencing financial distress. In some cases, the success of the Funds' investment strategies and approaches will depend, in part, on the ability of RCM and such portfolio company's management teams to effect improvements in the operations of such portfolio company and businesses that such portfolio company acquires. The activity of identifying and implementing operating improvements and capturing synergies entails a high degree of uncertainty. There can be no assurance that RCM or such portfolio company's management team will be able to successfully identify and implement such operating improvements and capture synergies. In addition, the Funds may cause portfolio companies to bear certain fees, costs and expenses that such portfolio companies would not otherwise bear, including the fees, costs and expenses incurred in developing, evaluating, investigating, negotiating, structuring, holding, monitoring or consummating the Funds' investments in such portfolio companies. The payment of such fees, costs and expenses by such portfolio company may reduce the amount of cash that such portfolio company has on hand.

*Cybersecurity:* The Funds, the General Partner, RCM, their affiliates and their service providers are subject to risks associated with a security breach, which may occur due to a cybersecurity attack (e.g., through hackers and data thieves), insider threat, or other intentional or unintentional action affecting privacy or security. Such an attack or security breach could threaten networks, hardware and systems, computers, programs, loss or corruption of data, and misappropriation of confidential information, consumers', users', or employees' personal information, which could result in media



attention, damage consumer and customer opinions about the brands, damage to employee and business relationships, litigation or regulatory fines, all of which could subject the Funds and their portfolio companies to losses and harm the Funds and their portfolio companies. Information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to the Funds or Limited Partners, without limitation, by interfering with the processing of transactions, affecting the Funds' ability to conduct valuations or impeding or sabotaging trading. As many of the Funds' portfolio companies accept electronic and card-based forms of payment from their guests, their businesses involve the handling of guests' data, including credit and debit card numbers and other personally identifiable information. Certain Funds' portfolio companies also maintain loyalty programs that involve the handling of such data and information from guests. RCM maintains (and many of the Funds' portfolio companies maintain) important internal company data, such as personally identifiable information about RCM employees (and, in the case of such Funds' portfolio companies, their respective employees) and information relating to their respective operations. The Funds may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose the Funds, the General Partner and RCM (which, in turn, may be indemnified by the Funds) to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for portfolio companies, which could affect their business and financial performance, resulting in material adverse consequences for such issuers, and causing the Funds' investments in such portfolio companies to lose value. The use of personal information by the Funds and their portfolio companies is regulated by foreign, federal and state laws, as well as by certain third-party agreements. As privacy and information security laws and regulations change or as new laws are enacted, the Funds and their portfolio companies may incur additional costs to ensure that they remain in compliance with those laws and regulations. If the Funds' portfolio companies' security and information systems are compromised or if their employees fail to comply with these laws, regulations, or contract terms, and this information is obtained by unauthorized persons or used inappropriately, it could adversely affect the applicable portfolio companies' reputation and could disrupt their operations and result in costly litigation, judgments or penalties resulting from violation of federal and state laws and payment card industry regulations. A cybersecurity incident could also require a portfolio company to notify its guests, employees or other groups, result in adverse publicity, loss of sales and profits, increase fees payable to third parties, and result in penalties or remediation and other costs that could adversely affect such portfolio company's business, financial condition and results of operations.

*Toehold Investments:* The Funds and/or any one portfolio company may accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock, or other securities (including debt securities) of potential target companies. The Funds and/or such portfolio company may be unable to accumulate a sufficiently large position in a target company to execute its strategy. In such circumstances, the Funds and/or such portfolio company may dispose of its

position in the target company within a short time of acquiring it and there can be no assurance that the price at which such stock is sold will not have declined since the time of acquisition. This may be exacerbated by the fact that stock of the companies that such portfolio company may target may be thinly traded and that the position held may nevertheless have been substantial and its disposal may depress the market price for such stock. Further, such target companies may have economic or business interests or goals that are inconsistent with those of the Funds, and the Funds may not be in a position to limit or otherwise protect the value of their investments in such companies. The Funds' control over the investment policies of such companies may also be limited. This could result in the Funds' investments being frozen in minority positions that incur a substantial loss.

*Risks of Multi-Step Acquisitions.* In the event that the Funds and/or any one portfolio company choose to effect a transaction by means of a multi-step acquisition (such as a first-step cash tender offer or stock purchase followed by a merger or in the case of a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder can be successfully acquired. This could result in the Funds or such portfolio company, as applicable, having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

*Non-Control Investments and/or Investments with Third Parties in Joint Ventures and Other Entities:* A Fund may hold a non-controlling interest (including in the form of debt and/or equity) in certain portfolio companies and, therefore, may have a limited ability to protect its position in such portfolio companies. Further, the Fund 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. Similarly, the Fund may co-invest in a company with financial, strategic or other third-party investors and/or through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests in certain investments. In such cases, the Fund 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 Fund is not affiliated and whose interests may be inconsistent with or conflict with the interests of the Fund. Moreover, in the case where a Fund may co-invest, such investments will involve additional risks not present in investments where a third party is not involved, including the possibility that a third party partner or co-venturer may have financial difficulties resulting in a negative impact on such investment, may have economic or business interests or goals which are inconsistent with those of the Fund, or may be in a position to take (or block) action contrary to the Fund's interests or goals. For example, in certain situations, including where the businesses are in bankruptcy or undergoing a reorganization, minority investors may be subject to the decisions taken by majority investors, and the outcome of a Fund's investment may depend on such majority controlled decisions, which decisions may not be consistent with the Fund's objectives. In addition, the Fund may in certain circumstances be liable for the actions of its third party partners or co-venturers. Investments made with third parties in joint ventures or other entities also may involve carried interests and/or other fees payable to such third-party partners or co-venturers. Although a Fund may not have control over these investments and, therefore, may have a limited ability to protect its position therein, a Fund generally expects 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 a Fund's interests.

*Continuation Fund:* RCM has participated in, and in the future could propose to a Fund's limited partner advisory board or a Fund's investors, one or more transactions that enable investors to monetize or restructure all or a portion of their interests in a Fund, including through the use of a continuation vehicle (each such transaction, a "Liquidity Event"). The sale of an investment to a continuation vehicle could result in the applicable General Partner and/or related persons of RCM (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all of the investors in such Fund and otherwise taking actions with respect to such investment that are different from the actions taken by other investors. As such, the applicable General Partner and other related persons of RCM could ultimately receive a return on their share of the relevant investment that is higher than the return achieved by other investors in such Fund. RCM could be subject to other conflicts of interests in connection with a Liquidity Event, including with respect to investment valuations, allocation of fees and expenses, and the offering of investment opportunities to Funds and co-investors.

*Investments in Less Established Companies:* A Fund may invest a portion of its assets in less established companies, or early stage companies. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies.

*Investments in Public Companies:* A Fund may invest in securities of public companies (including by way of private investments in public equities ("PIPEs")) (subject to restrictions in its Governing Fund Documents) or take private portfolio companies public. Investments in public companies offer the opportunity for significant gains, but also involve a high degree of risk, including the complete loss of capital, and may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, movements in the stock market and trends in the overall economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of a Fund to dispose of such securities at certain times (including due to the possession by a Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include RCM personnel, regulatory action by the SEC and other U.S. and non-U.S. regulators and increased costs associated with each of the aforementioned risks. If any one of a Fund's portfolio companies becomes a public company, it may incur significant legal, accounting, insurance and other expenses. As a public company, such portfolio company will be required, among other things, to establish and periodically evaluate procedures with respect to its internal controls over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on such portfolio company's financial and management systems, processes and controls, as well as on its personnel.

*Back Leverage:* A Fund may (i) create an investment vehicle, contribute a Fund's assets to such investment vehicle (or make such investments directly through such investment vehicles), and cause such investment vehicle to incur borrowings which may be secured by the investment vehicle's assets or (ii) cause multiple such investment vehicles to engage in joint borrowings and/or secure any such borrowings on a cross-collateralized basis. Any arrangements entered into by such vehicle or entity (and not the Fund itself), shall not be considered borrowings by the Fund for purposes of the Fund-level limits on borrowings (or any limits on issuing additional interests) by the Fund that are set forth in the Governing Fund Documents. The use of back leverage potentially enhances the

return profile of these investments and the Fund overall, but also increases the risk of the applicable investment, including the risks associated with collateralized investments held through the same leverage facilities. If the Fund were to create one or more of such investment vehicles, the Fund would depend on distributions from an investment vehicle's assets out of its earnings and cash flows to enable the Fund to make distributions to its Limited Partners. The ability of such an investment vehicle to make distributions could be subject to various limitations, including the terms and covenants of the debt it issues. For example, tests (based on interest coverage or other financial ratios or other criteria) may restrict the Fund's ability, as the holder of an investment vehicle's common equity interests, to receive cash flow from these investments. There is no assurance any such performance tests will be satisfied. Also, an investment vehicle may take actions that delay distributions in order to preserve ratings and to keep the cost of present and future financings lower. As a result, there may be a lag, which could be significant, between the repayment or other realization on a loan in, and the distribution of cash out of, such an investment vehicle, or cash flows may be completely restricted for the life of the relevant investment vehicle.

*Financial Fraud:* Instances of fraud and other deceptive practices committed by senior management or owners of portfolio companies in which a Fund invests or other third parties may undermine RCM's due diligence efforts with respect to such companies and, if such fraud is discovered, materially negatively affect the valuation of the Fund's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact the Fund's investment program. In the event of fraud by any portfolio company in which the Funds invest, the Funds may suffer a partial or total loss of its capital investment in that company. In addition, the employees and third-party service providers of RCM or a portfolio company in which the Funds invest may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Funds' business prospects or future marketing activities. No assurances can be given that the due diligence performed by RCM will identify or prevent any such misconduct. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to the General Partners' reduced control of the functions that are outsourced. In addition, if the General Partners and/or RCM are unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected.

