

ITEM 1 - COVER PAGE

FORM ADV PART 2A AND 2B: FIRM BROCHURE



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This Firm Brochure (“**Brochure**”) provides information about the qualifications and business practices of Waud Capital Partners, L.L.C. (referred to herein as “**Adviser**” or “**WCP**”). If you have any questions about the contents of this Brochure, please contact Investor Relations at (312) 676-8400 or investorrelations@waudcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

WCP is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (“**Advisers Act**”). However, such registration does not imply a certain level of skill or training.

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

## **ITEM 2 MATERIAL CHANGES**

Since WCP's last annual Brochure filing on March 31, 2023, the Firm has formed a new fund as disclosed in WCP's Form ADV Part 1.

WCP routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023.

Pursuant to SEC rules, WCP provides clients and their limited partners a summary of material changes to its Brochure within 120 days of the close of WCP's fiscal year. WCP may provide further disclosures about material changes as deemed necessary. Additionally, WCP will provide to clients and their limited partners a new Brochure as necessary, without charge. WCP's Brochure may be requested by contacting Investor Relations at (312) 676-8400 or [investorrelations@waudcapital.com](mailto:investorrelations@waudcapital.com).

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## ITEM 4      ADVISORY BUSINESS

### **Firm Description**

Founded in 1993, Waud Capital Partners, L.L.C. (referred to herein as “**WCP**” or the “**Firm**”) and its related entities are a growth-oriented private equity investment firm based in Chicago that aims to acquire, improve and grow companies in the U.S. middle-market primarily through control-oriented equity investments. WCP partners with experienced management teams with the goal of building market leading companies within Healthcare and Software & Technology verticals and their intersection: companies that use technology to enable the delivery of traditional healthcare services and healthcare IT. WCP targets businesses in large, growing, inefficient and highly fragmented markets within these sectors and seeks to grow companies both organically and through follow-on acquisitions.

WCP provides investment advisory services to the following private funds (collectively referred to herein as the “**WCP Funds**”): Waud Capital Partners III, L.P., Waud Capital Partners QP III, L.P. and Waud Capital Partners FIF III, L.P. (collectively, “**Fund III**”); Waud Capital Partners IV, L.P., Waud Capital Partners QP IV, L.P. and Waud Capital Partners FIF IV, L.P. (collectively, “**Fund IV**”); Waud Capital Partners QP V, L.P. and Waud Capital Partners FIF V, L.P. (collectively, “**Fund V**”); and Waud Capital Partners QP VI, L.P. and Waud Capital Partners FIF VI, L.P. (collectively, “**Fund VI**”). More information about the WCP Funds is available in WCP’s Form ADV Part 1, Schedule D, Section 7.B.(1).

In addition to the WCP Funds, WCP also manages co-investment funds that facilitate co-investments in portfolio companies of the WCP Funds. WCP currently manages two types of co-investment funds: one type of co-investment fund includes certain WCP Fund limited partners or third-party investors investing in a single WCP portfolio company alongside a WCP Fund (“**WCP Fund Co-Invest Funds**”) and which is managed by the relevant WCP Fund general partner. The second type of co-investment fund includes only WCP senior management employees and WCP affiliated persons (i.e., no WCP Fund limited partners or third-party investors) investing on a side-by-side basis with the WCP Funds in the same portfolio companies as the relevant WCP Fund (“**WCP Employee/Affiliate Co-Invest Funds**” and together with the WCP Fund Co-Invest Funds, “**WCP Co-Invest Funds**”). Collectively, the WCP Funds, the WCP Fund Co-Invest Funds and Employee/Affiliate Co-Invest Funds are referred to in this Brochure as the “**Funds**”, unless the context otherwise requires. More information about the Funds is available in WCP’s Form ADV Part 1, Schedule D, Section 7.B.(1).

Additionally, in certain circumstances, as more fully described in Item 7 below, WCP also permits certain limited partners and third parties to co-invest directly into a portfolio company. Unlike the Funds mentioned above, such direct co-investments are not considered clients of WCP.

The Funds are private equity funds that invest through negotiated transactions in operating entities, generally referred to as “portfolio companies”, in the Healthcare and Software & Technology verticals and their intersection. Each portfolio company has its own management team responsible for managing its day-to-day operations, although the WCP senior investment professionals and other related persons of WCP and/or third-party persons appointed by WCP

serve on such portfolio companies' respective boards of directors or otherwise act to influence the management of portfolio companies held by the Funds. In addition, in some cases, WCP will more directly influence the day-to-day management of the portfolio company by recruiting and retaining certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. WCP's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments, and achieving dispositions for such investments. Investments are made predominantly in non-public portfolio companies, although investments in public portfolio companies are permitted and on occasion, the Funds will own a public security position.

WCP's investment advisory services for the applicable Fund are governed by and detailed in the relevant private placement memoranda (each, "**Private Placement Memorandum**"), limited partnership agreements (each, "**Partnership Agreement**"), subscription agreements, side letters and investment management agreements (together with the Private Placement Memorandum and the Partnership Agreement, the "**Governing Documents**") and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. WCP provides investment advisory services to the applicable Fund through its affiliated general partner entities (collectively, "**WCP Fund GPs**"), each of which is deemed registered under the Advisers Act pursuant to WCP's registration in accordance with SEC guidance. The applicable WCP Fund GP retains investment discretion and limited partners in the Funds do not participate in the control or management of the Funds. While the WCP Fund GPs maintain ultimate authority over their respective Funds, WCP has been designated the role of investment adviser. This Brochure describes the business practices of the WCP Fund GPs, which operate as a single advisory business together with WCP, and unless the context otherwise requires, references in this Brochure to "WCP" should be construed to mean the relevant WCP Fund GP and/or Waud Capital Partners, L.L.C. and its personnel. More information about the WCP Fund GPs is available in WCP's Form ADV Part 1, Schedule D, Section 7.A.

Limited partners in a WCP Fund participate in the overall investment program for the applicable WCP Fund but under the relevant Governing Documents can be excused in certain circumstances from a particular investment due to legal, regulatory or other applicable constraints (however to date no such excuse has occurred). In addition, in accordance with industry common practice, WCP Fund GPs have entered into side letters or other similar agreements ("**Side Letters**") with certain WCP Funds' and WCP Fund Co-Invest Funds' limited partners that have the effect of establishing rights under or supplementing the applicable Partnership Agreement. A WCP Fund GP reserves the right to enter into a Side Letter with certain limited partners of a Fund which provides such limited partners with different or preferential rights or terms, including, but not limited to, information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on a Fund's Board of Advisors, transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms. These rights, benefits or privileges are not always made available to all limited partners nor in some cases are they required to be disclosed to all limited partners. The Side Letter is negotiated at the time of the relevant limited partner's capital commitment and once invested in a Fund, the limited partners generally cannot impose additional guidelines or restrictions on such Fund, consistent with general market practice. There can be no

assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage other limited partners.

As of December 31, 2023, WCP managed regulatory assets under management of approximately \$4.562 billion, all on a discretionary basis in WCP's sole discretion. This calculation includes regulatory assets under management for all Funds.

## **Principal Owners**

The WCP Fund GP entities are owned by Reeve B. Waud, his related entities and other WCP senior management employees. WCP is ultimately owned and controlled by Mr. Waud and entities under his control. For more information about WCP's owners and executive officers, please see WCP's Form ADV Part 1, Schedule A.

## **ITEM 5 FEES AND COMPENSATION**

In general, WCP Fund GPs receive a management fee and carried interest allocation and certain other supplemental fees in connection with the provision of investment advisory services. In addition, the portfolio companies reimburse WCP and the Funds for certain expenses advanced on their behalf. The following is a general description of fees, compensation and expenses of the Funds. Limited partners in the Funds also bear certain expenses, as described below. Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how WCP is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

### **Management Fees and Service Fees**

As described in each WCP Fund's Governing Documents, management fees are paid by each WCP Fund to its respective WCP Fund GP on a semi-annual basis (each, "**Management Fee Period**") and are payable as of a date (each such date, "**Management Fee Payment Date**") five days following the commencement of the relevant Management Fee Period, billed partially in arrears for the first five days and in advance for the remainder of the period. While a WCP Fund is in its investment period (typically a length of six years after the effective date), the management fee will be calculated based on a percentage per annum of the aggregate limited partner capital commitments ("**Commitments**") for such WCP Fund. The percentage per annum for Fund III, Fund IV, Fund V and Fund VI is equal to 2.0% of non-affiliated limited partners' Commitments. Effective upon the commencement of the reduction period, generally upon the first Management Fee Payment Date after the expiration of the investment period, the management fee for each Management Fee Period will be reduced to 2.0% per annum of the non-affiliated limited partners' percentage of the aggregate amount of investment contributions with respect to investments that have not been disposed of less the aggregate amount of permanent write-downs of investments, as designated by the relevant WCP Fund Valuation Committee, that have not been disposed of. The amount of management fees generally will not correspond with fluctuations in a Fund's net asset value, including following the stepdown date, and will not be reduced in connection with any write downs, except in the case of investments permanently written down. Except where the Governing

Documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments. While the WCP Fund GPs are permitted, in their sole discretion, to reduce or waive all or a portion of the WCP Fund's management fee, all the limited partners in a WCP Fund have been charged the same management fee in respect of such WCP Fund.

Management fees are collected through a capital call, through a draw-down on the line of credit or offset against a distribution to limited partners. All management fees were negotiated with limited partners during the fundraising period of the applicable Fund and are not subject to negotiation thereafter. Generally, limited partners participating in a subsequent closing after the initial closing of a Fund are responsible for paying the management fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, management fees are payable during term extensions unless otherwise agreed to with limited partners.

The WCP Fund Co-Invest Funds' management fees generally are equal to or lower than the management fee rate charged to the applicable WCP Fund. The specific management fees charged to each WCP Fund Co-Invest Fund and the payment of such management fees are negotiated and agreed upon with each WCP Fund Co-Invest Fund as described in each such WCP Fund Co-Invest Fund's Governing Documents. Additionally, in each case, limited partners in the WCP Fund Co-Invest Funds bear their pro rata share of certain WCP Fund expenses.

No management fee is payable by the WCP Employee/Affiliate Co-Invest Funds, as limited partners in the WCP Employee/Affiliate Co-Invest Funds are comprised of only senior management employees of WCP or affiliated persons of WCP and do not include any non-affiliated third-party investors. Additionally, in each case, limited partners in the WCP Employee/Affiliate Co-Invest Funds bear their pro rata share of certain WCP Fund expenses.

As per the provisions of certain Fund Governing Documents, a WCP Fund GP is permitted to reduce or waive all or a portion of the management fee payable by a WCP Fund in full or partial satisfaction of any obligation of the WCP Fund GP to invest in and alongside such WCP Fund. Certain waived portions of the management fee are treated by the Governing Documents as deemed capital contributions by the relevant WCP Fund GP, which is effectively invested in the relevant WCP Fund on the WCP Fund GP's behalf and operates to reduce the amount of capital the applicable WCP Fund GP would otherwise be required to contribute to the WCP Fund. WCP Fund limited partner capital contributions are generally accelerated due to waived management fees and/or the timing of receipt of fees subject to offsets, and WCP Fund limited partners could thus receive less than the full benefit of such management fee offsets.

In addition to the reduced or waived management fees, as specified in the relevant Governing Documents, limited partners in the WCP Funds also receive a reduction in management fees with respect to management fee offsets for Service Fees (discussed below), all placement agent fees paid, and organizational expenses paid in excess of a maximum amount (discussed below).