*Outsourced Services:* Consistent with what RCM believes to be typical industry practice, RCM has and is expected to continue to outsource to third parties certain services performed for a Fund and/or its portfolio companies, including services (such as administrative, legal, accounting, certain elements or portions of investment diligence and certain ongoing monitoring, tax or other related services) that could otherwise be expected to be performed in-house by RCM and its personnel. The fees, costs and expenses of such third-party service providers will be borne by a Fund as operating expenses, even if the costs of such services had not historically been charged to Funds when performed in-house, to the extent applicable. The decision to engage a third-party service provider and the terms (including economic terms) of such engagement will be made by RCM in its discretion, taking into account such factors as it deems relevant under the circumstances. Certain third-party service providers and/or their employees (and/or teams thereof) could dedicate substantially all of their business time to Funds and/or their respective portfolio companies, while others could have other clients. In certain cases, third-party service providers and/or their employees

(including part or full-time secondees to RCM) may spend some or all of their time at RCM offices, have dedicated office space at RCM, have RCM-related e-mail addresses, receive administrative support from RCM personnel, and/or participate in meetings and events for RCM personnel, even though they are not RCM employees or affiliates. RCM will have an incentive to outsource services to third parties due to a number of factors, including because the fees, costs and expenses of such service providers will be borne, subject to a Fund's Governing Fund Documents, by Funds as operating expenses (with no reduction or offset Management Fees), and retaining third parties could reduce RCM's internal overhead, compensation and benefits costs for employees who would otherwise perform such services in-house. The involvement of third-party service providers may present a number of risks due to RCM's reduced control over the functions that are outsourced. There can be no assurances that RCM will be able to identify, prevent or mitigate the risks of engaging third-party service providers. Funds could suffer adverse consequences from actions, errors or failures to act by such third parties, and will have obligations, including indemnity obligations, and limited recourse against them. Outsourcing may not occur uniformly for all Funds and, accordingly, certain costs could be incurred by (or allocated to) certain Funds through the use of third-party (or internal) service providers that are not incurred by (or allocated to) other Funds.

*Benchmarking:* With respect to costs associated with RCM's retention of service providers to Funds or portfolio investments, while RCM may, in its discretion (subject to a Fund's Governing Fund Documents), seek to obtain benchmarking data regarding the rates charged or quoted by other third parties for similar services, RCM generally is under no obligation to do so. In the event that RCM does undertake to benchmark the cost of services, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. In addition, benchmarking data, to the extent available, often is based on general market and broad industry overviews, rather than determined on a provider-by-provider or asset-by-asset basis. As a result, benchmarking data typically does not take into account specific characteristics of individual assets then owned or to be acquired by a Fund (such as size or location), or the particular characteristics of services provided or differentiations in the quality of service (such as reliability, speed of execution, degree of specialization or experience of the service provider). For these reasons, such market comparisons may not result in precise market terms for comparable services, and the fact that one service or service provider may be "comparable" to another, or lower in cost, does not limit RCM from choosing a different and/or higher cost service provider in the event that RCM believes doing so can be expected to result in services that are of higher quality or otherwise better suited to the identified need. In many circumstances, RCM can be expected to determine that third-party benchmarking is unnecessary, for example because in RCM's view no comparable service provider offers such good or service (or an insufficient number of comparable service providers for a reasonable comparison exists), or because RCM has access to adequate information (including from service providers to RCM, its Funds or portfolio investments) or otherwise believes that it has sufficient experience to select a service provider without reference to third-party benchmarking.

*Distributions:* There can be no assurance that the operation of the Funds will be profitable, that the Funds will be able to avoid losses or that cash from their investments will be available for distributions to the Limited Partners. The Funds will have no source of funds from which to pay distributions to the Limited Partners other than income and gain received on their investments and

the return of capital. In addition, while each Fund intends to make distributions in cash, it is possible that certain distributions may be made in kind and could consist of securities for which there is no readily available public market and with respect to which there are substantial transfer restrictions or of securities of entities unable to perform under contractual obligations.

*Geographic Concentration Risk:* A Fund may have geographic concentration limitations set forth in its Governing Fund Documents which prohibit the Fund from investing more than a certain percentage of its capital commitments at any time in portfolio companies that are domiciled or headquartered outside of North America. Due to such restrictions, the Fund will have a restricted ability to mitigate against market-specific risks in North America by diversifying its portfolio investments across geographic regions outside of North America. Additionally, the economy of a particular country in which the Fund may invest is influenced by economic and market considerations in other countries in the region. Investors' reactions to events in one country can have adverse effects on the securities of companies and the value of property and related assets in other countries in which the Fund may invest. Further, if the geographic areas in which a Fund invests experience weakened financial positions (including high unemployment rates, disease, high poverty rates, high foreclosure rates and low incomes), this may decrease the likelihood of success of a Fund's investments or the ability of a Fund's portfolio companies to achieve financing or refinancing. Consequently, a Fund's performance may be worse than the performance of other funds that invest more broadly geographically.

*Investments in Emerging Markets:* While RCM intends to focus on investments in businesses that have substantial operations, business or customers in North America, the Funds will be permitted to make investments in emerging markets throughout the world. Investing in emerging markets involves risks and special considerations not typically associated with investing in more established economies or markets including, among other things: (i) higher dependence on exports and the corresponding importance of international trade; (ii) greater risk of inflation, interest rate volatility, stock market volatility and lack of financial liquidity; (iii) inability to exchange local currencies for U.S. dollars; (iv) increased likelihood of governmental involvement in and control over the economy; (v) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (vi) less developed compliance culture; (vii) risks associated with differing cultural expectations and norms regarding business practices; (viii) longer settlement periods for transactions and less reliable clearance and custody arrangements; (ix) less developed, reliable, or independent judiciary systems for the enforcement of contracts or claims, including bankruptcy claims; (x) greater regulatory uncertainty; (xi) maintenance of the Fund's investments with non-U.S. brokers and securities depositories; (xii) greater risks regarding repatriation of income and capital; (xiii) threats or incidents of corruption or fraud; and (xiv) less developed or reliable capital and credit markets, which may make it more difficult to acquire, finance or dispose of investments, all of which may adversely affect the return on the Funds' investments. Repatriation of investment income, assets and the proceeds of sales by investors foreign to such markets, such as the Funds, may require governmental registration and/or approval in some emerging markets. The Funds could be adversely affected by delays in granting or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by emerging market countries on interest or dividends. In emerging markets, there is often less government supervision and regulation of business and industry practices, stock exchanges, over-the-counter markets, brokers, dealers, counterparties and issuers than in other more established

markets. Any regulatory supervision that is in place may be subject to manipulation or control. Some emerging market countries do not have mature legal systems comparable to those of more developed countries. Moreover, the process of legal and regulatory reform may not be proceeding at the same pace as market developments, which could result in investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements or authorities. In certain cases, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. The Funds may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in non-U.S. courts.

*Provision of Managerial Assistance and Control:* The Funds typically will designate directors (and non-executive chairman) to serve on the boards of directors of portfolio companies. Moreover, in its efforts to avoid having the assets of the Fund constitute “plan assets” of any plan subject to Title I of ERISA (as defined herein) or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended, the General Partner of each Fund may, in this regard, elect to operate the Fund as a “venture capital operating company” (“VCOC”) under the U.S. Department of Labor plan asset rules. Operating the Fund as a VCOC would require that the Fund obtain rights to participate substantially in or influence the conduct of the management of a number of the Fund’s portfolio companies. The designation of directors and other measures contemplated could expose the assets of the Fund to claims by a portfolio company, its security holders and its creditors. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, pension liabilities, failure to supervise management, violation of government regulations and other types of liability. If these liabilities were to occur, the Fund could suffer significant losses in its investments. While RCM intends to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded. Although such board positions in certain circumstances may be important to a Fund’s investment strategy and may enhance RCM’s ability to manage investments, they may also have the effect of impairing RCM’s ability to sell the related securities when, and upon the terms, it may otherwise desire and may subject the General Partner, RCM and the Fund to claims to which they would not otherwise be subject as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the Funds will indemnify their respective General Partner and RCM from such claims.

*Illiquidity of Limited Partner Interests:* An investment in the Funds requires a long term commitment with no certainty of return. It is unlikely there will be near term cash flow available to the Limited Partners. Many of the Funds’ investments will be highly illiquid, and there can be no assurance that the Funds will be able to realize such investments at attractive prices or otherwise be able to effect a successful realization or exit strategy. The ability of the Funds to achieve successful and profitable exits of their portfolio investments may be impacted by a number of factors prevailing at the time, including general economic conditions, interest rates, availability of capital, interest levels of strategic and financial buyers and cyclical trends. It is difficult to predict with any certainty whether there will be a ready and willing market of buyers for any particular portfolio company at the time a Fund seeks a realization. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions in kind to the Limited

Partners. Additionally, the Funds may acquire securities that cannot be sold except pursuant to a registration statement filed under the Securities Act, or in accordance with Rule 144 promulgated under the Securities Act. There can be no assurance that private purchasers can be found for the Funds' investments. Furthermore, such illiquidity may continue even if a Fund's portfolio company obtains a listing on a securities exchange and/or after the term of a Fund has ended or a Fund has commenced dissolution. In addition, there can be no assurance that the disposition of a portfolio company will occur in one transaction. If a Fund effects a disposition of a portfolio company by means of a multi-step disposition (such as a first-step cash tender offer or stock sale followed by a merger or in the case of a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the remainder can be successfully sold. A multi-step disposition may result in a Fund holding a non-controlling interest in a portfolio company, which will result in the Fund having a limited ability to protect its position in such portfolio company.

*No Right to Control the Fund's Operations:* Limited Partners will have no opportunity to control the day to day operations of the Funds, including investment and disposition decisions. In order to safeguard their limited liability from the liabilities and obligations of the Funds, Limited Partners must rely entirely on the General Partners and RCM to conduct and manage the affairs of the Funds.

*Enhanced Scrutiny and Regulations of the Private Equity and Financial Services Industries:* In response to the global financial crisis, there have been unprecedented legislative and regulatory actions taken by numerous governments and their agencies, including the enactment of The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act is comprehensive in scope (including the Volcker Rule, providing significant changes to the structure of federal financial regulation and substantive requirements that apply to a broad range of market participants, including private investment funds). Significantly, the Dodd-Frank Act also mandates significant changes to the authority of the Federal Reserve, the Commodities Futures Trading Commission and the SEC, as well as enhanced oversight and regulation of investment advisers, banks and non-bank financial institutions. Among other things, such uncertainty may result in enhanced compliance risks. While it will likely be quite some time until the Dodd-Frank Act reforms are broadly implemented and the direct and indirect impact of this legislation is fully understood, industry observers generally agree that most advisors to private investment funds and other private pools of capital will be affected. This enhanced oversight and regulation, and the need for significant additional rule-making by various governmental bodies, has created uncertainty in the financial markets, including the private funds industry. Many of the regulators to which the Funds, the General Partner, RCM or their respective affiliates are expected to be subject globally, including governmental agencies and self-regulatory organizations, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of applicable licenses or members. Even if an investigation or proceeding did not result in sanctions or the sanctions imposed against the Funds, the General Partner, RCM or their respective affiliates were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm the Funds, the General Partner, RCM or their respective affiliates' reputations which may adversely affect the Funds' investment performance by hindering their ability to obtain favorable financing or consummate a potentially profitable investment. Additional legislative and regulatory action is likely, as growth



of the private fund industry, and the increasing size and reach of transactions, as well as the increased attention to private funds, has prompted governmental and public attention to the private fund industry and its practices. Changes to various laws and regulations (including tax laws) could occur during the term of the Funds and may adversely affect the Funds and their ability to operate and/or pursue their trading strategies. Such risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Funds of any such regulatory or legal changes could be substantial and adverse. In addition, non-U.S. jurisdictions, including many European jurisdictions, have proposed modernizing financial regulations that have called for, among other things, increased regulation of and disclosure with respect to, and possibly registration of, hedge funds and private equity funds. Further, and in particular in light of the changing global regulatory climate, the Funds may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions in order to market Interests to potential investors. The effect of any future regulatory change on the Funds could be substantial and adverse. In addition, as alternative asset managers are, or are perceived to be influential participants in the U.S. and global financial markets and economy generally, the private funds industry has been subject to criticism by some politicians, regulators, market commentators, academics, activists and traditional and social media. It is anticipated that, in the normal course of business, the General Partners and RCM will have contact with governmental authorities and/or may be subjected to responding to questionnaires or examinations. The Funds may also be subject to regulatory inquiries concerning their positions and trading. Furthermore, various federal, state, and local agencies have been examining the role of placement agents, finders, and other similar service providers in the context of investment by public pension plans and other similar entities, including investigations and requests for information, and in connection therewith, new and/or proposed rules and regulations in this arena may increase the possibility that the General Partners and their affiliates may be exposed to claims and/or actions that could require a Limited Partner to withdraw from the Funds.

*Regulatory Developments Relating to Investment Advisers and Private Funds.* Legal, tax and regulatory changes, as well as judicial decisions, could adversely affect RCM and the Funds. In particular, the regulatory environment relevant to private investment funds is evolving and may entail increased regulatory involvement in RCM's business or result in ambiguity or conflict among legal or regulatory schemes applicable to RCM's business, all of which could adversely affect the investment strategies pursued or the value of investments held by a Fund.

During 2022 and through 2023 and the first quarter of 2024, the SEC voted to adopt several new rules and amendments that will affect RCM's business and the Funds. In addition, during this same time period, the SEC proposed several new rules and amendments that, if adopted, can be expected to affect RCM's business and the 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 are expected to, 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 and other legal challenges to the Private Fund Adviser Rules may be forthcoming.

The Private Fund Adviser Rules are likely to have a significant effect on RCM, the Funds and their operations, including increasing compliance burdens and associated regulatory costs and increasing the risk of regulatory action, including public regulatory sanctions and may result in a change to RCM's practices and create additional regulatory uncertainty. The Private Fund Adviser Rules may result in material alterations to how RCM operates its business and/or the Funds, as well as RCM's implementation of the investment strategy of the Funds, and there can be no assurance that such alterations will not have a material adverse effect on RCM, the Funds and/or their portfolio companies.

To the extent permitted under the Private Fund Adviser Rules and the Funds' Governing Fund Documents, the incremental costs of compliance by RCM, the General Partners and/or the Funds, which may be significant, may be borne by the Limited Partners.

*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 Securities Exchange Act of 1934 (the "Exchange Act"). The amendments update Regulation 13D-G to require market participants to provide more timely information on their positions. 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. 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 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 Fund Documents and applicable regulations, be borne by RCM, the Funds or other Funds, and/or portfolio investments of the Funds and other Funds.

*Litigation Risks:* The transactional nature of the business of the Funds, in addition to other activities of RCM, exposes the Funds, the General Partners and RCM generally to the risks of third-party litigation. Under the applicable Governing Fund Document, a Fund will generally be responsible for indemnifying the General Partner, RCM and their respective related parties for costs that they may incur with respect to such litigation not covered by insurance. The outcome of litigation may materially adversely affect the value of the Funds and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the time and attention of RCM and its professionals, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

*Bankruptcy Risks:* A portfolio company in which a Fund invests may experience financial difficulties and become insolvent or file for bankruptcy protection. A portfolio company that

becomes distressed or any distressed asset received by a Fund in a restructuring would require active monitoring. Various U.S. federal and state and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. Bankruptcy proceedings involve a number of significant risks. Many of the events within a bankruptcy litigation are adversarial and often beyond the control of the creditors. There is also a risk that a court may subordinate a Fund's equity investment to other creditors or require a Fund to return amounts previously paid to it by the portfolio company that became insolvent or files for bankruptcy, a risk that increases if a Fund has management rights in the portfolio company. Involvement by RCM in a company's reorganization proceedings could result in the imposition of restrictions limiting a Fund's ability to liquidate its position therein. Even after the end of bankruptcy proceedings there may remain contingent liabilities, which may involve disputes or litigation requiring payment to third parties.

*Portfolio Company Entry-Level, Management and Skilled Employees:* Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although the General Partner will be responsible for monitoring the performance of each Fund's investments and intends to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor management team, will be able to operate the portfolio company in accordance with the applicable Fund's plans or expectations. Additionally, portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. Further, each portfolio company's workforce will often require large numbers of entry-level, management and skilled employees and a portfolio company and/or its industry may be subject to high rates of turnover. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable entry-level, management and skilled employees, and, as a result, the Funds may be adversely affected.

*Hedging Policies/Risks:* In connection with certain investments, the Funds and/or a portfolio company may employ hedging strategies (whether by means of derivatives or otherwise and whether in support of financing techniques or otherwise) that are designed to reduce the risks to the Fund and/or such portfolio company of fluctuations in interest rates or currency exchange rates. In particular, the Funds may use a foreign exchange hedging strategy for non-U.S. dollar denominated investments to mitigate currency risk. 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, and would limit the opportunity for gain if the relevant interest rates or currency exchange rates increase. In addition, it is not possible to hedge fully or perfectly against all interest rates and currency exchange risks, and hedging entails its own costs. Thus, while the 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 a Fund and/or its portfolio companies than if it or its portfolio companies had not implemented such hedging strategies. RCM may determine in its sole discretion not to hedge against certain foreign exchange risks or commodity price risks.

*Non-United States Investments:* In accordance with a Fund's investment objectives and limitations, the Fund may invest in companies outside of the United States. Investing outside the United States may involve substantially greater risks than investing in the United States. In particular, the value of the Fund's investments in foreign securities may be affected by changes in currency exchange rates, which may be volatile. Additional risks include: (i) differences between U.S. and non-U.S. securities markets, including potential price volatility in, and relative illiquidity of, some foreign securities markets; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation in some countries; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital, the risks of political, economic, or social instability and the possibility of confiscatory taxation or expropriation; (iv) the possible imposition of non-U.S. taxes on income and gains recognized with respect to such securities and withholding taxes on dividends (deemed or actual), interest, and gains; (v) less developed corporate laws regarding, among other things, fiduciary duties and the protection of investors; (vi) the unpredictability of international trade patterns, and the viability of international trade agreements; (vii) the imposition of restrictions on and/or heightened regulatory burdens with respect to non-U.S. investments by the U.S. and/or the imposition of tariffs by the U.S. on non-U.S. goods (e.g., the U.S.'s imposition of tariffs on Chinese goods); (viii) the possibility of non-U.S. governmental actions such as expropriation, nationalization, confiscatory taxation, the imposition of restrictions on inbound capital (e.g., from the U.S.), and/or the imposition of tariffs on U.S. goods; (ix) the imposition or modification of exchange controls or currency pegs; (x) less developed compliance infrastructure, regarding, among others, anti-money laundering protections; (xi) less developed cybersecurity and technology infrastructure and greater risk of misappropriation of intellectual property and/or personal information; (xii) less developed transportation infrastructure and supply chain logistics; (xiii) greater social unrest and market uncertainty; and (xiv) the possibility of non-U.S. governmental actions such as expropriation, nationalization, confiscatory taxation, the imposition of restrictions on inbound capital (e.g., from the U.S.), and/or the imposition of tariffs on U.S. goods. Further, as compared to U.S. entities, non-U.S. entities generally disclose less financial and other information publicly, and they are subject to less stringent and less uniform accounting, auditing, and financial reporting standards. Also, it may be more difficult to obtain and enforce legal judgments against non-U.S. entities than against U.S. entities. The Funds are not obligated to engage in any currency hedging operations, and there can be no assurance as to the success of any hedging operations that the Funds may implement. Additionally, in some countries there is the possibility of expropriation of value, including through confiscatory taxation, limitations on the repatriation or sale of securities, debt obligations, property or other assets of the Funds, political or social instability or diplomatic developments, each of which could have an adverse effect on the Funds' investments in such non-U.S. countries. The General Partner and RCM will analyze risks in applicable countries before making such investments, but no assurance can be given that the General Partner and RCM will be able to evaluate these risks accurately or that a political or economic climate, or that particular legal, tax or regulatory risks might not adversely affect an investment by a Fund.