WCP provides certain management, advisory, transaction-related, financial advisory and other services for, and the WCP Fund GPs receive fees from, current or prospective Fund portfolio

companies, including fees in connection with mergers, acquisitions, follow-on acquisitions, refinancings, public offerings, sales and similar transactions. In connection therewith, WCP Fund GPs are permitted to retain monitoring fees, advisory fees, consulting fees, directors' fees, closing fees, breakup fees, commitment fees and any other similar fees and related fee income from, or on behalf of, Fund portfolio companies (collectively, "**Service Fees**"); provided, however that the management fee of the applicable WCP Fund is offset by a portion of the Service Fees received, net of any expenses incurred in connection with such services not reimbursed, as set forth in the Partnership Agreement of the applicable WCP Fund. Specifically, any Service Fees with respect to an investment or potential investment (including a transaction not consummated) are allocated to a WCP Fund (and offset against the management fee as described above) only to the extent of the WCP Fund's relative ownership (or anticipated ownership) of such investment or potential investment in proportion to the relative investment cost and for certain Funds, only to the extent such Service Fees are on an arm's length basis and have been disclosed to such other stakeholders in the portfolio company, as set forth in the Governing Documents. Subject to the preceding sentence, a WCP Fund will, in most such cases, only benefit from the management fee reduction described above with respect to its allocable portion of any such Service Fees and not the portion allocable to any other person that holds an economic interest in (or, in the case of a transaction not consummated, would have held an economic interest in) the applicable investment. Any such offset of a WCP Fund's management fee is only applicable to the extent a management fee is payable by a WCP Fund currently or in the future. Because the existing WCP Fund Co-Invest Funds do not have an offset provision requiring the reduction of management fees, WCP will retain the credited offset portion of Service Fees allocable to the WCP Fund Co-Invest Funds without reduction.

WCP generally has discretion over whether to charge Service Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party, although for certain Funds, WCP is required to disclose to the Board of Advisors an annual summary of all Service Fees. WCP endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company. There can be no assurance that the amount of fees charged will be proportional to the amount of work performed on behalf of a portfolio company.

On occasion, in certain circumstances a Service Fee due from a portfolio company is deferred in whole or part due to a portfolio company's liquidity needs or a senior credit agreement prohibits the payment of such Service Fees. When future circumstances permit, some or all of the payment of the deferred Service Fees including interest from the time of the deferral will be made, which can result in a single payment or installments of payment amounts that are larger than if the fees had originally been paid in increments. WCP makes such deferral determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly-situated portfolio companies.

The following fees and expenses do not offset management fees, in each case as applicable: (i) reimbursements from a portfolio company to WCP for expenses (including, without limitation, travel and out-of-pocket expenses) incurred by WCP in performing services for such portfolio



company; (ii) any fees or compensation received by or on behalf of the Third-Party Professionals (defined below); (iii) fees or expenses borne by Funds, including broken deal expenses; and (iv) any portfolio company directors' or board fees paid by a former portfolio company to a WCP employee (or former employee) who remains on the company's board of directors following the Fund's disposition of its investment in the company.

For some WCP Funds, to the extent that such offset credits would reduce a WCP Fund's management fee for a given semi-annual period below zero, the credit will be carried forward for future application against payable management fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons. The amount and manner of such reduction is set forth in such WCP Funds' Governing Documents. For some WCP Funds, to the extent no future management fees are payable by such WCP Fund, the relevant WCP Fund GP retains the credited offset, and the amount of such credit over time has the potential to be substantial.

## **Partnership Expenses**

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among the WCP Funds, the following is a description of expenses generally charged to each WCP Fund. In addition to the management fee, the WCP Funds will pay all fees, costs, expenses, liabilities and obligations relating to each WCP Fund's (and subsidiaries' and intermediate entities') activities, investments and business ("**Partnership Expenses**") that are not reimbursed by a portfolio company (which reimbursements can be for travel (including in some cases, where not prohibited in the relevant WCP Fund's Governing Documents, private air travel) and any other expenses incurred in connection with such portfolio company), including: (i) activities with respect to structuring, organizing,, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and a WCP Fund's actual or potential investments (including follow-on investments) or seeking to do any of the foregoing, whenever incurred and whether or not any contemplated transaction or project is consummated and whether or not such activities are successful (including any associated legal, financing, commitment, transaction, due diligence, research or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, industry experts, expert network and research firms, third-party diligence resources (software, database, subscription, periodicals) and service providers, consultants and similar professionals in connection therewith or in connection with attending industry conferences and events and trade association memberships and any fees and expenses related to transactions offered to co-investors), including the investigation and identification of investment opportunities for the WCP Fund that reaches the stage of execution of a term sheet or a letter of intent (or the substantial agreement by the relevant parties with respect to the terms of an investment), and planning, researching, organizing and implementing any platform to originate, identify, source and make acquisitions and engaging executives and other key personnel related to such initiative; (ii) indebtedness of, or guarantees or similar credit support made by, the WCP Fund, WCP, the WCP Fund GP or any affiliated partner on behalf of the WCP Fund (including any credit facility, letter of credit or similar credit support), including fees, expenses and interest with respect thereto, or seeking to put in place any such indebtedness or

guarantee or similar credit support; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker and similar services; (v) brokerage, sale, custodial, depository (including costs related to appointments or changes of any depository appointed pursuant to the AIFMD), trustee, record keeping, account and similar services and costs related to compliance with the Swiss Collective Investment Schemes Act and Financial Services Act 2018 (as amended) (including, but not limited to, the appointment of the Swiss representative and paying agent); (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a WCP Fund's third-party administrator and administration or reporting software and investor portal, if any), technology administration (including costs associated with compliance with anti-money laundering laws and regulations), information, appraisal, advisory, valuation (including third-party valuations, valuation software, fairness opinions, appraisals or pricing services, if any), consulting (including consulting and retainer fees and other compensation paid to the Operations Group (defined below) or any of its members, operating partners, consultants performing investment initiatives related to actual and potential WCP Fund investments or providing services related to environmental, social and governance investment considerations and policies and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage, cybersecurity and general partnership liability premiums and other insurance and regulatory expenses (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of WCP Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF, Bureau of Economic Analysis Reports and any filings, reports or other compliance requirements contemplated by the AIFMD or any similar law, rule or regulation (excluding expenses associated with the initial registrations, filings and compliance contemplated by the AIFMD, which are treated as "Organizational Expenses" as discussed below)), the EU Sustainable Finance Disclosure Regulation and/or the EU Taxonomy Regulation, or other information, including fees and costs of any software and third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a WCP Fund or the limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (xiv) to the extent provided in the relevant Partnership Agreement, or otherwise approved by a WCP Fund GP in its sole discretion, activities or proceedings of the Board of Advisors (including any reasonable out-of-pocket costs and expenses incurred by representatives of a WCP Fund GP, the Board of Advisors members, permitted observers and other persons in attending or otherwise participating in meetings of the Board of Advisors); (xv) any annual limited partner meeting or other periodic, if any, meetings of the limited partners, any other conference or meeting with any limited partner(s), and any meeting of portfolio company employees sponsored by a WCP Fund GP, the Operations Group or any of their respective affiliates, regardless of whether all of the individuals attending or otherwise participating in any such meeting are WCP Fund limited partners or representatives thereof; (xvi) indemnification (including any fees, costs

and expenses incurred in connection with indemnifying any limited partner or other person pursuant to the relevant Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim subject to a right of indemnification pursuant to the Partnership Agreement), except as otherwise set forth in the Partnership Agreement; (xvii) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xviii) the management fee; (xix) except as determined by a WCP Fund GP in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Partnership Expense if it were incurred in connection with a WCP Fund; (xx) the termination, liquidation, winding up or dissolution of a WCP Fund; (xxi) defaults by limited partners in the payment of any capital contributions; (xxii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a WCP Fund, a parallel Fund and any alternative investment vehicle of a WCP Fund or a parallel investment Fund, including the preparation, distribution and implementation thereof; (xxiii) (A) complying with any law or regulation related to the activities of a WCP Fund (including regulatory expenses of the relevant WCP Fund GP incurred in connection with the operation of the WCP Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a WCP Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant Partnership Agreement; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the relevant Partnership Agreement; (xxvi) any taxes, fees and other governmental charges levied against a WCP Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a WCP Fund (except to the extent that the WCP Fund is reimbursed therefor by a reimbursing limited partner or such tax, fee or charge is treated as having been distributed to the limited partners pursuant to the relevant Partnership Agreement, and any costs of or related to the “partnership representative” of the WCP Fund; (xxvii) distributions to the limited partners and other costs and expenses associated with the acquisition, holding and disposition of a WCP Fund’s investments, including all extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of the Operations Group or its members and operating partners; (xxix) compliance or regulatory matters related to a WCP Fund, except as otherwise set forth in the relevant Partnership Agreement; (xxx) any travel (including, where appropriate, private air travel, but only up to the cost of equivalent first-class airfare), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any excess organizational expenses (which for the avoidance of doubt are offset against management fees of the relevant WCP Fund); (xxxiii) any placement agent fees (which for the avoidance of doubt are offset against management fees of the relevant WCP Fund); (xxxiv) expenses related to attending industry meetings, conferences or similar events in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments,

regardless of whether such investment is ultimately consummated); and (xxxv) any other fees, costs, expenses, liabilities or obligations approved by the Board of Advisors.

Out-of-pocket expenses associated with completed transactions are either capitalized as part of the acquisition price of a consummated transaction, reimbursed by portfolio companies or billed directly to a Fund. Out-of-pocket expenses associated with unconsummated transactions (“**broken deal expenses**”) are paid by the relevant Fund(s) selected as proposed investors in such transaction.

## **Reimbursements**

Certain expenses related to WCP’s oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by WCP and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which can include expenses for economy, business, first-class or private air travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) the usage of premium black car and other car services, which from time to time include waiting time and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, lenders, brokers and service providers); (ii) expenses relating to training programs, meetings, conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) consulting fees; (viii) certain legal expenses; (ix) similar out-of-pocket expenses; (x) corporate filings; and (xi) other consideration and expenses.

In addition, to the extent one Fund or WCP initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, WCP will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or WCP for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by WCP, a WCP Fund GP or their respective affiliates will not be offset against the management fee payable by the WCP Funds or WCP Fund Co-Invest Funds.

## **Organizational Expenses**

Each Fund is generally responsible for the organizational and start-up fees, costs and expenses (“**Organizational Expenses**”) in connection with raising such Fund, generally up to a maximum amount as specified in such Fund’s Governing Documents. Excluded from Organizational Expenses are placement fees and amounts in excess of the permitted amount of Organizational Expenses as negotiated with such Fund. Each limited partner will bear its pro rata share of a Fund’s Organizational Expenses and any amounts in excess of such permitted limit are offset dollar for dollar against Management Fees.

## **Manager Expenses**

WCP will bear its own expenses in connection with maintaining and operating its offices (such as compensation of its employees (except as otherwise described in the relevant Fund Partnership Agreement), rent, utilities and general office expenses, other than, for the avoidance of doubt, compensation and any related direct or allocable overhead expenses associated with Operations Group Services (discussed below), other affiliated or non-affiliated consultants providing services to the Funds' portfolio companies and, in certain circumstances, the secondment of WCP personnel.

## **Co-Investment Expenses**

As described above, in certain circumstances, WCP permits certain limited partners and third-party investors to co-invest in investments alongside one or more WCP Funds, subject to WCP's related policies and procedures, the relevant Governing Documents and/or Side Letter(s). Where a WCP Fund Co-Invest Fund is formed, such entity will bear expenses related to its operation, many of which are similar in nature to those borne by the WCP Funds. Expenses incurred for direct co-investments are borne directly at the portfolio company. Since co-investments will not be made through a WCP Fund, any Service Fees in connection with a co-investment does not arise out of the investment activities of a WCP Fund or actions taken directly or indirectly by WCP on behalf of such WCP Fund and, therefore, none of such fees reduces the management fee paid by such WCP Fund. Co-investors who commit to a transaction after a WCP Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such WCP Fund (and indirectly, by such WCP Fund's limited partners) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest.

## **Broken Deal Expenses**

In the event a proposed transaction is not consummated, no such WCP Fund Co-Invest Fund generally will have been formed, and the full amount of any broken deal fees and expenses generated in the course of evaluating such investments, including out of pocket fees associated with due diligence, attorney fees, fees of other professionals and various other fees and expenses relating to such proposed but not consummated transaction therefore would generally be borne by the WCP Fund and parallel WCP Employee/Affiliate Co-Invest Fund and not by any prospective co-investors that were to have participated in such transaction.

## **Third-Party Professionals and Operations Group**

WCP has engaged and retained advisers, consultants, senior executive partners, operating partners and other similar professionals or affiliates of WCP ("**Third-Party Professionals**") to assist with acquiring and managing Fund portfolio companies. Third-Party Professionals assist in researching, identifying and providing recommendations regarding target markets, market segments and companies for potential acquisition or investment. Pursuant to written arrangements, Third-Party Professionals are compensated by WCP through service payments prior to an acquisition and/or a transaction fee upon the closing of an acquisition; such service and/or transaction fee payments become a reimbursable deal expense upon the closing of the acquisition.

Upon the successful acquisition of a portfolio company, Third-Party Professionals typically become an executive officer of the portfolio company and/or serve on such portfolio company's board of directors. On occasion, Third-Party Professionals also provide on-going services to a portfolio company in addition to serving as an executive officer or member of the board, which is paid directly by such portfolio company. In addition, Third-Party Professionals are reimbursed for the cost of their travel to and from portfolio company board meetings and other portfolio company business and such expenses are generally borne by the relevant portfolio company which the Third-Party Professional is advising but can also be paid by the relevant Fund according to such Fund's Governing Documents. Some Third-Party Professionals are entitled to profits interests pursuant to a portfolio company incentive equity and/or option plan or from the profits of the Funds investment in the portfolio company (which is paid through Funds' carried interest or proceeds). In the event a Third-Party Professional performs services and/or incurs expenses when working on a potential portfolio company and the deal does not close, the costs associated with such potential portfolio company are billed to the Fund which was expected to invest in such portfolio company. These service payments to Third-Party Professionals are considered compensation to the Third-Party Professionals and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners. Some Third-Party Professionals are limited partners in the Funds or invest directly in a portfolio company.

WCP has established an operations group (the "**Operations Group**") comprised of non-investment professionals employed or retained by WCP and any of its affiliates to provide consulting services to any current or prospective portfolio company of the Funds and/or to support WCP and/or its investment professionals in connection with their activities in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including the operational aspects of such companies. Such services and/or support of the portfolio companies and prospective portfolio companies include, among other services, sales, marketing, technology, portfolio company industry compliance, human resources, human capital management, acquisition integration/rationalization and/or other operational services, or other due diligence or similar services ("**Operations Group Services**"). Operations Group Services fees and reimbursable expenses are (i) part of the capitalization of deal expenses in the funds flow upon the closing of an acquisition; (ii) portfolio company expenses to be paid by any current or prospective portfolio company of the Funds (with the approval of the portfolio company's management team); and/or (iii) Partnership Expenses to be paid and/or reimbursed by the Funds or any alternative investment vehicle, each as permissible; provided that, in each case, such services and/or support are provided at a cost no greater than the cost that would be charged by an unaffiliated third party for comparable services and/or support. Fee compensation to Operations Group members can include, among others, consulting and retainer fees, fixed or project fees, finder's fees, bonus payments, success fees, an equity interest in a portfolio company or a profits interest pursuant to a portfolio company incentive equity and/or option plan or from the profits of the Funds or any alternative investment vehicle's investment in the portfolio company. The Operations Group charges fees for Operations Group Services and/or support at agreed upon rates (which are determined by category or level of service provided) or based upon each Operation Group member's time spent providing Operations Group Services and for any related expenses (direct or allocable) associated with such services. The payments by portfolio companies to the Operations Group or its members are considered compensation to the Operations Group or its

members and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

### **Fee Receipt Allocation**

From time to time, WCP, a Fund or a portfolio company (in their sole discretion), has agreed, and in the future may agree, to pay a transaction fee, portion of carried interest, incentive equity grant or other fee to a third party, such as a Third-Party Professional, consultant, adviser, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments or incentive equity payments, based on the applicable portfolio company meeting certain success hurdles or otherwise. Such compensation, whether in the form of a profits or equity interest in a portfolio company or intermediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to portfolio company investors at the time of such portfolio company's sale. None of these fees or compensation offset management fees payable by a WCP Fund or WCP Fund Co-Invest Fund by such amount.

### **Allocation of Expenses**

In good faith and in its fair and reasonable discretion, WCP determines on a case-by-case basis whether an expense should be borne by the WCP, one or more Fund(s) or a portfolio company. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, WCP will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation. In certain circumstances, one Fund will pay an expense common to multiple Funds (e.g., legal expenses for a transaction in which all such Funds participate) and be reimbursed by the other Funds for their share of such expense, without interest. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund will be borne by WCP.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

WCP Fund GPs typically receive a performance-based carried interest allocation (“**carried interest**”) with respect to the WCP Funds and the WCP Fund Co-Invest Funds of up to 20% of all realized profits in excess of an 8% annually compounded preferred return, subject to a catch-up provision as more fully described in the applicable Governing Documents. Carried interest allocations distributed to the relevant WCP Fund GP are subject to a potential after-tax giveback to the extent the relevant WCP Fund GP receives distributions in excess of entitled distributions. These performance-based arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 and are further described in the relevant WCP Fund or WCP Fund Co-Invest Fund's Governing Documents received by each limited partner prior to investment in such WCP Fund or WCP Fund Co-Invest Fund.

The WCP Employee/Affiliate Co-Invest Funds do not pay carried interest, as limited partners in the WCP Employee/Affiliate Co-Invest Funds are comprised of only senior management employees of WCP or affiliated persons of WCP and do not include non-affiliated third-party limited partners.

The fact that carried interest allocations are based on the performance of each WCP Fund or WCP Fund Co-Invest Fund creates an incentive for a WCP Fund GP to make investments that are more speculative than would be the case in the absence of such distributions. However, WCP believes these potential incentives are sufficiently mitigated by the following: (i) the applicable Governing Documents create limitations on the ability of WCP to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring certain parallel Funds to purchase and sell investments contemporaneously if they share an investment through a contemporaneous initial investment; (iii) any losses the WCP Funds or WCP Fund Co-Invest Funds sustain will reduce each WCP Fund GP's carried interest distribution; (iv) the WCP principals have a substantial financial commitment to the Funds; (v) WCP Fund level carried interest is generally calculated only after limited partners have received as distributions 100% of their capital contributions plus a preferred return; and (vi) WCP's ability to attract future limited partners is tied to the performance of its investments.

With regards to side-by-side management, in an effort to reduce the potential for any conflict of interest regarding favoring one Fund over another, the Funds invest together on a side-by-side basis in each relevant portfolio company investment. In addition, WCP generally makes new investments for a new WCP Fund with the same investment objectives only after a predecessor WCP Fund is substantially invested or committed as more fully described in the applicable WCP Fund's Governing Documents and policies and procedures regarding investment allocation. WCP's investment allocation procedures are designed to ensure that all investment decisions are made in accordance with WCP's fiduciary duties to the Funds and without consideration of WCP's (or its affiliates' or employees') pecuniary interest. Further, WCP will not allocate investment opportunities based in whole or in part on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund.

## **ITEM 7            TYPES OF CLIENTS**

The investments in the Funds are only offered and sold to institutional investors and certain high net-worth individuals that are "accredited investors" as defined in the Securities Act of 1933, as amended, and are either "qualified clients," as defined by the Advisers Act or "qualified purchasers" or "knowledgeable employees" as defined by the Investment Company Act of 1940, as amended. Limited partners in the WCP Funds and the WCP Fund Co-Invest Funds must also meet certain other suitability qualifications prior to making an investment in such WCP Funds and WCP Fund Co-Invest Funds. Qualified investors include individuals or entities to which WCP Fund and WCP Fund Co-Invest Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering



provisions applicable to WCP and/or the WCP Funds and WCP Fund Co-Invest Funds. The Funds generally have varying minimum Commitment amounts depending on the Fund. Such minimum Commitment amounts have, on occasion, been waived at the sole discretion of the relevant WCP Fund GP.

The limited partners participating in WCP Funds and the WCP Fund Co-Invest Funds include a broad range of institutional investors, including, among others, public pension, corporate pension, union pension, endowments, foundations, insurance companies, sovereign wealth funds, funds of funds, other investment entities, trusts, estates or other corporations or business entities, and high net worth individuals.

For the WCP Employee/Affiliate Co-Invest Funds, limited partners are comprised of only senior management employees of WCP or affiliated persons of WCP and do not include non-affiliated third-party limited partners.

On occasion, in its sole discretion, WCP permits one or more (but not necessarily all) WCP Fund limited partners or affiliated persons and/or third parties to co-invest alongside a WCP Fund portfolio company. Opportunities to participate in co-investment transactions arise when WCP has the opportunity for an investment in an existing or prospective portfolio company and WCP determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a WCP Fund, or (iii) the full investment opportunity is not appropriate for a WCP Fund, whether due to concentration restrictions contained in the WCP Fund's Governing Documents or otherwise or (iv) WCP believes the Fund will benefit from the participation of the co-investor(s). As referenced in Item 4 above, in certain cases co-investments have been structured either as (i) a WCP Fund Co-Invest Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a WCP Fund Co-Invest Fund, WCP considers the investment to be a client, identifies the WCP Fund Co-Invest Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit or surprise custody audit for the WCP Fund Co-Invest Fund, reserves the option to assess a management fee and/or carried interest on such WCP Fund Co-Invest Fund and includes the amount of assets of the WCP Fund Co-Invest Funds in WCP's regulatory assets under management. In the case of direct co-investments, WCP does not consider the investment to be a client, does not act as the investment manager to the co-investment portion of the investment, does not charge management fees or carried interest on the investment, does not have custody of the investment or include the amount of assets of the direct co-investment in WCP's regulatory assets under management. In such direct co-investment opportunities, WCP will perform management, advisory and other services for the portfolio companies in which these co-investors invest alongside the Funds, generally at no additional cost to such co-investors other than through existing portfolio company Service Fees and expenses (which are generally recorded at such portfolio company).

Opportunities to participate in a co-investment are offered to affiliated persons and third parties and include, without limitation, management teams, limited partners, lenders, outside legal counsel, investment bankers, deal sources, placement agents, finders, other private equity or venture capital firms, Operating Partners, other persons or entities affiliated, associated or otherwise known to WCP or its personnel. Additionally, certain individuals who source transactions or provide financing on occasion have negotiated co-investment rights or co-

investment priority rights as a component of their compensation or other arrangements with WCP. Permission to co-invest will be based upon various factors, including the sophistication of the investor, the ability of the investor to fund and complete the investment on a timely basis, and for strategic or other reasons. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to the WCP Fund(s) will be less than it would otherwise have been without the inclusion of such co-investors. WCP's exercise of discretion in allocating co-investment opportunities will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. WCP is not obligated to make co-investment opportunities available to any particular limited partner. WCP generally will offer co-investment opportunities first to WCP Fund limited partners invested in the portfolio company through a WCP Fund. Historically, not all relevant WCP Fund limited partners offered a co-investment opportunity chose to participate.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the WCP Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-investment fund purchases a portion of an investment from one or more Funds after such Fund(s) have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from such Fund(s) by a co-investor or WCP Co-Invest Fund generally occurs shortly after the Fund(s)'s completion of the investment to avoid any changes in valuation of the investment. When co-investors purchase their interest from a WCP Fund after the WCP Fund has consummated the investment, the price paid by co-investors is typically determined by the WCP Fund GP in its sole discretion. The price may not reflect the full cost incurred by the WCP Fund in connection with the investment, any interest charge on the co-investment amount or the risk borne by the WCP Fund in connection with purchasing and warehousing the investment. The WCP Fund(s) also will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that do not reflect the then-current value of such investment. In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a WCP Fund is throughout the investment process. In addition, to the extent that WCP engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as limited partners in a WCP Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a management fee offset and are thus retained by WCP, the opportunity to receive such fees could present a conflict of interest. Further, as management fees are generally offset based on each Fund's invested capital in an investment, the inclusion of co-investors presents a conflict of interest in that WCP could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement. WCP seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments.

In the event WCP is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a WCP Fund will consequently hold a greater

concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the WCP Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant WCP Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a WCP Fund's overall investment returns.

## **ITEM 8           METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

WCP is a private equity investment firm that partners with management teams to acquire, improve and grow companies in the U.S. middle market primarily through control-oriented growth equity investments, strategic mergers and acquisitions (“M&A”), buyouts and recapitalizations. WCP's investment philosophy is to partner with experienced executives to develop well-run, scalable, high-growth platforms that address large, growing, inefficient and highly fragmented markets within the Healthcare and Software & Technology verticals and their intersection. WCP generally expects to invest \$75 million to \$200 million (including follow-on investments and co-investments) of total equity in each platform investment and strives to employ a disciplined, systematized and process-driven investment strategy.

### **Investment Strategy**

WCP's strategy is to seek to build strategic assets and manage risk by identifying attractive industry niches, or sectors, partnering with leading executives who have a history of success in the selected niches and focusing on growth and scalability, while utilizing leverage to enhance, rather than drive, returns. This strategy generally includes one or more of the following approaches: (i) Executive led – partnering with experienced executives who have a history of success in the selected niche sectors to identify, acquire and build platforms; (ii) Strategic M&A – accelerating growth and realizing synergies through follow-on acquisitions; and/or (iii) Growth Acceleration – pursuing organic growth initiatives to create value.