*Charitable / Political Activities:* RCM could, from time to time, cause Funds and/or their portfolio investments to make contributions to charitable initiatives or other non-profit organizations that RCM believes could, directly or indirectly, enhance the value of a Fund's portfolio investments or otherwise serve a business purpose for, or be beneficial to, Funds' portfolio investments. Such

contributions could be designed to benefit employees of a portfolio investment or the community in which a portfolio investment is located or in which the portfolio investment operates. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of RCM, operating partners, joint venture partners, consultants, portfolio investment management teams and/or other persons or organizations directly or indirectly associated with RCM, Funds or portfolio investments. These relationships could influence RCM in deciding whether to cause a Fund or its portfolio investments to make charitable contributions. Further, such charitable contributions by a Fund or its portfolio investments could supplement or replace charitable contributions that RCM would have otherwise made. In addition, a portfolio investment or its management or other personnel could, in the ordinary course of its business, make political contributions to elected officials, candidates for elected office or political organizations, hire lobbyists, or engage in other permissible political activities in U.S. or non-U.S. jurisdictions, with the intent of furthering its business interests or otherwise. Portfolio investments are not considered affiliates of RCM, and therefore such activities are not subject to relevant policies of RCM and could be undertaken by a portfolio investment (or its management or other personnel) without the knowledge or direction of RCM. In other circumstances, there could be initiatives where such activities are coordinated by RCM for the benefit of the portfolio investments. The interests advanced by a portfolio investment through such activities could, in certain circumstances, not align with, or be adverse to, the interests of other portfolio companies, Funds, investors or certain investors of Funds. While the costs of such activities will typically be borne by the portfolio investment undertaking such activities (and therefore, indirectly, a Fund), such activities could also directly or indirectly benefit other portfolio investments, another Fund or RCM. There can be no assurance that any such activities will actually be beneficial to or enhance the value of a Fund or its portfolio investments, or that RCM will be able to resolve any associated conflict of interest in favor of such Fund.

*Fee base / Writedowns:* In general, following the investment period defined in the applicable Governing Fund Documents, the Management Fee, if any, will be based upon capital funded in respect of portfolio investments and any expenses capitalized into such portfolio investment pursuant to the Governing Fund Documents that have not been the subject of a disposition and will be payable in advance based on the amount of such funded capital as of a Management Fee payment date as defined in the applicable Governing Fund Documents, irrespective of any disposition during such applicable period. Depending on the circumstances, RCM may be afforded substantial discretion in determining whether or not the value of a particular portfolio investment should be permanently written down or written off. As a result, RCM has an incentive to (i) make more speculative investments prior to the end of such investment period and/or any Management Fee payment date, (ii) hold investments, or retain and not distribute proceeds longer, or (iii) postpone the decision to dispose of the value of an investment, in each case than it otherwise would have if the Management Fee were solely based on capital commitments. RCM and its personnel's capital commitments to a Fund should tend to reduce this incentive. 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.

In addition, under the Governing Fund Documents, RCM is afforded discretion to determine the timing and nature of certain transactions and characterize the proceeds received in respect thereof, and will at times have a conflict of interest in making such determinations. By way of example, in the event of a partial disposition of a portfolio investment, RCM has the ability to determine, in an equitable manner, the portion of the investment that has been disposed of and the capital contributions investors that are attributable to such portion. RCM may have an incentive to make these allocations in a way that benefits RCM's ability to receive Carried Interest. In addition, at certain times and in certain circumstances involving transactions that do not entail the disposition of shares or other securities relating to a portfolio investment, such as certain recapitalizations, extraordinary dividends or similar events, RCM may elect (and in the past has elected) to treat all or any portion of the proceeds of such transactions as a return of capital (and potentially receive Carried Interest on such amounts) while not reducing the amount of actively invested capital upon which the Management Fee is calculated.

*LP Transfers:* In certain cases, RCM will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Fund Documents, no obligation) to identify one or more secondary transferees of interests in a Partnership. In such cases, RCM will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on eligibility and other factors similar to those employed in selecting co-investors, and unless required by the relevant Governing Fund Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

*Withdrawal of the United Kingdom from the European Union:* On January 31, 2020, the U.K. withdrew from the European Union (commonly referred to as "Brexit"). As a result, the U.K. entered a transition period which started on January 31, 2020 and ended on December 31, 2020, during which the U.K. was for most purposes treated as though it were a member of the European Union, and European Union law broadly continued to apply in and to the U.K. New European Union legislation that took effect before the end of the transition period also applies to the U.K. The U.K. and the European Union have now agreed to a framework for trading arrangements for the period following the transition period. Under the agreed arrangements, U.K. goods will continue to have tariff-free access to the European Union but other barriers will apply. These new arrangements may adversely affect the return on the Funds and their investments. There may be detrimental implications for the value of certain of the Funds' investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement its investment program. Furthermore, the deterioration of the sovereign debt of several Eurozone countries, together with the risk of contagion to other, more stable, countries, has exacerbated the global economic crisis. There is a continued possibility that Eurozone countries could be subject to an increase in borrowing costs. This situation as well as Brexit have raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. As a result, the long-term effects of Brexit are unknown, but Brexit is expected to have significant political, economic and trade ramifications, regardless of the terms (if any) that may be agreed. There is likely to be considerable



uncertainty in the financial markets as a result of Brexit, as market participants assess its impact and as the U.K.'s future relationship with the European Union develops. Brexit is also likely to have serious, but as yet unknown and unquantifiable, implications for legal, regulatory and tax regimes in the U.K. and the European Union. The full effect of Brexit on the Funds and their underlying investments is therefore impossible to predict; however, it is possible that, during the life of the Funds, the General Partners and RCM may need to reassess their business structures, as well as the structure of the Funds and their underlying investments. If the General Partners think it appropriate, the Funds and/or their respective holding of investments may need to be restructured as a result of Brexit and investors may be liable for some or all of the associated expenses.

*Debt Investments:* The Funds may make investments in debt instruments or convertible debt securities or other debt-like securities (such as structured equity) or may make debt investments that have an expected return comparable to equity or equity-related securities, in each case, including in connection with investments in equity or equity-related securities (including as additional capital). Such debt may be unsecured and structurally or contractually subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. 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. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable issuer, government fiscal policy and domestic or worldwide economic conditions. It is likely that many of the debt instruments in which the Funds may invest may be unrated, and whether or not rated, the debt instruments may have speculative characteristics including features converting such debt instruments into equity. The issuers of such instruments may face significant ongoing uncertainties and exposure to adverse conditions that may undermine the issuer's ability to make timely payment of interest and principal. Such instruments are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations and involve major risk exposure to adverse conditions. In addition, an economic recession could severely disrupt the market for most of these instruments and may have an adverse impact on the value of such instruments. It also is likely that any such economic downturn could adversely affect the ability of the issuers of such instruments to repay principal and pay interest thereon and increase the incidence of default for such instruments.

*U.S. Dollar Denomination of Interests:* Interests in the Funds are denominated in U.S. dollars. Investors subscribing for interests in the Funds in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions.

*General Risks Associated with Changes in Laws and Regulations:* The Funds, their portfolio companies, the General Partners, RCM and/or their respective affiliates are subject to risks associated with changes that may generally occur with respect to U.S. federal, state or local or foreign laws and regulations, developing interpretations of such laws and regulations, and increased scrutiny by U.S. federal, state and local and foreign regulators and law enforcement authorities. Such changes, interpretations and increased scrutiny could result in claims against the Funds, their

portfolio companies, the General Partners, RCM, and/or their respective affiliates, directly, or indirectly, for actions taken or not taken by the Funds, their portfolio companies, the General Partners, or RCM, and/or their respective affiliates. Thus, the Funds, their portfolio companies, the General Partners, RCM and/or their respective affiliates face the continuing risk of potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance and may make some investments unavailable to the Funds. The effect on the Funds, their portfolio companies, the General Partners, RCM or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

*Natural Disasters, Epidemics, Acts of God and Force Majeure Risk:* Force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, “Acts of God,” fire, hurricanes, tropical storms, floods, earthquakes or other natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, electricity shortages, civil unrest, protests, riots, looting or property damage or other national or local emergencies or any combination of the foregoing) that are beyond the control of, and are not easily foreseeable by RCM, may impact the Funds’ investments and the business, financial condition and results of operations of the Funds’ portfolio companies. Some force majeure events may adversely affect the ability of a party (including the Funds or their portfolio companies or a counterparty to the Funds or their portfolio companies) to perform its obligations until it is able to remedy the force majeure event. In addition, the cost to the Funds or their portfolio companies of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds may invest specifically. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more companies or its assets, could result in a loss to the Funds, including if their investments in their portfolio companies are canceled, unwound or acquired (which could be without what the Funds consider to be adequate compensation). Any of the foregoing could have a material adverse effect on the Funds’ investments and the business, financial condition and results of operations of the Funds’ portfolio companies.

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

*COVID-19.* A new strain of coronavirus (SARS-CoV-2, also known as, and herein referred to, as “COVID-19”) was identified in 2019 and quickly spread to become a full scale pandemic across the world in early 2020. Since its discovery, COVID-19 has significantly and materially adversely impacted the global economy. The effect of the COVID-19 outbreak (including the occurrence of any variants of COVID-19) on the economy and on the public has been and will likely continue to be severe and could exacerbate other preexisting political, social, economic, market and financial risks. Further, while there have been enacted economic stimulus measures aimed at curbing the adverse economic impacts to the United States and other countries as a result of COVID-19, it cannot be determined at this time the long-term effect of such stimulus measures. There are no comparable recent events in the United States that provide guidance as to the effect of the spread of COVID-19 and a potential pandemic on the business, financial condition and results of operations of the Funds. Therefore, there is substantial uncertainty of the potential effect of the COVID-19 pandemic and it could have a material adverse effect on the business, financial condition and results of the Funds. A prolonged economic downturn could result in a reduction in the demand for the products and services provided by the portfolio companies in which the Funds invest, longer payment cycles, slower adoption of new technologies and/or increased price competition, each of which, in turn, could adversely affect the financial resources of a portfolio company, particularly if such portfolio company is already highly leveraged or distressed, and such portfolio company’s ability to make principal and interest payments on, or refinance, outstanding debt when due. Failure to meet any such financial obligations could result in such portfolio company being required to repay indebtedness or other financial obligations immediately, in whole or in part, together with any attendant costs, and such portfolio company could be forced to sell some of its assets to fund such costs. In the event of any such consequences, the Funds and the Limited Partners could lose both invested capital in and anticipated profits from the affected investment. Additionally, suppliers of certain materials used by the businesses of certain portfolio companies may be located in regions impacted by continuing COVID-19 outbreaks. Although some of these materials may be obtained by more than one supplier, any future port closures and other restrictions resulting from the COVID-19 outbreak may still result in a limited supply of such materials, which will cause the price of such materials to increase. These and other disruptions, as well as poor economic conditions generally, could lead to a decline in the sales and operating results of the portfolio companies. The extent of the impact of the continuing COVID-19 pandemic on the Funds will depend on many factors, including the duration and scope of the pandemic (including the occurrence of any variants of COVID-19), the extent and duration of any implemented travel advisories and restrictions, consumer confidence and spending levels, levels of economic activity and the extent of its continuing disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted.

*ESG Considerations.* The European regulatory environment for alternative fund managers and financial services firms continues to evolve and increase in complexity, making compliance more

costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “E.U. Action Plan”) to set out an E.U. strategy for sustainable finance. The E.U. Action Plan identified several legislative initiatives, including the Sustainable Finance Disclosure Regulation (the “SFDR”) which came into force on March 10, 2021. The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in an alternative investment fund manager’s (“AIFM”) processes and the provision of sustainability-related information with respect to alternative investment funds (“AIFs”), which may have an impact on RCM and the Funds. RCM may (but does not expect to) be subject to certain requirements of the SFDR, which include: (i) publishing information on its website about its policies on the integration of sustainability risks in its investment decision-making process; (ii) publishing on its website: (A) a detailed statement on its due diligence policies with respect to principal adverse impacts of investment decisions on sustainability factors, taking into account its size, the nature and scale of their activities, or (B) clear reasons for why it does not do so, including, where relevant, information as to whether and when it intends to consider such adverse impacts; (iii) publishing on its website and including in its remuneration policies maintained in accordance with sectoral legislation, information on how remuneration policies are consistent with the integration of sustainability risks; and (iv) ensuring that marketing communications do not contradict the information disclosed pursuant to the SFDR. The SFDR also requires AIFMs to include sustainability related information in an AIF’s pre-contractual disclosures and periodic reports, and, depending on the strategy of its AIF(s), on websites. RCM may (but does not expect to) be subject to remuneration requirements under the SFDR. Any required changes to compensation structures and practices could make it harder for RCM to recruit and retain key personnel, thereby potentially affecting the Funds. The SFDR could expose RCM to conflicting regulatory requirements in the United States. The Funds will bear any fees, costs and expenses of compliance with the SFDR and any other applicable legislation or regulations related to the E.U. Action Plan, including fees, costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters. Although RCM does not expect the Funds to be subject to the requirements of the SFDR, it is difficult to predict the full extent of the impact of the SFDR and the E.U. Action Plan on the Funds and RCM. RCM will reserve the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable requirements of the SFDR and any other applicable legislation or regulations related to the E.U. Action Plan.

*Special Purpose Acquisition Companies:* A special purpose acquisition company (“SPAC”) is a publicly traded company formed for the purpose of raising capital through an initial public offering (“IPO”) to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more undervalued operating businesses. The Funds may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there may be limited basis for the Funds to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. To the extent that a SPAC completes a business combination, it may be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

*Intellectual Property:* Intellectual property may constitute an important part of the assets and competitive strengths of portfolio companies in which the Funds invest. One or more of a Fund's portfolio companies may rely on various forms of intellectual property protection. United States federal law, most typically, copyright, patent, trademark and trade secret law, generally protects intellectual property rights. Although the Funds expect that their portfolio companies will take reasonable efforts to protect the rights to their intellectual property, third parties may develop similar intellectual property independently. Moreover, the complexity of copyright, patent, trademark and trade secret law, coupled with the limited resources of the portfolio companies and the demands of quick delivery of products and services to market, create a risk that portfolio company efforts to prevent misappropriation of their intellectual property will prove inadequate. In addition, the Funds' portfolio companies may license intellectual property from third parties and it is possible that they could become subject to infringement actions based upon their use of the intellectual property licensed from such third parties. Portfolio companies are generally expected to obtain representations as to the use and ownership of such licensed intellectual property; however, such representations may not adequately protect such portfolio companies. Any claims against a portfolio company's intellectual property rights, with or without merit, could subject it to costly litigation and divert its management and other personnel from other business concerns. If a portfolio company incurs costly litigation and its management and other personnel are not effectively deployed, the expenses and losses incurred by such portfolio company are likely to increase and its profits, if any, as well as returns to the Funds, are likely to decrease.

*Trade Wars:* The tariffs imposed by the U.S. government and the potential of a continued trade war between the U.S. and the People's Republic of China ("PRC"), and on a larger scale, internationally, may dampen global growth. Members of the U.S. Congress have made public statements indicating possible significant changes to U.S. trade policy and have taken certain actions that may impact U.S. and PRC trade, including imposing tariffs on certain goods imported into the U.S. It remains unclear what additional actions, if any, the governments of the U.S. and the PRC will take in respect of their bilateral trade, and what the timing may be of any such actions. The actions previously taken, as well as any future tariffs, new regulations or other burdens on international trade, may cause escalating responses through the use of local regulations, tariffs or other requirements on exports and imports. If the U.S. government, in the future, subjects the services that any of the Funds' portfolio companies provide, or the goods used for such portfolio companies to carry out their businesses, to proposed tariffs, the business operations and revenues of such portfolio companies, and, by extension, the returns to the Funds, may be negatively impacted. The political relationships between the PRC and the U.S., as well as changes to international trade agreements, tariffs and import/export regulations, may affect the business operations of the Funds. Sustained tension between the United States and PRC and other countries over trade policies could significantly undermine the stability of the global economy. Any prolonged slowdown in the global economy may have a negative impact on the Funds and their portfolio companies and their respective results of operations and financial condition, and continued turbulence in the international markets may adversely affect the Funds' or their portfolio companies' ability to access the capital markets to meet liquidity needs. If any new legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, or if the U.S. or the PRC impose additional burdens on international trade that negatively affect the ability of companies in the U.S. and the PRC to import and export goods, it may lead to a decline in demand for the services of the companies in which the Funds invest. In addition, new legislative or regulatory changes or

additional burdens focused on particular industries may make it time-consuming and expensive, and, ultimately, impracticable, for companies to alter their business operations to adapt to or comply with such changes, and such operational changes, if implemented, could have a negative effect on the business and financial condition of the companies in which the Funds invest.

*Availability of Insurance:* Certain losses of a catastrophic nature, such as “acts of God,” fire, hurricanes, tropical storms, floods, earthquakes or other natural disasters, outbreaks of an infectious disease, pandemic or any other serious public health concern (including the COVID-19 pandemic), war, terrorism, labor strikes, electricity shortages, civil unrest, protests, riots, looting or property damage or other national or local emergencies or any combination of the foregoing, may be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the Funds or their portfolio companies. In general, losses related to such catastrophic events are becoming harder and more expensive to insure against. Some insurers are excluding such catastrophic events from their all-risk policies. In some cases, insurers are offering significantly limited coverage against, or additional premiums in respect of insurance for, such catastrophic events. Further, losses related to such incidents are difficult to assess and quantify. As a result, the Funds and their portfolio companies may not be fully, sufficiently or at all insured against certain types of risks. If a major uninsured loss occurs, the Funds could lose both invested capital in and anticipated profits from the affected investments. In general, RCM will have discretion as to the type and level of coverage to obtain, or whether to obtain insurance at all.

*Civil Unrest:* The U.S. is currently experiencing, and in recent years has experienced, increasing political and civil unrest and uncertainty. On September 17, 2020, Christopher Wray, Director of the U.S. Federal Bureau of Investigation, testified before the U.S. House Homeland Security Committee regarding certain threats to the U.S., including Domestic Violent Extremists (“DVEs”). Director Wray described DVEs as “individuals who commit violent criminal acts in furtherance of ideological goals stemming from domestic influences, such as racial bias and anti-government sentiment.” He testified that DVEs are driven by perceptions of government or law enforcement overreach, sociopolitical conditions, racism, anti-Semitism, Islamophobia, misogyny, and reactions to legislative actions and pose a steady and evolving threat of violence and economic harm to the U.S. He also noted that DVEs have responded to peaceful movements, including First Amendment-protected activities, through violence and that racially motivated violent extremists make up the largest sub-set of DVEs, with individuals subscribing to a white supremacist-type ideology as the largest portion of such sub-set. The FBI has elevated racially-motivated violent extremism to a “national threat priority,” which allows the FBI to dedicate significant additional resources towards related law enforcement action. Political and civil unrest and uncertainty is heightened given that the U.S. held political elections during the unprecedented COVID-19 pandemic. As a result, voters requested mail-in or absentee ballots at an unprecedented rate. While historical evidence does not support the claim that mail-in or absentee ballots are inaccurate or lead to voter fraud, there have been attempts to cast into doubt the ability of the U.S. to run a free and fair election in 2020. Since the elections took place, election results have been contested, through the court system and otherwise, as a result of actual or perceived unfairness, undue influence or illegal action. Additionally, persons and organizations have claimed that certain political actions by certain governmental officials, in connection with the election or otherwise, are “corrupt” or a departure from historical norms. On January 6, 2021, DVEs and other persons participated in a violent riot at the U.S. Capitol, which resulted in extensive property damage and multiple fatalities. This period

of political and civil unrest and uncertainty is likely to continue and may have a negative effect on the Funds and their portfolio companies.