WCP focuses on identifying and recruiting experienced executives from larger platforms to run smaller businesses with opportunities for growth prior to sourcing platform investments. By focusing on the acquisition of middle-market companies as entry points for platform development, WCP seeks to acquire companies that it believes are well-positioned for transformational growth but lack adequate human and financial capital to create significant value. By transforming these smaller, less-sophisticated companies into larger, better-run, higher-growth platforms, WCP hopes to benefit from a corresponding increase in scale and strategic significance upon exit.

From the initial idea generation through investment exit, the Firm uses a disciplined, systematized and process-driven approach. WCP's thesis-driven strategy, human capital focus, proactive sourcing efforts and operational orientation have been consistent since its founding. Over time, the Firm has sought to continuously refine its investment approach by adding

significant resources, systems and processes, eventually leading to the development of the WCP Ecosystem.

WCP's Ecosystem supports the investment team and is built to reflect our investment strategy's four core elements: (i) Business Intelligence & Research drives the niche sector analysis, (ii) Human Capital maps and recruits senior executive partners, (iii) Business Development proactively sources investment opportunities and (iv) Portfolio Operations supports portfolio company growth initiatives. These functions work with each other and the investment team throughout the lifecycle of an investment. These central functions are supported and deeply interconnected by a proprietary combination of data, systems and business process, as well as external resources. We believe that the Ecosystem creates a differentiated investment opportunity set and allows us to create our own investment opportunities, both at the platform level and with respect to add-on investments, irrespective of market conditions, thereby accelerating the pace of capital deployment and mitigating investment risk.

Depending on the specific circumstances of each platform investment, WCP will typically seek to invest a portion of the equity up front and reserve the remaining capital for add-on investments and strategic growth initiatives deep into the life of the platform investment.

## **Risks of Investment**

No investment is free of risk. Current and prospective WCP Fund limited partners are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested, and that they should be prepared to bear these risks. WCP Funds and their limited partners bear the risk of loss that WCP's investment strategy entails. All current and prospective limited partners should be aware of certain risks involved with WCP's investment strategy and an investment in a WCP Fund. These risks, which are generally specified in the relevant Private Placement Memorandum, include, but are not limited to, the following:

Business Risks. Each WCP Fund's investment portfolio consists primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

Investment in Junior Securities. The securities in which each WCP Fund invests are expected to be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect a WCP Fund investment once made.

Concentration of Investments. Each WCP Fund will participate in a limited number of investments and expects to seek to make several investments in two industries. As a result, the WCP Funds' investment portfolio will be highly concentrated, and the performance of a few holdings or of a particular industry has the potential to substantially affect its aggregate return.

General Risks of Investments in Healthcare Companies. While investments in healthcare companies offer the opportunity for significant gains, such investments also involve a high degree of business and financial risk and can result in substantial or total loss. Healthcare companies may

face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Companies in which the WCP Funds invest could deteriorate as a result of, among other factors, an adverse development in their business, a change in the competitive environment, or an economic downturn. The WCP Funds' portfolio companies could operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions in industry segments in which the WCP Funds invest is highly competitive and involves a high degree of uncertainty. It is possible that a WCP Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which Commitments of the limited partners are invested (or drawn down to be invested), limited partners will be required to bear management fees through the WCP Fund's during the investment period based on the entire amount of the limited partners' Commitments and other expenses as set forth in the Partnership Agreements.

Growth Equity Transactions. The WCP Funds' strategy includes targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies can operate at a loss or with substantial variations in operating results from period to period, and many will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth-equity portfolio companies can face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Illiquidity; Lack of Current Distributions. An investment in a WCP Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments can be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment can be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, it is possible that there will be no current return on the investment. Furthermore, the expenses of operating each WCP Fund (including the management fee payable to the WCP Fund GP) can exceed its income, thereby requiring that the difference be paid from the WCP Fund's capital, including unfunded Commitments.

Leveraged Investments. Each WCP Fund is permitted to make use of leverage by having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Such use of leverage generally magnifies both a WCP Fund's opportunities for gain and its risk of loss from a particular investment and increases the portfolio company's exposure to company, industry and economic conditions and changes in interest rates. The cost and availability of

leverage is highly dependent on the state of the broader credit markets (and such credit markets have the potential to be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times, it can be difficult to obtain or maintain the desired degree of leverage. The use of leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the WCP Funds' investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) and could accelerate and magnify declines in the value of a WCP Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a WCP Fund could suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such WCP Fund. Furthermore, should the credit markets be limited or costly at the time WCP Fund determines that it is desirable to sell all or a part of a portfolio company, the WCP Fund could possibly not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the WCP Funds will invest generally will not be rated by a credit rating agency.

Each WCP Fund is also permitted to borrow money or guarantee indebtedness (such as a guarantee of a portfolio company's debt, a letter of credit or other form of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that the WCP Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by the WCP Fund generally also will result in fees, interest expense and other costs to the WCP Fund that could possibly not be covered by distributions made to the WCP Fund or appreciation of its investments. While WCP Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage can remain outstanding. The WCP Fund is permitted to incur leverage on a joint and several basis with one or more other investment funds and entities managed by the WCP Fund GP or any of its affiliates and can have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent the WCP Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by the WCP Fund's limited partners and such limited partners' contributions can be required to be made directly to the lenders instead of the WCP Fund.

Subscription Lines. The WCP Funds have entered into a subscription line with one or more lenders in order to finance their operations (including the acquisition of the WCP Funds' investments). Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant WCP Fund GP's right to call capital from the limited partners, limited partners can be obligated to contribute capital on an accelerated basis if a WCP Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against a WCP Fund would likely be subordinate to a WCP Fund's obligations to a subscription line's creditors.

In addition, fund-level borrowing will result in incremental Partnership Expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed,

unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of WCP Funds' limited partners and the terms of the relevant Partnership Agreement, it can be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant WCP Fund's cost of borrowing, fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases such WCP Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of fund-level borrowing typically delays the need for limited partners to make contributions to a WCP Fund, which in certain circumstances enhances the WCP Fund's internal rate of return calculations and thereby can be deemed to benefit the marketing efforts of WCP and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing WCP Co-Invest Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the WCP Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement frequently will contain other terms that restrict the activities of the WCP Funds and the limited partners or impose additional obligations on them. For example, a subscription line typically imposes restrictions on the WCP Fund GPs' ability to consent to the transfer of a limited partner's interest in the WCP Funds or imposes concentration or other limits on the WCP Funds' investments. In addition, in order to secure a subscription line, the WCP Fund GPs often are required to request certain financial information and other documentation from limited partners to share with lenders. The WCP Fund GPs will have significant discretion in negotiating the terms of any subscription line and can agree to terms that are not the most favorable to one or more limited partners.

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

would end up with increased exposure to the underlying investment, which could result in greater losses.

Limited Transferability of WCP Fund Interests. There will be no public market for the WCP Funds' limited partner interests, and none is expected to develop. There are substantial restrictions upon the transferability of WCP Fund limited partner interests under each WCP Fund's Partnership Agreement and applicable securities laws. In general, withdrawals of WCP Fund limited partner interests are not permitted. In addition, WCP Fund limited partner interests are not redeemable.

Restricted Nature of Investment Positions. Generally, there will be no readily available market for most of the WCP Funds' investments, and hence, most of the WCP Funds' investments will be difficult to value. Certain investments are permitted to be distributed in-kind to the limited partners and it can be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such limited partners. After a distribution of securities is made to limited partners, many limited partners could decide to liquidate such securities within a short period of time, which could have an adverse impact on the price of such securities. The price at which such securities are sold by limited partners can be lower than the value of such securities determined pursuant to each WCP Fund agreement, including the value used to determine the amount of carried interest available to the WCP Fund GP with respect to such investment.

Reliance on WCP Fund GP and Portfolio Company Management. Control over the operation of the WCP Funds is vested with the WCP Fund GPs, and a WCP Fund's future profitability will depend largely upon the business and investment acumen of the WCP investment professionals. The loss or reduction of service of one or more of the WCP investment professionals could have an adverse effect on a WCP Fund's ability to realize its investment objectives. In addition, the WCP investment professionals currently, and expect in the future to, manage multiple WCP Funds and the WCP investment professionals expect to devote substantial amounts of their time to the investment activities of such WCP Funds, which will pose conflicts of interest in the allocation of the time of the WCP investment professionals. Limited partners generally have no right or power to take part in the management of a WCP Fund, and as a result, the investment performance of the WCP Funds will depend on the actions of the WCP Fund GPs. In addition, certain changes in the WCP Fund GPs or circumstances relating to the WCP Fund GPs can have an adverse effect on the WCP Funds or one or more of their portfolio companies including potential acceleration of debt facilities. Although the WCP Fund GPs will monitor the performance of each WCP Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although the WCP Funds generally intend to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with each WCP Fund's objectives.

Projections. Projected operating results of a portfolio company in which the WCP Funds invest normally will be based primarily on financial projections prepared by such portfolio company's management, with adjustments to such projections made by the relevant WCP Fund GP in its discretion. In all cases, projections are only estimates of future results that are based



upon information received from the portfolio company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results can be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, the WCP Funds expect to provide additional funds to such portfolio company or have the opportunity to increase their investment in a portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There can be no assurance that the WCP Funds will make follow-on investments or that the WCP Funds will have sufficient funds to make all or any of such investments. Any decision by a WCP Fund not to make follow-on investments or its inability to make such investments can have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments can result in a lost opportunity for a WCP Fund to increase its participation in a successful portfolio company or the dilution of a WCP Fund's ownership in a portfolio company if a third party invests in such portfolio company.

Recycling; Reinvestment. The WCP Fund GPs generally have the right to recall certain capital returned or distributed to the partners. Accordingly, during the term of the WCP Funds and WCP Co-Invest Funds, a partner can be required to make capital contributions in excess of its Commitment (subject to certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a partner will remain subject to investment and other risks associated with such investments.

Significant Adverse Consequences for Default. The WCP Fund Governing Documents provide for significant adverse consequences in the event a limited partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the WCP Fund, the WCP Fund GP reserves the right to cause a defaulting limited partner to transfer its interest in the WCP Fund for an amount that is less than the fair market value of such interest and to be paid over a period of up to ten years, without interest.

Public Company Holdings. The WCP Funds' investment portfolio is permitted to contain debt and/or equity securities issued by publicly held companies. Such investments can subject the WCP Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the WCP Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the WCP investment professionals, and increased costs associated with each of the aforementioned risks.

Material Non-Public Information. As a result of the operations of WCP and its affiliates, as well as in connection with officerships or directorships of WCP, the Firm and its affiliates could

come into possession of confidential or material, non-public information. On occasion, it is possible there will be instances in which WCP will have access to material, non-public information that could be relevant to an investment decision to be made by a WCP Fund. Consequently, a WCP Fund can be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, was undertaken on account of applicable securities laws or WCP's internal policies and practices. Due to these restrictions, it is possible that a WCP Fund will not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Non-Controlling Investments. The WCP Funds are permitted to hold meaningful minority stakes in privately held companies and in some cases can have limited minority protection rights. In addition, during the process of exiting investments, the WCP Funds at times can hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a WCP Fund will hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a WCP Fund holds a minority stake, it will likely be more difficult for the WCP Fund to liquidate its interests than it would be had the WCP Fund owned a controlling interest in such company. Even if a WCP Fund has contractual rights to seek liquidity of its minority interests in such companies, it can be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the WCP Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

Director Liability. A WCP Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the portfolio companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a WCP Fund's representatives, and ultimately the WCP Fund, to potential liability. Not all portfolio companies are able to obtain insurance with respect to such liability, and it is possible that the insurance that portfolio companies do obtain will be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a WCP Fund's investment activities.

Litigation. In the ordinary course of its business, the WCP Funds can be subject to litigation from time to time. The outcome of such proceedings can materially adversely affect the value of a WCP Fund and can continue without resolution for long periods of time. Any litigation can consume substantial amounts of the WCP Fund GP's and the WCP investment professionals' time and attention, and that time and the devotion of these resources to litigation can, at times, be disproportionate to the amounts at stake in the litigation.

Board of Advisors. The WCP Fund GP will appoint one or more limited partner representatives to the Board of Advisors. The relevant WCP Fund Governing Documents will provide that to the fullest extent permitted by applicable law, none of the Board of Advisors members shall owe any fiduciary duties to the WCP Fund or any other partner. In addition, representatives of the Board of Advisors on occasion have various business and other relationships with the Firm and its partners, employees and affiliates. These relationships carry the potential to influence their decisions as members of the Board of Advisors.

Public Health Emergencies; COVID-19. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and the current outbreak of COVID-19, have and are resulting in market volatility and disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which can result in significant losses to the WCP Funds.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence can be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence can lead to or extend a localized or global economic downturn. A climate of uncertainty can reduce the availability of potential investment opportunities, and increase the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn can have an adverse effect on the economy generally and on the ability of the WCP Funds and their portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This can slow the rate of future investments by the WCP Funds and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn can have an adverse effect upon the WCP Funds' portfolio companies.

Impact of Government Regulation, Reimbursement and Reform. Certain industry segments in which the WCP Funds invest, including various segments of the healthcare, software and technology industries, are (or can become) (i) highly regulated at both the federal and state levels in the United States and internationally and (ii) subject to frequent regulatory change. Certain segments can be highly dependent upon various government (or private) reimbursement programs. While the WCP Funds intend to invest in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including in particular the healthcare, software and technology industries, are complex, can be ambiguous or can lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which the WCP Funds invest. By way of example, the healthcare industry has been, and will likely continue to be, significantly impacted by recent legislative changes, and various U.S. federal, state or local or non-U.S. legislative proposals related to such industries are introduced from time to time, which, if adopted, could have a significant impact on such industries in general and/or on companies in which the WCP Funds invest.

Healthcare Reform. Healthcare reform continues to be a significant factor in the profitability of companies in which the WCP Funds invest. The efforts to reform the healthcare delivery system in the United States and Europe have resulted in increased pressure on healthcare providers and other participants in the healthcare industry to reduce costs. These forces place constraints on the levels of overall pricing, and thus could have a material adverse effect on profit margins for the companies in which the WCP Funds invest.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry, including recent proposals made by the SEC. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds. Any such changes are expected to materially impact WCP, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the WCP Funds' activities, including the ability of the WCP Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

In light of the heightened regulatory environment in which WCP operates and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for WCP and its affiliates to comply with such regulatory reporting and compliance-related obligations. Any further increases in the regulations applicable to private investment funds generally or to WCP, the WCP Funds or the WCP Fund GPs in particular can result in increased expenses associated with the WCP Funds' activities and additional resources of WCP being devoted to such regulatory reporting and compliance-related obligations, which can reduce overall returns for limited partners in the WCP Funds or have an adverse effect on the ability of the WCP Funds to effectively achieve their investment objective. Increased reporting, registration and compliance requirements can divert the attention of personnel and the management teams of the WCP Fund GPs and can furthermore place the WCP Funds at a competitive disadvantage to the extent that WCP is required to disclose sensitive business information.

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) can have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally can reduce the availability of attractive investment opportunities for the WCP Funds and can affect the WCP Funds' ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) can also increase the risks inherent in the WCP Funds' investments and could have a negative impact on the performance and/or valuation of the portfolio companies. The WCP Funds' performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates can adversely affect the value of investments in portfolio companies and the WCP Funds' performance. Volatility and illiquidity in the financial sector can have an adverse effect on the ability of the WCP Funds to sell and/or partially dispose of their portfolio company investments. Such adverse effects can include the requirement of the WCP Funds to pay break-up, termination or other fees and expenses in the event the WCP Funds are not able to close a transaction (whether due to the lenders' unwillingness to provide previously

committed financing or otherwise) and/or the inability of the WCP Funds to dispose of investments at prices that a WCP Fund GP believes reflect the fair value of such investments. The impact of market and other economic events can also affect the WCP Funds' ability to raise funding to support their investment objectives.

Inflation. The U.S. economy is currently in a period of high inflation. Investments could have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangements. As inflation rises, an investment could earn more revenue but could incur higher expenses. As inflation declines, an investment might not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Accordingly, there can be no assurance that a higher rate of inflation will not have a material adverse effect on the Funds' investments.

Financial Institution Risk; Distress Events. An investment in a WCP Fund is subject to the risk that one of the WCP Fund's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the WCP Fund's assets (each, a "**Financial Institution**") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, WCP, the WCP 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 WCP to manage the WCP Funds and their investments, and on the ability of WCP, any WCP 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 WCP Fund to pay fees and expenses in the event the WCP 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 limited partners to make capital contributions or otherwise), as well the inability of a WCP Fund to acquire or dispose of investments at prices that the relevant WCP Fund GP believes reflect the fair value of such investments and/or the inability of WCP and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although WCP expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event

WCP determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “**Custody Rule**”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

Many Financial Institutions require, as a condition to using their services or otherwise, that the Adviser and/or the relevant WCP Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “**Custodian**”), which heightens the risks associated with a Distress Event with respect to such Custodians. Although WCP seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the WCP Funds, WCP is under no obligation to use a minimum number of Custodians with respect to any WCP Fund, or to maintain account balances at or below the relevant insured amounts.

Deterioration of Credit Markets Can Affect Ability to Finance and Consummate Investments. The recent deterioration of the global credit markets has made it more difficult for investment funds such as the WCP Funds to obtain favorable financing for investments. A widening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. The WCP Funds’ ability to generate attractive investment returns can be adversely affected to the extent the WCP Funds are unable to obtain favorable financing terms for their investments. Moreover, to the extent that such marketplace events are not temporary and continue, they can 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. Such marketplace events also can restrict the ability of the WCP Funds to realize their investments at favorable times or for favorable prices.

Environmental, Social and Governance Matters. WCP recognizes that, for many limited partners, environmental, social or governance (“**ESG**”) concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision process (including the decision to buy, sell or hold an investment) and will, in appropriate circumstances, incorporate similar considerations into the Firm’s ongoing management decisions with respect to certain portfolio companies. There is a risk that the WCP Funds will underperform other funds that do not take ESG-related factors into account or conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and WCP’s adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors.

WCP's ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Fund or its investments, including with respect to future administrative burdens and costs.

Continuation Funds. WCP and its affiliates have established, and expect in the future to establish, one or more funds, vehicles or other arrangements for purposes of acting as a continuation vehicle with respect to one or more WCP Fund investments requiring capital that a WCP Fund is not able and/or willing to provide or that cannot be disposed of prior to the expiration of the WCP Fund's term (each, a **"Continuation Fund"**), among other purposes, and, subject to certain limitations, a WCP Fund is permitted to sell one or more of its assets to any such Continuation Fund, or the WCP Fund is permitted to effect a transfer through any alternative structure, or otherwise at a price and on such other terms that are determined by the relevant WCP Fund GP to be fair and reasonable to the WCP Fund. The affiliated nature of these transactions and WCP's involvement with both the selling and purchasing entities gives rise to conflicts of interests, and the relevant WCP Fund GP expects to seek the guidance and/or approval of the relevant Board of Advisors as necessary or appropriate.

Given that the relevant WCP Fund GP or its affiliates is permitted to charge management fees, carried interest or other compensation, including reimbursements for costs and expenses, in connection with any Continuation Fund (which it would not receive if an investment were sold to an unrelated third-party), the relevant WCP Fund GP can potentially benefit to a greater extent in pursuing a Continuation Fund over other types of transactions when structuring a WCP Fund's exit from any investment. In addition, WCP has an incentive to maximize the purchase price for an investment on behalf of the selling fund which would benefit WCP by potentially making it more likely that WCP will earn carried interest (or will earn more carried interest) with respect to the selling fund, to the detriment of a purchasing fund.

Subject to applicable legal, tax, regulatory, accounting, political, national security or similar reasons, the relevant WCP Fund GP expects to offer limited partners the right to participate in any such Continuation Fund related to a WCP Fund investment pro rata based on their investment percentages with respect to the assets being sold or otherwise transferred to such Continuation Fund. It is possible that new limited partners will be subscribing for interests in the Continuation Fund (**"New Investors"**) alongside limited partners that will be rolling their interests in the underlying investment(s) (**"Rolling Limited Partners"**) and that New Investors will participate in any such Continuation Fund on terms that are more or less favorable than the terms offered to Rolling Limited Partners, resulting in additional conflicts of interest between the interests of New Investors and Rolling Limited Partners. In addition, New Investors can participate on terms that could result in dilution of Rolling Limited Partners' indirect interests in the relevant underlying investments and could adversely affect returns to such Rolling Limited Partners. The amount and timing of returns to a Rolling Limited Partner from a Continuation Fund will not necessarily be the same as those for the New Investors, which can have preferred economics and be paid in priority to returns to the Rolling Limited Partners.

Commitment by GP Investment Group. The members of the WCP Fund GP Investment Group, as defined in such WCP Fund Governing Documents, are permitted to vary their level of co-investment relative to such WCP Fund's level of investment in individual portfolio companies, subject to certain limitations, including a requirement that each such co-investment be at least a certain percentage of the total investment. The WCP Fund GPs expect that any such variance in the level of co-investment will result from changes in the liquidity and the investment resources available to such members, as opposed to the prospects or other characteristics of any particular investment.

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

Certain Consultants. As mentioned above in Item 5, the WCP Fund GPs have established, on behalf of the WCP Funds and/or the portfolio companies, as applicable, an Operations Group, which is permitted to include affiliates of WCP, employees of such affiliates, portfolio companies of other funds managed by WCP or its affiliates, third party consultants (including individual Operations Group members, consultants and external executives), "strategic partners," "operating partners," "senior executive partners" or "senior advisors." The Operations Group is expected to regularly provide Operation Group Services to, or in connection with, the WCP Funds in relation to their activities, or to one or more portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including operational aspects of such companies.



Pursuant to the Governing Documents, fees and expenses associated with the Operations Group Services (collectively **“Consulting Fees and Expenses”**) are expected to be paid and/or reimbursed by applicable portfolio companies and/or the WCP Funds, and Consulting Fees and Expenses do not offset the management fee. Consulting Fees and Expenses are expected to include cash fees, retainers, profits or equity interests in a portfolio company, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation to the Operations Group which is permitted to be determined according to one or more methods, including the value of time of the Operations Group, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such company. Additionally, portfolio companies are expected, from time to time, to provide opportunities for the Operations Group to invest in such portfolio companies. In addition, Operations Group members are expected to be reimbursed for costs and expenses incurred. The Operations Group also can receive remuneration from WCP and or the WCP Funds or affiliates and/or be entitled to other forms of compensation, including equity grants in portfolio companies. Such investment opportunities, reimbursements and other compensation paid to the Operations Group will not offset or otherwise reduce the management fee. The Operations Group is permitted to have a limited partnership or profit interest in a portfolio company, the WCP Funds, the WCP Fund GPs, one or more other investment funds sponsored by the WCP Fund GP or in an affiliate of the WCP Fund GP. Although the WCP Fund GPs intend to retain the Operations Group with a view to reducing costs to portfolio companies (and, ultimately, the WCP Fund) and/or improving portfolio company performance, a number of factors can result in limited or no cost savings from such retention. In addition, the WCP Fund GPs intend to retain only such members of the Operations Group which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Possibility of Fraud or Other Misconduct of Employees and Service Providers. Misconduct by (i) WCP’s employees, (ii) portfolio company directors, officers or employees, and (iii) service providers to the foregoing and/or their respective affiliates could undermine the due diligence efforts of the WCP Funds and/or WCP and cause significant losses to the WCP Funds. Misconduct can include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by the WCP Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the WCP Funds’ business prospects or future marketing activities, and non-compliance with applicable laws or regulations (and the concealing of any of the foregoing). Such activities can result in reputational damage, litigation, business disruption, market or industry segment volatility and/or financial losses to the WCP Funds. WCP has controls and procedures through which it seeks to minimize the risk of such misconduct occurring; however, no assurances can be given that such misconduct will be able to be identified or prevented.