*Political Risks:* The Funds and their portfolio companies could be adversely affected by changes in, or uncertainty surrounding, political events that are beyond their control or the control of RCM. For example, the outbreak of hostilities in or involving the U.S., Western European countries or elsewhere, the death of a major political figure or similar occurrences may have significant adverse effects on the investment results of the Funds. Investments may be subject to changing political environments, regulatory restrictions, sudden overturn of established norms and changes in government institutions and policies, any of which could adversely affect investments made by the Funds and their portfolio companies.

*Inflation Risk:* The Funds and their portfolio companies may have profitability linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. Typically, as inflation rises, a company will earn more revenue, but will incur higher expenses; as inflation declines, a company may not be able to reduce expenses in line with any resulting reduction in revenue. If any Fund's portfolio company is unable to increase its operating income in times of higher inflation, or reduce its expenses in times of lower inflation, its profitability will be adversely affected. While certain assets may rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate, these provisions do not protect against the risk of a rise in real interest rates. Further, wages and prices increase during periods of inflation, which can negatively impact returns on investments, and increases in energy prices will have a ripple effect through the economy. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. Governmental efforts to curb inflation often have negative effects on the level of economic activity. There can be no assurance that inflation will not become a serious problem in the future and have an adverse impact on the Fund and their portfolio companies or on the Funds' returns.

*Global Trade Developments:* Global trade disruption, together with future downturns in the global economy, significant introductions of trade barriers and bilateral trade frictions between the United States and key export markets and major trading partners could adversely affect the financial performance of the Funds and the Funds could lose both invested capital in, and anticipated profits from, its affected investments.

*Global Supply Chain Disruptions:* The portfolio companies of certain Funds may depend on goods and services that may be affected by disruptions to global supply chain networks. Such portfolio companies' procurement of goods and services are subject to risks associated with political or financial instability, the availability of raw materials to suppliers, merchandise quality issues, trade restrictions, tariffs, currency exchange rates, labor problems, transport capacity and costs and other factors relating to foreign trade, including costs and uncertainties associated with potential sell-through difficulties and reputational damage that may be associated with such portfolio companies' inability to be able to provide their goods and services on a timely and quality basis as a result of any of the foregoing.

*Reliance on Reporting from Portfolio Companies:* RCM's ability to deliver accurate and timely reports in respect of a particular Fund, including delivery of K-1s or equivalent schedules, depends

on the accuracy and timeliness of the reports received from portfolio companies of such Fund, which will be outside the control of RCM.

*Russian Invasion of Ukraine:* Commencing in 2021, Russian President Vladimir Putin ordered the Russian military to begin amassing thousands of military personnel and equipment near its border with Ukraine and in Crimea, representing the largest mobilization since the illegal annexation of Crimea in 2014. President Putin initiated troop movements into the eastern portion of Ukraine and continued to threaten an all-out invasion of Ukraine. On February 22, 2022, the United States and several European nations announced sanctions against Russia in response to Russia's actions. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, which could have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of the Funds' investments. Furthermore, the conflict between the two nations and the varying involvement of the United States and other NATO countries could preclude prediction as to their ultimate adverse impact on global economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives. In response to the Russian invasion of Ukraine in February 2022, the European Union, the United States, the United Kingdom 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 the Funds or their portfolio companies and industries 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, European Union and United Kingdom, or other countries may materially adversely affect the Fund's and their respective portfolio companies' operations. Further, any sanctions might result in higher prices for gas, oil and other natural resources, which would result in higher costs for the portfolio companies to run their respective businesses and might also contribute to inflation, which may reduce discretionary consumer spending.

Overall, the situation in Ukraine remains uncertain, and how it will unfold or impact the Funds' and/or portfolio companies' business or results of operations cannot be predicted. The potential further repercussions surrounding the situation in Ukraine are unknown and cannot be predicted, and no assurance can be given regarding the future of relations between Russia and other countries. Any or all of the above factors could have a material adverse effect on the Funds' and/or portfolio companies' business, financial condition, results of operations and prospects.

*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 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 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 RCM's initial risk assessment, and affect RCM's ability to assess the risk of investments going forward. Any of the foregoing could seriously and negatively impact the Funds' and their portfolio companies' operations and their ability to realize their respective investment objectives.

*Competing Companies / Antitrust Issues:* In April 2022, the head of the U.S. Department of Justice ("DOJ") Antitrust Division announced in a speech that the DOJ intends to increase enforcement of Section 8 of the Clayton Act, which prohibits a person from acting as a director or board-appointed officer of two or more corporations that compete in a similar market and meet certain monetary thresholds (known as "interlocking directorates"). As publicly reported, in September 2022, the DOJ issued letters to multiple public companies, investors and individuals regarding the practice of interlocking directorates. There is a significant lack of clarity regarding the extent of the DOJ's current and potential future investigations under Section 8 of the Clayton Act. Such investigations, enforcement actions or reviews may impose additional costs and burdens on the companies in which RCM has invested or in the future chooses to invest in, require the attention of senior management or result in limitations on the manner in which the companies in which the Funds invest conduct business, or result in other adverse consequences for RCM, the Funds and/or their portfolio companies.

On November 10, 2022, the FTC released a policy statement (the "Policy Statement") regarding the scope of Section 5 of the Federal Trade Commission Act, which prohibits "unfair methods of competition". The Policy Statement "supersedes all previous FTC policy statements and guidance" on the scope of Section 5, including a 2015 FTC policy statement, later withdrawn in 2021, that limited its application to the bounds of the Sherman Act and Clayton Act. The new Policy Statement departs from this interpretation, and makes clear that Section 5 reaches beyond antitrust statutes "to encompass various types of unfair conduct that tend to negatively affect competitive conditions." The Policy Statement is broad in scope and general in nature and there can be no assurance that the FTC's enforcement of Section 5 in accordance with the Policy Statement will not negatively impact the Funds, their investment activities or their portfolio companies. U.S. federal antitrust regulations restrict the ability of a "person" to serve on the boards of competing companies, except pursuant to certain de minimis and/or control exceptions.

The DOJ has interpreted "person" in this context to apply to a fund and/or investment firm. To the extent that personnel of RCM serve on the board of directors of a portfolio company of the Fund

which owns a non-controlling interest therein (including as a result of a partial disposition by the Fund whereby a controlling interest becomes a non-controlling interest), and the Fund or another Fund is considering an investment in a portfolio company that could be considered a competitor of such portfolio company, the applicable Fund(s) may be required to (i) invest in the new portfolio company without board representation, (ii) forego the opportunity entirely, or (iii) relinquish the board seat(s) at the existing portfolio company. In addition, if, as a result of partial dispositions by one or more Funds in previously controlled portfolio companies that could be considered competitors of one another (or because a company's business model evolved after it became a portfolio company and moved into a space that another portfolio company was already in), such Fund(s) have appointed directors at two potentially competing companies in which they own a minority interest, RCM may determine it is necessary or advisable to relinquish the Fund's board representation at one or both of such portfolio companies (and alternatively, RCM may determine not to proceed with partial dispositions or other strategies such as IPOs that could reduce the Fund's ownership interest in a portfolio company below a controlling interest that it otherwise would have in the absence of the such considerations). The foregoing circumstances represent a conflict of interest for RCM, as the interests of the Fund and another Fund would be expected to be opposed to the interests of one another, and there can be no assurances that RCM will resolve such conflict in favor of any particular fund. RCM may forego board representation in connection with new minority investments in potential competitors of existing minority investments of the Funds (or avoid such investments entirely) rather than relinquish board representation at its existing investments, which could result in the Funds being unable to appoint board representatives or otherwise being unable to consummate investment opportunities entirely that RCM otherwise believes to be suitable and in the best interest of the Funds. Or conversely, RCM may be induced to step off of the board of a previous investment in favor of a new opportunity. In each case, there can be no assurances that the foregoing will not have a material adverse effect on the Funds.

Additionally, RCM personnel and senior advisors or consultants to RCM may serve in their personal capacity as directors or interim executives of, or otherwise be associated with, companies that may compete in some capacity with portfolio companies. In such cases, such personnel may be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. It is possible that the interests of a competing company with which a person is personally associated would not be aligned with those of the Funds or the Funds' portfolio companies. This may result in a conflict between the relevant individual's obligations to the Funds and its portfolio companies, on the one hand, and the competing company on the other.