Dynamic Investment Strategy. While WCP intends to seek attractive returns for the WCP Funds primarily through making control-oriented, growth equity investments as described in the relevant Governing Documents, WCP is permitted under the Governing Documents to pursue additional investment strategies and/or to modify or depart from its initial investment strategy,

investment process and investment techniques as deemed appropriate and consistent with the Governing Documents. While unlikely, WCP is permitted to pursue investments outside of the industries and sectors in which they have previously made investments or in which WCP has internal operational experience.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the WCP Funds. When estimating fair value, WCP will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values have the potential to differ from values that would have been determined had an active market existed for such securities and can differ from the prices at which such securities ultimately are sold. WCP has established a valuation policy that it intends to follow when performing portfolio company valuations, and such policy does not generally require WCP to retain the services of a third-party valuation consultant to review or assist in performing portfolio company valuations. Each WCP Fund GP will determine the value of the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant WCP Fund GP will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties (including portfolio companies) on which such decisions are based will be correct. There can be no assurance that the valuation decision of a WCP Fund GP with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. The exercise of discretion in valuation by WCP gives rise to potential conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees. Generally, there will be no retroactive adjustment in the valuation of any investment, the offering price at which interests in a WCP Fund were purchased by investors or by a WCP Fund, as applicable, or the fees and/or performance-based compensation paid to WCP to the extent any valuation proves to not accurately reflect the realizable value of an investment.

In addition, the Firm regularly reports to WCP Fund limited partners, prospective limited partners and the investor community more generally, metrics of each WCP Fund's performance, such as rates of return and multiples-of-money, whose calculation depends on the value of the Funds' investments, including unrealized investments. These reports are an indication of the overall health of a WCP Fund and are important to the Firm's efforts to attract limited partners to the Firm and any current or future WCP Fund. An objective of WCP's valuation methodologies and procedures is to eliminate any influence these incentives have on fair value determinations.

Co-Investments. On occasion and in their sole discretion, the WCP Fund GPs provide or commit to provide co-investment opportunities to one or more limited partners and/or other persons, in each case on terms to be determined by the WCP Fund GPs in their sole discretion. Potential conflicts of interest can arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which can be made to one or more persons for any

number of reasons as determined by the WCP Fund GPs in their sole discretion, will not always be in the best interests of the WCP Funds or any individual limited partner. In exercising their sole discretion in connection with such co-investment opportunities, the WCP Fund GPs will consider some or all of a wide range of factors, including: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that can arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; WCP's perception of whether the investment opportunity can subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair WCP's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; and whether WCP believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, or the WCP Funds. Although the WCP Fund GPs or their affiliates reserve the right to consider a prospective co-investor's willingness to invest in future WCP Funds, such willingness generally will not be the sole determining factor considered by WCP in identifying co-investors.

The WCP Funds are permitted to co-invest with third parties through partnerships, joint ventures or other entities or arrangements. The WCP Fund GPs reserve the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in WCP Fund portfolio companies or otherwise to have a priority in co-investment opportunities. Such investments can involve risks not present in investments where a third party is not involved, including the possibility that a third-party co-venturer or partner will at any time have economic or business interests or goals that are inconsistent with those of the WCP Funds, or will be in a position to take action contrary to the investment objectives of the WCP Funds. In addition, the WCP Funds can in certain circumstances be liable for actions of its third-party co-venturer or partner. There can be no assurance that the WCP Funds' return from a transaction would be equal to and not less than the return of another party that was allocated a co-investment opportunity and that is participating in the same transaction.

WCP reserves the right, from time to time, to form a co-investment vehicle in connection with the consummation of a transaction and such entity generally will bear expenses related to its formation and operation. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial to the transaction, ultimately is not consummated, the full amount of any fees and expenses generated in the course of evaluating any such proposed transaction generally would be borne by the applicable WCP Funds and not by any potential co-investors that were to have participated in such transaction. However, to the extent

that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such expenses.

Furthermore, WCP or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other limited partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. When and to the extent that employees and related persons of WCP make capital investments in or alongside the WCP Funds, WCP is subject to conflicting interests in connection with these investments. WCP's allocation of co-investment opportunities among the persons and in the manner discussed herein often will not always result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others.

Contingent Liabilities Upon Disposition. In connection with the disposition of an investment, the relevant WCP Fund and the WCP Fund GP are typically required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and can be responsible for the content of disclosure documents under applicable securities laws. They are often also required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements can result in contingent liabilities, which would be borne by the WCP Fund and, ultimately, its limited partners.

Risks in Effecting Operating Improvements. In some cases, the success of the WCP Funds' investment strategy will depend, in part, on the ability of such WCP Fund to effect improvements in the operations of a portfolio company. The activity of identifying and implementing operating improvements at portfolio companies entails a high degree of uncertainty. In addition, executing operational improvements can divert the attention of key personnel and disrupt normal business. There can be no assurance that the WCP Fund will be able to successfully identify and implement such improvements.

Cybersecurity Risk. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks can be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Any of such circumstances could subject a portfolio company, or the WCP Funds, to substantial losses, including losses relating to misappropriation of assets, intellectual property or confidential information; corruption, deletion

or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, can also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at WCP or one of its service providers holding its financial or investor data, WCP, its affiliates or the WCP Funds can also be at risk of loss, despite efforts to prevent and mitigate such risks under WCP's policies and practices.

## **Conflicts of Interest**

The Private Placement Memorandum for each WCP Fund details what WCP believes to be the most significant conflicts of interest associated with an investment in the WCP Funds. Some of these conflicts are summarized below; however, this summary does not attempt to describe all of the conflicts of interest associated with an investment in the WCP Funds. Current and prospective limited partners should carefully consider the conflicts of interest herein as well as those outlined in the relevant Private Placement Memorandum, prior to investing in any WCP Fund. In particular, WCP expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment.

Limited partners should note that there could be occasions when WCP and WCP Fund GPs encounter potential conflicts of interest in connection with a WCP Fund. If any matter arises that WCP determines in its good faith constitutes an actual conflict of interest, WCP will take such actions as it deems necessary or appropriate, within the context of such WCP Fund's Governing Documents, to address or mitigate the conflict. These actions can include disposing of the asset giving rise to the conflict, consulting outside counsel, bringing the matter before the relevant WCP Fund's Board of Advisors or appointing an independent fiduciary.

Allocation of Investment Opportunities. WCP currently manages multiple WCP Funds with open commitment periods, which can compete with each other for potential investment opportunities. When WCP directs certain investment opportunities to a particular WCP Fund(s), it will take into consideration whether the investment opportunity is within a WCP Fund's commitment period and the remaining level of the WCP Fund's Commitments, as well as the WCP Fund's investment restrictions and objectives (including those set forth in the relevant WCP Fund's Governing Documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), life cycle, structure and applicable regulatory restrictions. WCP maintains a policy on the allocation of investment opportunities which dictates that allocations be made in a manner that WCP believes is fair and equitable. Generally, however, only one WCP Fund is open for new investments at a time.

The WCP Fund GP's allocation of investment opportunities among the WCP Fund and any of the other investment funds sponsored by the WCP Fund GP often will not be proportional. Therefore, such allocations generally will be more advantageous to some WCP Funds relative to other WCP Funds. While the WCP Fund GP will allocate investment opportunities in a way that it believes is fair and equitable to the WCP Funds, there can be no assurance that a WCP Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they would be if the conflicts of interest to which the WCP Fund GP may be subject did not exist.

Additionally, potential conflicts of interest are expected to arise when and to the extent the WCP Fund makes an investment in a portfolio company in conjunction with an investment made by another investment fund sponsored by the WCP Fund GP or an affiliate. For instance, the WCP Fund may not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other investment fund. This likely will result in differences in price, investment terms, leverage and associated costs between the participating WCP Funds. There can be no assurance that the participating WCP Funds will exit the investment at the same time or on the same terms, and there can be no assurance that each WCP Fund's return on such an investment will be the same. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to the WCP Fund. In that regard, actions taken for one or more other WCP funds may adversely affect the WCP Fund.

Limited Partner Transfer of Interest. In certain cases, WCP will have an opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interest in a WCP Fund. In the case of ordinary transfers, WCP will not receive compensation for identifying such transferees and will use its discretion to select such transferees based on eligibility and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of WCP Fund interests should be offered to one or more existing WCP Fund limited partners.

Time and Attention. Under the terms of the WCP Funds' Governing Documents, WCP investment professionals are permitted to spend a portion of their business time and attention pursuing investment opportunities that do not fall within the investment objectives of the WCP Funds. In addition, WCP's Founder and Managing Partner has made investments in a personal capacity and continues to pursue investments that the WCP Fund GPs determine do not meet the investment criteria of the WCP Funds, including investments in real estate and related assets, investments in non-U.S. companies, non-controlling investments and investments that do not meet the WCP Fund's industry, risk or return criteria.

WCP personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, and to pay or receive compensation relating to these arrangements. Unless restricted by the applicable WCP Fund Governing Documents, WCP personnel are permitted to serve on boards or act in other roles unaffiliated with WCP, the WCP Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in

connection with such services and roles, none of which will offset or otherwise reduce the management fee.

Portfolio Company Board Member Appointment. For investments where WCP maintains a controlling interest, the relevant WCP Fund GP typically has the right to appoint portfolio company board members (including Operating Partners and current or former WCP personnel or persons serving at their request), or to influence their appointment, and to determine or influence the amount of their compensation. Additionally, from time to time, portfolio company board members approve compensation and other amounts payable to WCP in connection with services provided by WCP and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Partnership Agreement's offset provision, are in addition to the management fee or carried interest discussed herein. The relevant WCP Fund GP's authority to appoint or influence the appointment of portfolio company board members who are involved in approving compensation payable to WCP subjects the relevant WCP Fund GP and any such portfolio company board appointees to potential conflicts of interest.

Service Fees. Pursuant to professional services or advisory agreements between WCP and WCP Fund portfolio companies, WCP is entitled to Service Fees. Such Service Fee amounts will be in addition to any management fees or carried interest paid by a WCP Fund, but are subject to the management fee offset provisions of the applicable WCP Fund's Governing Documents. In addition, a portfolio company typically will pay or reimburse WCP, current or former Third-Party Professionals, the Operations Group or its members or service providers retained at WCP's discretion for fees and/or expenses (including without limitation travel expenses) incurred by these providers in connection with the performance of services for such portfolio company. Payments for such services (and in certain circumstances, reimbursements for expenses) subjects WCP and its affiliates to conflicts of interest because the WCP Funds generally do not have an interest or share in all of these payments or reimbursements. WCP determines the amount of these payments and reimbursements for such services in its own discretion. These payments can be substantial and WCP does not necessarily seek out the lowest cost options when incurring (or causing a WCP Fund or its portfolio companies to incur) such expenses.

Expense Allocation. Subject to any relevant restrictions or other limitations contained in the Governing Documents of each WCP Fund, WCP will allocate expenses in a manner that it believes in its good faith is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, WCP is faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple WCP Funds will be allocated among such WCP Funds. The allocation of such expenses are not always proportional. A conflict of interest arises in WCP's determination whether certain expenses that are incurred in connection with the operation of the WCP Funds meet the definition of WCP Fund Partnership Expenses for which the WCP Funds are responsible, or whether such expenses should be borne by WCP. The WCP Funds will be reliant on the determinations of WCP in this regard. Because the expense allocation process can be subjective, from time to time, it is possible that subsequent review of allocations will result in an identification of expenses that should have been allocated in a different manner, in which case measures would be undertaken to correct such circumstance, which might include a reversal of the original expense allocations, if

possible, or such other equitable adjustment believed by WCP to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in WCP's good faith judgment.

Some expenses can be incurred on behalf of one WCP Fund which has the potential to benefit other WCP Funds. For example, information WCP obtains in connection with a WCP Fund's research, due diligence and investment activities will be valuable to other WCP Funds. Additionally, tools and resources developed at WCP's expense will be the intellectual property of WCP and not the WCP Fund.

Industry Relationships. As with many other private equity fund sponsors, as part of WCP's business, WCP and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, finders (including portfolio company finders), expert network professionals, professional advisors (such as attorneys and accountants), investors, co investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of WCP as well as family members or close contacts of such persons. Certain of these third parties can, on occasion: (i) introduce investment opportunities to WCP; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to WCP, the Funds, or portfolio companies. Such third parties also on occasion provide goods or services to or have business, personal, familial, financial or other relationships with the principals. In other instances, such third parties provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through WCP's entities) to Firm personnel and their estate planning vehicles. In addition, such third parties are sometimes limited partners in one or more Funds; co invest in one or more portfolio companies; or provide other significant business or investment services to WCP, WCP employees, the Funds and/or their portfolio companies. Such third parties can be entitled to receive a portion of a Fund's proceeds in connection with the sale of a particular portfolio company. Such third parties can also on occasion receive discretionary bonuses, transaction-based fees and/or directors' fees from, participation and/or profits or equity interests in a portfolio company or holding company in exchange for providing their services and such discretionary bonuses, fees, participation and/or profits or equity interests are not subject to the management fee offsets described in Item 5 above. These relationships have the potential to influence WCP in deciding whether to select or recommend any such third party to perform services for the Funds or a portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company will generally have a dilutive impact on a Fund's investment. The cost of many services provided by such third parties are expected to be borne by the Funds or its portfolio companies, as applicable.

WCP's partners, principals, employees, former employees and Third-Party Professionals, serve on the boards of WCP Fund portfolio companies and/or as executive officers. Serving in such capacities can give rise to conflicts of interest to the extent that fiduciary duties to a portfolio company as a director or executive officer conflict with the interests of a WCP Fund. In addition, conflicts can arise from WCP affiliated persons investing in the WCP Funds and WCP Co-Invest Funds and/or receiving profits from the WCP Funds and WCP Co-Invest Funds versus investing



directly in portfolio companies and being entitled to a portion of profits pursuant to a portfolio company incentive equity and/or option plan. In general, however, because the WCP Funds are typically significant shareholders of such portfolio companies, it is expected that the interests of WCP and such portfolio companies generally will be aligned.

WCP has appointed other third parties to sit on a portfolio company board. Any compensation received for such board service is considered compensation to the third parties and not Service Fee payments to the WCP Fund GP; therefore, such compensation does not offset management fees payable by limited partners.

WCP expects, from time to time, to employ personnel with pre-existing ownership interests in, or who were employed by portfolio companies owned by, the WCP Funds; conversely, former personnel or executives of WCP can serve in significant management roles at portfolio companies or at service providers recommended by WCP. Similarly, WCP and/or its personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family officers, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with a limited partner) in, engage in transactions with and/or provide services (including services at reduced rates) to WCP, its principals and/or the WCP Funds. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through WCP entities) to WCP personnel and their estate planning vehicles. WCP will have a potential conflict of interest with the WCP Funds in recommending the retention or continuation of a third-party service provider to the WCP Funds or a portfolio company owned by the WCP Funds if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more WCP Funds, will provide WCP information about markets and industries in which WCP operates (or is contemplating operations) or will provide other services that are beneficial to WCP or one or more other WCP Funds. It is possible that WCP will have a conflict of interest in making such recommendations, in that it has an incentive to maintain goodwill between itself and the existing and prospective portfolio companies for the WCP Funds and that the products or services recommended could not necessarily be the best available to the WCP Fund or its portfolio companies.

Over the life of the Fund, WCP generally expects to exercise its discretion to recommend to the WCP Funds or to a portfolio company thereof that it contracts for services with certain service providers, and from time to time such service providers are expected to include: (i) WCP (or an affiliate, which can include other portfolio companies of the WCP Funds) and at rates determined or substantively influenced by WCP; (ii) an entity with which WCP or its affiliates or current or former members of their personnel has a relationship or from which such person derives a financial or other benefit, including relationships with joint ventures or co-venturers, or relationships where WCP personnel are seconded, or from which WCP receives secondees; or (iii) certain limited partners or their affiliates. For example, WCP expects to be presented with opportunities to receive financing and/or other services in connection with a WCP Fund's

investments from certain limited partners or their affiliates that are engaged in lending or related businesses. This discretion subjects WCP to potential conflicts of interest because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance and, relatedly, returns of the WCP Funds, WCP can have an incentive to recommend the related or other person (including a limited partner) because of its financial or business interest. Additionally, there is a possibility that WCP, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer term benefits to WCP or the WCP Funds), will favor such retention or continuation even if a better price and/or quality of service provider could be obtained from another person. WCP will not necessarily seek out the lowest cost options when incurring (or causing the WCP Funds or their portfolio companies to incur) such expenses. Although WCP generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Whether or not WCP has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Board of Advisors. Each of the WCP Funds (but not the WCP Co-Invest Funds) has a Board of Advisors. Each WCP Fund's Board of Advisors is comprised of select limited partners and/or outside advisers of such limited partners of each WCP Fund. The relevant WCP Fund Governing Documents will provide that to the fullest extent permitted by applicable law, none of the Board of Advisors members shall owe any fiduciary duties to the WCP funds or any other partner. In addition, representatives of the Board of Advisors on occasion have various business and other relationships with the Firm and its partners, employees and affiliates. These relationships have the potential to influence their decisions as members of the Board of Advisors. Furthermore, a conflict of interest exists in that not all limited partners are asked to join a WCP Fund's Board of Advisors.

Conflicting Limited Partner Interests. Each WCP Fund's or WCP Co-Invest Fund's limited partners include persons or entities that reside in various jurisdictions, including the U.S. and other countries, who are expected to have conflicting investment, tax and other interests with respect to their investments in each WCP Fund and WCP Co-Invest Fund. The conflicting interests of individual limited partners can relate to or arise from, among other things, the nature of investments made by each WCP Fund or WCP Co-Invest Fund, the structuring of the acquisition of portfolio companies and the timing of disposition of investments. Such structuring of portfolio companies can result in different returns being realized by different limited partners. As a consequence, conflicts of interest can arise in connection with decisions made by WCP that is more beneficial for one limited partner than another limited partner, especially with respect to limited partners' individual tax situations. WCP considers the investment and tax objectives of each WCP Fund and WCP Co-Invest Fund as a whole and not the individual investment, tax or other objectives of any particular limited partner.

Transactions with WCP Fund Limited Partners. WCP sometimes enters into transactions with certain WCP Fund limited partners such as, for example, limited partners who are also

business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services to the Firm, its clients or current or prospective portfolio companies. The terms of these transactions are believed to be at market rates; however, WCP is subject to a conflict of interest when determining such terms because WCP can benefit from retaining such limited partners' investment in the WCP Funds.

Reimbursement for Operations Group Services. For some of its Funds, WCP is entitled to reimbursement for certain Operations Group Services, including sales, marketing, technology, portfolio company industry compliance, human resources, human capital management, acquisition integration/rationalization and/or other operational services or other due diligence or similar services. Such reimbursements will be provided at market rates, which WCP will determine based on its consideration of a number of factors, which are generally expected to include WCP's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by WCP to be appropriate under the circumstances. While WCP generally intends to obtain benchmarking data regarding the rates charged or quoted by third parties for similar services, it is possible that relevant comparisons will 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 and/or bespoke nature of such services. Therefore, it is possible that such market comparisons will not result in precise market prices for comparable services.

Conflicts Related to the Interpretation of Governing Documents and Other Legal Requirements. The Governing Documents of each WCP Fund and related documents are detailed agreements that establish complex arrangements among WCP, the WCP Fund limited partners, the WCP Fund, the WCP Fund GP and other entities and individuals. Questions can arise under these agreements regarding the parties' rights and obligations in certain situations, some of which will not have been contemplated at the time of the agreements' drafting and execution. In these instances, the operative provisions of the agreements, if any, can be broad, general, ambiguous or conflicting, and permit more than one reasonable interpretation. At times there will not be a provision directly applicable to the situation. While WCP will construe the relevant agreements in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations WCP adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the WCP Funds or their limited partners.

Conflicts Related to the Withholding of Certain Information. The Governing Documents of the WCP Funds generally permit the applicable WCP Fund GP to withhold information from designated limited partners in such WCP Fund under specified circumstances. For instance, information will at times be withheld from limited partners that are subject to Freedom of Information Act or other similar confidentiality concerns or requirements.

Cross Fund Transactions. In infrequent circumstances, WCP effects a cross transaction between WCP Funds. Such cross fund transactions create a conflict of interest because by not exposing such buy and sell transactions to market forces, it is possible that a WCP Fund will not receive the best price possible or that WCP will have an incentive to improve the performance of one WCP Fund by selling underperforming assets to another WCP Fund in order, for example, to

earn fees. WCP attempts to mitigate such conflicts of interest by receiving Board of Advisor consent, a fairness opinion, a legal opinion or engaging a placement agent or investment banker, each as appropriate. In effecting a cross transaction, WCP will seek to ensure that the purchase or sale is effected at a price that is comparable to what price could be obtained through an arm's-length transaction with a third party and that is otherwise fair to both parties, which in some cases can include receiving a fairness opinion, receiving a legal opinion, engaging a placement agent and/or investment banker, each as appropriate. In certain circumstances, WCP reserves the right to determine that the willingness of a third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Fund under then-current market conditions. WCP will maintain documentation to memorialize the basis for determining fairness in pricing.

## **ITEM 9            DISCIPLINARY INFORMATION**

Like other registered investment advisers, WCP is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a limited partner's evaluation of WCP or the integrity of WCP's management. No events have occurred at WCP that are applicable to this Item.

On occasion, in the ordinary course of its business, WCP, the Funds, or the Funds' portfolio companies (or their respective directors, and executive officers) are named as defendants in a legal action. Although there can be no assurance of the outcome of such legal actions, WCP does not believe that any current legal proceedings or claims to which WCP, the Funds, or the Funds' portfolio companies (or their respective directors, and executive officers) are a party, if any, would individually or in the aggregate materially affect a limited partner's or prospective limited partner's evaluation of WCP or the integrity of WCP's management.

## **ITEM 10          OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

WCP is affiliated with the WCP Fund GPs who are registered with the SEC under the Advisers Act pursuant to WCP's registration in accordance with SEC guidance. These affiliated investment advisers operate as a single investment advisory business together with WCP and serve as managers or general partners of the Funds and share common owners, officers, partners, employees, consultants or persons occupying similar positions. These WCP Fund GPs do not have employees of their own.

WCP is not actively engaged in a business other than (i) giving investment advice to its clients, the Funds, and (ii) managing the portfolio companies owned by the Funds. Neither WCP nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser or associated person of the foregoing, and WCP does not anticipate the need for such registrations in the future.

WCP has no arrangements with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships that are material to its investment advisory services, the Funds or their limited partners.

WCP has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, banking, investment banking, tax preparation, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to WCP employees, the Funds and/or their portfolio companies. Additionally, some of these professionals are limited partners in the Funds or investors in the portfolio companies, either personally or through their companies.

From time to time, WCP receives training, information, promotional material, meals, entertainment, gifts or other perquisites from vendors and others with whom it conducts business or to whom it makes referrals. At no time will WCP accept any benefits, entertainment, gifts or other arrangements that are conditioned on directing individual Fund transactions to a specific investment, product or provider or that WCP believes would create an impermissible conflict of interest. Similarly, WCP employees have in the past, and expect in the future, to speak at conferences and programs for potential limited partners interested in investing in private funds and other industry events that are sponsored by various investment bankers, broker-dealers or others. Through such capital introduction and other industry events, prospective limited partners have the opportunity to meet with WCP. Neither WCP nor any Fund compensates these investment bankers, broker-dealers or others for investments ultimately made by prospective limited partners attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

## **ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

As fiduciaries, WCP and its partners, principals and employees (“**WCP Supervised Persons**”) have certain legal obligations to put the Funds and their limited partners’ interests ahead of their own. WCP has adopted a Code of Ethics and Securities Trading Policy (“**Code of Ethics**”) which (i) sets forth WCP’s standards of business conduct and responsibilities to the Funds that are expected of WCP Supervised Persons and (ii) addresses conflicts that arise from personal trading. WCP’s Code of Ethics includes provisions relating to standards of business conduct, a prohibition on insider trading, trading rules for personal trading by WCP Supervised Persons, reporting of personal securities transactions, procedures designed to prevent and detect insider trading, restrictions on accepting and giving significant gifts, reporting of certain gifts and business entertainment items and reporting of outside business activities. All WCP Supervised Persons are

required to acknowledge and agree to be bound by the terms of the Code of Ethics initially upon hire and annually, or at such time the Code of Ethics is materially amended.

With respect to third parties that are not subject to the trading restrictions under WCP's Code of Ethics and that may otherwise obtain sensitive and nonpublic information relating to a Fund deal (e.g., co-investors, legal, financial, diligence, public relations and other similar service providers), such persons typically are subject to contractual provisions in confidentiality agreements or professional obligations that prohibit the misuse of any such information.