In addition, portfolio companies of the Funds may be considered to compete in some capacity with portfolio companies of other Funds or have certain competing businesses or lines of business. Portfolio companies or portfolio companies of other Funds may also do business with, support, or have other relationships with competitors of the Funds' other portfolio companies. Limited Partners should not assume that a portfolio company of the Funds will only take actions that are beneficial to, or not opposed to, the interests of the Funds and its portfolio companies. Further, RCM or its employees individually may have confidential information relating to two or more portfolio companies which may, for example, have exposure to the same industry, and RCM may have conflicting purposes for the use of such information. In such circumstances, RCM will endeavor to tailor its policies with respect to information sharing to ensure compliance with all contractual and fiduciary nondisclosure requirements and all relevant antitrust or other applicable laws, but

otherwise will not be restricted regarding its use of information. Such usage could adversely impact a portfolio company or the Funds for the benefit of another portfolio company or other Funds. In addition, the portfolio companies of other Funds or their affiliated entities may impact the ability of a Fund to secure regulatory approval to complete (or may impact the terms on which it secures regulatory approval) its proposed investments to the extent these raise concerns on antitrust or other grounds with regulators. While RCM has policies and procedures designed to mitigate conflicts that may emerge as a result of such ownership, there can be no guarantees that any resulting conflicts will be resolved in favor of the Funds.

## **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's, prospective client's, investor's or prospective investor's evaluation of the adviser or the integrity of the adviser's management. Neither RCM nor any of its officers, directors, employees or other management persons, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

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

### Pooled Investment Vehicles

RCM organizes and sponsors the Funds, which are private pooled investment vehicles and RCM or its affiliates serve as the general partner or managing member of the Co-investment Vehicles. These pooled investment vehicles managed by RCM are controlled by affiliated General Partner entities. RCM or the General Partners will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of the Funds' investment activities. While the General Partners are not separately registered as investment advisers with the SEC, all of their investment advisory activities are subject to the Advisers Act, and the rules thereunder. In addition, employees and persons acting on behalf of the General Partners are subject to the supervision and control of RCM. Thus, the General Partners, all of their employees and the persons acting on their behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act on the General Partners.

### Portfolio Company Representation

Employees of RCM may 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 or creditors may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an employee of RCM and such individual's duties as a director or officer of such portfolio company.

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

### Code of Ethics and Personal Trading

Pursuant to Rule 204A-1 of the Advisers Act, RCM has adopted a written Code of Ethics (the “Code”) predicated on the principle that RCM owes a fiduciary duty to the Funds and their investors. The Code is designed to address and avoid potential conflicts of interest and is applicable to all officers, directors, members, partners or employees of RCM (the “Employees”), each Employee’s spouse, minor children and other family members living in his or her household (the “Related Persons”), as well as each other individual designated in writing by a compliance officer as being subject to all or a portion of the compliance procedures or policies adopted by RCM (collectively the “Covered Persons”). RCM requires its Employees to act in the Funds’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

RCM requires pre-clearance before purchasing an initial public offering or limited offering (i.e., private placement); requires periodic reporting of Covered Persons’ personal securities transactions and all holdings; and requires prompt internal reporting of Code violations. RCM endeavors to maintain current and accurate records of all personal securities accounts of its Covered Persons in an effort to monitor all such activity. A copy of RCM’s Code is available upon written request to RCM at 1180 Peachtree Street NE, Suite 2500, Atlanta, Georgia 30309, Attn: Louis J. Matthews, Chief Compliance Officer.

Certain transactions in which RCM engages may require, for either business or legal reasons that no Covered Person trade in the subject securities for specified time periods. Such securities will appear on a list (the “Restricted List”) that will be circulated to all Covered Persons. No Covered Person may engage in any sort of trading activity with respect to a security or a derivative thereof on the Restricted List without obtaining prior written approval from the Chief Compliance Officer.

RCM, its employees or a related entity will have an investment in each applicable Fund. Therefore, RCM, its employees or a related entity participate in transactions of such Funds. Employees of RCM may also own personally or through certain family trusts equity interests in portfolio companies of the Funds. With the consent of the applicable Fund’s limited partner advisory board, an employee of RCM also receives compensation from a portfolio company of Roark Capital Partners CF LP and Roark Capital Partners CF RI LP. That employee spends most of his business time and efforts on that portfolio company and the compensation he receives from that portfolio company does not reduce or offset Management Fees with respect to the applicable Fund.

*Incentive Compensation:* The Carried Interest, if any, that each General Partner will receive under the Governing Fund Documents has not been established on the basis of an arm’s-length negotiation among such General Partner and the applicable Fund and may create an incentive for the General Partners to (i) approve and cause the Funds to make riskier and more speculative investments than they would otherwise make in the absence of such performance based compensation, and (ii) dispose of the Funds’ investments at a time and in a sequence that would generate the most carried interest, although the capital commitments by the General Partners to invest in portfolio investments and the General Partners’ giveback should tend to reduce this incentive.

*Allocation of Investment Opportunities:* In some instances, portfolio investments may be made available to and shared with certain co-investors (from which the General Partners, RCM and one

or more of their respective affiliates may receive Carried Interest and Management Fees), and thus not all investment amounts that might otherwise be available to the Funds relating to a portfolio investment will be presented to the applicable Funds but may be presented to Co-investment Vehicles. Investment opportunities are allocated in accordance with the applicable Funds' Governing Fund Documents and RCM's policies and procedures.

*RCM Team as Directors or Legal Advisors:* Conflicts of interest may arise because members of the RCM investment team serve as directors, managers or observers of, observers or in a similar capacity with respect to, and in-house RCM attorneys perform legal and similar services for, certain Fund portfolio companies. In those instances where the Fund is not the sole shareholder of the applicable portfolio company, in addition to any fiduciary duties the General Partner owes to the Fund, as directors, managers, observers, legal advisors or in a similar capacity of portfolio companies, such members of the RCM investment team will, and as legal advisors to the portfolio companies, such in-house RCM attorneys owe duties to the shareholders of the portfolio companies and to persons other than the Fund.

*Personal Relationships:* Personnel of RCM can be expected to have friendships or other personal relationships with personnel and other individuals associated with entities with which RCM does or may seek to do business, including individuals who serve as directors, principals or employees of investors, Funds, 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 Funds (for example, by providing networking opportunities through which RCM personnel could be introduced to potential service providers for Funds) 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 RCM, investors, Funds 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 Fund. While RCM generally expects conflicts of interest of this nature to be mitigated by RCM's Code, which requires supervised persons of RCM to act in the best interest of Funds, 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.

*Allocation of Expenses:* The General Partners, RCM, the RCM principals and/or one or more of their respective affiliates will from time to time incur fees, costs and expenses on behalf of portfolio companies, the Funds, other affiliated entities and one or more existing or subsequent entities established by the RCM principals or their affiliates for which they may seek reimbursement from such portfolio companies, Fund(s), affiliated entities and/or entities established by the RCM principals, as applicable. Although attempts will be made to allocate such fees, costs and expenses on an equitable basis, such allocations will be determined by RCM, there can be no assurance that such fees, costs and expenses will in all cases be allocated appropriately and such matters will not necessarily be brought to the limited partner advisory board of a Fund for discussion or consultation, subject in all cases to any allocation requirements set forth in the applicable Governing Fund Documents. See Item 5 (Fees and Compensation) above for a more detailed discussion of fees, costs and expenses.

*Cross-Transactions:* RCM has in the past, and can possibly again in the future, arrange for a transaction between certain Funds in which one Fund buys a security from, or sells a security to, the account of another Fund (including a Co-investment Vehicle) (a “cross transaction”) when RCM deems the transaction to be in the best interest of each participating Fund. When effecting cross transactions between Funds, RCM may have conflicting responsibilities with respect to each participating Fund. In certain circumstances a cross transaction may be considered to be a “principal transaction” under the Advisers Act (e.g., where RCM is acting, or may be considered to be acting, as principal for its own account and RCM knowingly transacts with a client). Further, although it is expected that a Fund’s subscription facility will be used for the following purpose, RCM may, out of its proprietary assets, make an investment in a portfolio company of the Fund on a temporary basis to facilitate an investment organized by the Fund, on terms negotiated with the management of such portfolio company. To the extent that any such transaction may be viewed as a principal transaction, RCM will conduct such transaction in accordance with the provisions of Section 206(3) of the Advisers Act. In addition, to the extent required under a Fund’s Governing Fund Documents, any cross transaction will be subject to limited partner advisory board consultation or approval.

*Diverse Membership:* The Limited Partners, including those that have representatives on limited partner advisory boards, may have conflicting investment, tax and other interests with respect to their investments in the Funds. The conflicting interests of individual Limited Partners with respect to other Limited Partners may relate to or arise from, among other things, the nature of the Funds’ investments, the structuring or the acquisition of investments and the timing of disposition of the Funds’ investments. As a consequence, conflicts of interests may arise in connection with decisions made by the General Partners or RCM, including with respect to the nature or structuring of investments, that may be more beneficial for one Limited Partner than for another Limited Partner, especially with respect to a Limited Partner’s individual tax situations. In selecting and structuring investments appropriate for the Funds, the General Partners and RCM will consider the investment and tax objectives of the Funds and the Limited Partners as a whole, and not the investment, tax or other objectives of any Limited Partner individually.

*Other Fees:* As noted earlier, RCM may receive certain fees from investments in connection with transaction, monitoring and other similar fees, payments or compensation or in connection with any investment not completed (i.e., Other Fees). Although a percentage of these Other Fees may be applied to reduce the quarterly Management Fee, if any, payable by the Limited Partners, the Limited Partners will not receive the benefit of all of such fees and conflicts of interest may arise in connection with the payment of such fees. Additionally, if another Fund is participating alongside the Fund in an investment, it is expected that Other Fees received in connection with such investment will be allocated among the participating Funds on the basis of each of their respective percentage ownership of such investment (or, in the case of a potential investment that is not consummated, the percentage ownership that such Funds would have had had the potential investment been consummated). Other Fees that are not allocated to a Fund as a result of the preceding sentence will not be applied to reduce the Management Fee, if any, or otherwise be payable to the Fund or the Fund’s Limited Partners. See Item 5 (Fees and Compensation) above for a more detailed discussion of Other Fees.

*Advisory Board:* Certain Funds have an advisory board that consists of representatives of certain investors in such Fund. Any approval or consent given by such advisory boards tends to be binding on such Funds and all of their investors. Members of such advisory boards are also authorized to give approvals or consents required under the Advisers Act, including in respect of conflicted transactions (including principal transactions under Section 206(3) of the Advisers Act) and consents to the “assignment” of a client’s advisory agreement under the Advisers Act.

Members of such advisory boards owe no fiduciary duty to the applicable Fund, are under no obligation to act in the best interests of the Fund as a whole, and could choose to act only in the best interests of the investor with which such member is affiliated. Although RCM has adopted policies and procedures designed to manage conflicts among Funds, members of the advisory boards could themselves have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to their advisory boards for consideration or review.

The limited partner advisory board of a Fund generally meets at least annually and as requested by each General Partner to: (i) review potential conflict of interest matters raised by the General Partner; (ii) review any matters that require the approval of the limited partner advisory board under the relevant Fund’s Governing Fund Documents; and (iii) discuss such other matters as may be raised by the General Partner. A member of the limited partner advisory board of one Fund may also be a member of the limited partner advisory board of another Fund, and such overlapping membership may result in a member having a conflict of interest. For example, in a cross trade situation where the manager arranges for a Fund to purchase an investment from or sell an investment to another Fund, if an advisory board member has an interest in both Funds involved in the cross trade, such member could favor one Fund over the other if such member’s interests are more aligned with the Fund it favors.

As a result, if the member has an interest unrelated to RCM, it could choose not to act in the best interests of the Fund that the advisory board represents. In such instances, RCM expects that such advisory board member will act in the best interests of the Fund that it represents; however, there is no assurance that such conflicts of interest will be eliminated. Furthermore, there could arise certain instances where, notwithstanding that a Fund’s Governing Fund Documents could suggest that a particular transaction or conflict of interest ought to be submitted to the advisory board for its review or consent, the manager could instead defer to the judgment of a portfolio investment’s board of directors (or equivalent body) with respect to such transaction or conflict of interest, including, for example if such portfolio investment is publicly traded, if the Fund does not control such portfolio investment or if the portfolio investment has its own conflicts committee. Additionally, it is expected that investors in Funds who designate representatives to participate on the advisory boards may, by virtue of such participation, have more information about the Fund and investments in certain circumstances than other investors generally and may be provided information in advance of communication to other investors generally.

*Investments Alongside Other Funds:* Certain conflicts of interest may arise from the fact that a Fund may invest in the same opportunities in any one portfolio company with other Funds (i.e., conflicts relating to the terms of the investment, the allocation of expenses and any fee income, the purchase price of the investment, the availability exit opportunities and investments in different parts of the capital structure of any one portfolio company). There can be no assurance that the return on a Fund’s investments in any one portfolio company will be equivalent to or better than the returns

obtained by any other Fund in connection with its investment in such portfolio company. RCM will take such measures as set forth in the applicable Funds' Governing Fund Documents and RCM's policies and procedures in order to address such potential conflicts of interest which may include: (i) investing on substantially the same terms; (ii) allocating expenses in connection with such investment to the Fund and such other Funds investing in the portfolio company pro rata to the amounts of funds to be invested, unless RCM reasonably determines for equitable reasons that such costs will be borne in different proportions; (iii) allocating fee income attributable to such investment between the Fund and such other Funds investing in the portfolio company pro rata to the amounts of funds to be invested, unless RCM reasonably determines for equitable reasons that such costs will be borne in different proportions; (iv) investing at a price which will be supported by a customary fairness opinion issued by an independent financial advisor (selected by RCM) unless at or around such time an unaffiliated third party is investing in such portfolio company, in which case the Fund and such other Funds investing in the portfolio company will invest at the same price being paid by such third party; (v) allocating any sale opportunity or exit strategy identified for such investment among the Fund and such other Funds investing in the portfolio company on a pro rata basis (in accordance with their respective interests in such investment) and at substantially the same time; and/or (vi) obtaining the approval of the limited partner advisory board prior to the Fund investing in a portfolio company together with any other Fund.

*Timing of Investment Realization:* While there is a finite period during which new investments may be consummated by a Fund, there is more flexibility regarding when investments must be realized. Because RCM receives management fees, RCM could be incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing management fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is further exacerbated by the General Partners' giveback obligation. Furthermore, the U.S. federal income tax treatment of Carried Interest may depend on the holding period of the relevant investment and, as a consequence, conflicts of interest may arise in connection with the General Partner's decisions regarding the timing of disposition of a Fund's investments and/or how to monetize a Fund's investments.

## **Item 12: Brokerage Practices**

RCM focuses on making investments in private securities, and does not ordinarily deal with any financial intermediary such as a broker-dealer; therefore commissions are not ordinarily payable in connection with such investments. To the limited extent RCM transacts in public securities, or other non-private equity investments (e.g., currency hedging), RCM will seek to obtain best execution. RCM intends to select brokers based upon the broker's ability to provide best execution for the Funds. RCM and/or the General Partner is generally authorized to make the following determinations, subject to each Fund's investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their Limited Partners: (1) which securities or other instruments to buy or sell; (2) the total amount of securities or other instruments to buy or sell; (3) the executing broker or dealer for any transaction; and (4) the commission rates or commission equivalents charged for transactions.

### Soft Dollars



RCM does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to RCM's own research effort. To the best of RCM's knowledge, these services are generally made available to all institutional investors doing business with such broker-dealers. RCM does not separately compensate such broker-dealers for the research and does not believe that it "pays-up" for such broker-dealers' services due to the difficulty associated with the broker-dealers not breaking out the costs for such services.

#### Trade Aggregation

If a Fund transacts in a publicly traded security, due to exclusivity provisions and the fact that RCM generally only invests the assets of a Fund during its commitment period, it generally would not be practicable to aggregate transactions with another Fund. However, if RCM determines that it is in the best interests of participating Funds to aggregate a trade in publicly traded securities in a portfolio company held in more than one Fund, RCM will adopt policies and procedures concerning trade aggregation.

### **Item 13: Review of Accounts**

All investments are carefully reviewed and approved by RCM's investment team, which includes the Managing Partner and other members of the Investment Committee. The portfolio companies are reviewed on a regular basis and the investment personnel meet periodically to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

RCM provides each Limited Partner with the following reports in accordance with the terms of the applicable Governing Fund Documents: (i) audited annual financial statements; (ii) unaudited quarterly financial statements; and (iii) annual tax information necessary to complete any applicable tax returns. RCM also holds annual meetings with the Limited Partners.

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

RCM may periodically engage third party placement agents (i.e., solicitors) to introduce prospective investors to the Funds. The fees and expenses of any third-party placement agents will be paid by the Funds, but will be reimbursed by RCM by offsetting Management Fees in accordance with the Governing Fund Documents.

As noted earlier, RCM or its affiliates may charge portfolio companies transaction fees, break-up fees, monitoring fees, other similar fees.

### **Item 15: Custody**

RCM has access to client accounts since it or an affiliate serves as the General Partner of the Funds. Limited Partners will not receive statements from any custodians. Instead, the applicable Funds are subject to an annual audit by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and the audited

financial statements are distributed to each Limited Partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 90 to 120 days of each applicable Fund's fiscal year end.

## **Item 16: Investment Discretion**

In accordance with the terms and conditions of the Governing Fund Documents, and subject to the direction and control of the General Partner of each Fund, RCM generally has discretionary authority to determine, without obtaining specific consent from the Funds or its Limited Partners, the securities and the amounts to be bought or sold on behalf of the Funds, and to perform the day-to-day investment operations of the Funds.

## **Item 17: Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Advisers Act, RCM has adopted and implemented written policies and procedures governing the voting of client securities.

RCM's Funds are primarily invested in privately-held portfolio company investments which typically do not issue proxies. However, upon occasion, RCM will receive proxies in connection with its publicly traded portfolio companies, in which case it is RCM's policy to exercise the proxy vote in the best interest of its Funds, taking into consideration all relevant factors, including without limitation, acting in a manner that RCM believes will (i) maximize the economic benefits to the relevant Fund(s), and (ii) promote sound corporate governance by the issuer. On rare occasion, RCM may be required to exercise a vote for a privately-held portfolio company, in which case the same procedures shall apply.

RCM will seek to avoid material conflicts of interest between its own interests on the one hand, and the interests of its Funds on the other. However, as is typical with private equity investing, RCM generally seeks and accepts the election of an RCM representative to serve on the board of directors on behalf of its Funds and will typically, but not always, vote in favor of board recommendations. In situations where RCM is required to vote the proxy for a company in which employees of RCM serve on the board of directors, RCM has determined that this does not inherently present a conflict of interest, as the sole purpose of this representation is to maximize the return on the Funds' investment in such portfolio company. Accordingly, while RCM is generally, but not automatically, fully supportive of recommendations made by a portfolio company's board of directors with respect to proxy votes related to that issuer, it will review all proxies in accordance with its proxy voting guidelines and may or may not vote in favor of the board's recommendation.

Situations may arise in which more than one Fund invests in the same company. In those situations, it is possible that the Funds may have different investment objectives. As a result, RCM may cast different votes on behalf of different Funds.

All conflicts of interest with respect to the voting of client securities will be resolved in the interests of RCM's Funds. In situations where RCM perceives a material conflict of interest, the circumstances surrounding such potential conflict will be reviewed with RCM's General Counsel,

who will be responsible for recommending the appropriate action, which may include removing certain of RCM's employees from the proxy voting process.

All proxies that RCM receives will be treated in accordance with these policies and procedures. A copy of RCM's written proxy voting policies and procedures, as well as a record of how RCM has voted in the past, will be maintained and available for review upon written request to RCM at 1180 Peachtree Street NE, Suite 2500, Atlanta, Georgia 30309, Attn: Louis J. Matthews.

## **Item 18: Financial Information**

A balance sheet is not required to be provided as RCM does not solicit fees more than six months in advance. RCM does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients and has not been subject to any bankruptcy proceeding during the past 10 years.