Current or prospective Fund limited partners can obtain at no charge, a copy of WCP's Code of Ethics by contacting Investor Relations at (312) 676-8400 or [investorrelations@waudcapital.com](mailto:investorrelations@waudcapital.com).

### **Participation or Interest in Client Transactions**

It is WCP's policy that it will not effect any principal, cross or agency cross securities transactions for the Funds without first obtaining the relevant Board of Advisors and/or WCP Fund GP approval.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This also applies to any affiliates or controlling persons of the adviser (i.e., an owner, employee or affiliate of the adviser, such as a WCP Fund GP). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of WCP's business, a principal transaction would most likely refer to the practice of a WCP Fund GP or its members warehousing an investment for the formation of a future Fund or WCP or a WCP Fund GP purchasing the interest of an existing Fund limited partner. Cross transactions occur when an adviser or an affiliate arranges a transaction (i.e., acts as broker) between two or more different funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of WCP's business, a cross transaction could occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to WCP.

In the event WCP were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating Funds; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the limited partners or Board of Advisors or WCP Fund GP, as appropriate; (iv) if necessary, consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction. In 2022 and 2023, WCP engaged in a cross transaction in connection with an investment sold from Fund III to a continuation fund and portions of an investment sold from Fund IV to Fund VI and a WCP Fund Co-Invest Fund, and as part of these transactions followed the above procedures.

WCP senior management employees and WCP affiliated investors have made significant investments in the Funds as permitted by the relevant Governing Documents. WCP believes that because of the nature of its business, the participation of WCP employees and affiliated investors in the Funds will not interfere with the making or the implementing of decisions that are in the best interest of limited partners; WCP employees and affiliated investors share in the same investments as other limited partners of the Funds and generally receive distributions proportionally with such limited partners.

### **Personal Trading**

In certain cases, WCP's business may provide WCP and its employees with access to material non-public (insider) information. The Code of Ethics includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

Because WCP's business focuses primarily on private market investments, WCP expects that instances of supervised persons having access to material non-public information regarding publicly-traded securities will be relatively infrequent. WCP Supervised Persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding publicly traded securities or communicating material non-public information about such securities to others. WCP Supervised Persons are required to receive pre-approval for all personal securities transactions in reportable securities, including trading in restricted list securities, initial public offerings and limited offerings. WCP has contracted with a compliance software system to assist in monitoring personal trading by WCP Supervised Persons in their own accounts or accounts in which they are deemed to have a direct or indirect beneficial interest.

## **ITEM 12      BROKERAGE PRACTICES**

WCP has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, WCP will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for Funds when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

WCP focuses on securities transactions of private companies for the Funds and generally buys and sells Fund portfolio companies through privately-negotiated transactions. With regard to these private investments, WCP on occasion retains the services of one or more broker-dealers or investment banks, the cost of which is typically borne indirectly by the Funds through the capitalization of deal expenses in the funds flow upon the closing of an acquisition or disposition. In selecting a broker-dealer or investment banker in connection with the purchase and sale of a private or public securities transaction, WCP considers a variety of factors, including but not limited to: (i) capabilities with respect to the types of transactions being contemplated; (ii)

commissions or fees charged; (iii) reputation of the firm being considered; and (iv) responsiveness to requests for information. Although WCP generally will seek competitive commission rates for such services, the market for such brokerage transaction services involves subjective evaluations and the Funds will not necessarily pay the lowest commission or fee for such services.

WCP on occasion has sold publicly-held securities and has distributed publicly-held securities to limited partners in the Funds, including through a broker-dealer, when a public trading market exists as a result of a take public transaction. In circumstances when WCP has a public company security in its portfolio and determines in its discretion that it is in the best interest of the Fund(s) to obtain liquidity in such security, the Fund(s) limited partners will receive cash or be given an option to receive an in-kind distribution of stock as a result of such liquidation. The WCP Fund GPs and WCP Employee/Affiliate Co-Invest Funds, however, can elect to sell their shares or distribute their shares in-kind, or in the case of the WCP Employee/Affiliate Co-Invest Funds, can retain their shares. Although WCP does not frequently engage in public securities transactions, to the extent it does, WCP follows the brokerage practices described above.

### **ITEM 13      REVIEW OF ACCOUNTS**

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly WCP's review of them is not directed toward a short-term decision to dispose of securities. WCP closely monitors the portfolio companies of the Funds and maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on a regular basis. The team generally includes a lead partner and other WCP investment professionals assigned to the portfolio company. In addition, WCP's Investment Committee regularly reviews the investment portfolio of each Fund.

Mark Flower, Chief Financial Officer and Chief Compliance Officer, reviews the accounts of each of the Funds on a quarterly basis. Mr. Flower also reviews the Funds' performance and activity whenever a determination is made as to a distribution. WCP furnishes its limited partners with unaudited financial statements for the first three quarters of each fiscal year within 45 days of each quarter's close and an annual audited financial statement prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant, for Funds that are subject to an annual audit requirement, a reviewed financial statements for those Funds that are subject to an annual review requirement, or an unaudited financial statements within 90 days of the fiscal year end. In addition, WCP also provides a summary statement of changes in individual limited partners' capital accounts to each limited partner quarterly. All reports are sent to limited partners in writing and are delivered electronically. WCP also has contact with limited partners (personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence or otherwise, limited partners periodically request information pertaining to the WCP investments. WCP responds to these requests, and in answering these requests provides information that is not generally made available to other limited



partners who have not requested such information; WCP has no duty, and does not intend, to ensure all limited partners seek, obtain or possess the same information regarding the Funds or the WCP portfolio companies. Additionally, upon request, certain limited partners receive additional information and reporting that other limited partners do not receive (such as agreed to in a Side Letter). The fact that WCP provides such information upon request to one or more limited partners does not obligate WCP to affirmatively provide such information to all limited partners.

#### **ITEM 14      CLIENT REFERRALS AND OTHER COMPENSATION**

As described in Item 5 above, WCP and WCP Fund GPs provide certain management and other services to portfolio companies of the Funds and receive Service Fees as compensation from the portfolio companies in connection with such services. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that WCP believes will ultimately enhance the value of the companies and benefit the Funds and their limited partners. These types of fee arrangements present potential conflicts of interest and provide WCP with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by WCP or its employees in connection with services rendered to portfolio companies or transactions of the Fund are offset in part against management fees payable by the WCP Funds, to the extent described in Item 5 above and detailed in each WCP Fund's Governing Documents.

From time to time, when raising capital for a new Fund, WCP enters into solicitation agreements pursuant to which it compensates a third party for limited partner referrals that result in the provision of investment advisory services by WCP when a prospective limited partner invests in a Fund. Placement agents introducing limited partners to WCP receive compensation from WCP, such as a retainer and/or a percentage of introduced Commitments. Placement agent fees are payable by the Funds and offset dollar-for-dollar against the management fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund as part of its organizational expenses.

#### **ITEM 15      CUSTODY**

The Investment Advisers Act of 1940 Rule 206(4)-2 (the “**Custody Rule**”) requires that pooled investment funds advised by an investment adviser either (i) undergo an annual GAAP financial statement audit and deliver a copy of such audit to underlying limited partners within 120 days of fiscal year end or (ii) be subject to a surprise custody examination, in each case by a Public Company Accounting Oversight Board (“**PCAOB**”)-registered and examined auditing firm. Because the WCP Fund GPs are not operationally independent from WCP and generally have full discretion and control over Fund investments and cash, including the ability to deduct fees and/or expenses from limited partners' accounts, WCP is deemed to have custody over all Funds. In order to comply with the Custody Rule, WCP has elected to undergo either annual financial audits

or surprise custody examinations for its investment Funds. The WCP Funds and certain WCP Fund Co-Invest Funds are subject to an annual financial statement audit by an independent public accountant registered with and subject to examination by the PCAOB in accordance with GAAP as promulgated in the U.S., a copy of which is delivered to the relevant WCP Fund and WCP Fund Co-Invest Fund and their limited partners within the SEC-required 120 days of the relevant fiscal year end (or earlier as agreed to in the relevant Governing Documents) or which will be delivered, in the case of newly formed WCP Funds or WCP Fund Co-Invest Funds. In addition, upon the final liquidation of a WCP Fund or WCP Fund Co-Invest Fund, WCP will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such WCP Fund and WCP Fund Co-Invest Fund to all underlying limited partners promptly upon completion of the audit. Limited partners are encouraged to carefully review all such financial statements.

The WCP Co-Invest Funds generally are not subject to an annual financial statement audit; instead, these WCP Co-Invest Funds abide by the surprise custody examination and related requirements of the Custody Rule, Rule 206(4)-2. For these WCP Co-Invest Funds subject to a surprise custody examination, WCP ensures ADV-E's are timely filed.

WCP does not accept physical custody of Fund money or WCP Co-Invest Funds securities (other than certain privately offered securities to the extent permitted by the Advisers Act). Rather WCP maintains custody of all such assets in separate accounts in the name of each of the Funds with qualified custodians. WCP receives at least quarterly statements from all qualified custodians on behalf of Funds. For the WCP Co-Invest Funds subject to a surprise custody examination, the applicable custodian sends at least quarterly custody statements directly to the limited partners in each WCP Co-Invest Fund confirming the cash and securities held on behalf of such WCP Co-Invest Fund.

On a quarterly basis, WCP sends to all limited partners (i) financial statements of the applicable Fund, (ii) a summary statement of changes in individual limited partners' capital accounts and (iii) an update on each Fund's portfolio company holdings. For the WCP Co-Invest Funds subject to a surprise custody examination, the limited partners are encouraged to compare the quarterly financial statements they receive from WCP to the custody statements received directly from the qualified custodians, noting that such custody statements only identify the overall investments of the WCP Co-Invest Fund and not the investments of each individual limited partner in such WCP Co-Invest Fund.

## **ITEM 16      INVESTMENT DISCRETION**

WCP and the WCP Fund GPs have discretionary authority based upon the respective Governing Documents with each of the Funds to buy and sell investments on behalf of the Funds and to determine the amount of such investment to be bought and sold. The terms upon which WCP serves as an investment adviser of a Fund is established at the time each such Fund is established. WCP assumes this discretionary authority pursuant to the terms of the applicable Partnership Agreement and powers of attorney executed by the limited partners of the Funds. A

limited partner is required to execute a subscription agreement and a Partnership Agreement with a Fund to become a limited partner of such Fund. WCP is not permitted to transact any business with a limited partner until these documents are executed. Once a limited partner has executed a subscription agreement and a Partnership Agreement, with limited exceptions such as certain conflicts of interest as discussed elsewhere in this Brochure, WCP is not required to contact the limited partners for approval prior to the purchase or sale of securities for the Funds.

As a general policy, neither WCP nor the WCP Fund GPs allow limited partners to place limitations on their investment authority other than as agreed to in the Partnership Agreement. Pursuant to the terms of the applicable Partnership Agreement, however, WCP has entered into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in one or more Fund is altered or varied. The terms as set forth in the relevant WCP Fund Governing Documents restrict WCP's advice concerning investments in certain securities or types of securities, diversification, geographies and leverage. WCP's authority to trade securities can also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

#### **ITEM 17      VOTING CLIENT SECURITIES**

WCP has adopted the WCP Proxy Voting Policies and Procedures (the “**Proxy Policy**”) pursuant to Rule 206(4)-6 of the Advisers Act to address how it votes publicly-traded security proxies for Funds. WCP's Proxy Policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value.

While WCP does have occasions to vote publicly-traded proxies on behalf of the Funds, the vast majority of WCP's portfolio companies are private and thus the majority of proxies received by WCP are written shareholder consents or other similar instruments. Specifically, from time to time, portfolio companies request WCP (usually through the WCP Fund GP of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, WCP considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies. WCP believes that its interests are generally aligned with those of Funds' limited partners through the WCP senior management employees' and WCP affiliated persons' beneficial ownership interests in the WCP Funds. WCP does not consider service on portfolio company boards by WCP and its affiliated persons or the receipt of Service Fees to create a material conflict of interest in voting private proxies with respect to such companies.

When the Funds own shares in a public company, and when a public security proxy is distributed for vote, WCP votes and will continue to vote the proxy consistent with the best interests of its limited partners. Pursuant to its Proxy Policy, WCP generally votes public proxies in accordance with management's recommendations unless WCP determines that voting in such a manner is in conflict with the best interests of the Funds and their limited partners. In these cases, WCP will evaluate and vote the publicly-traded security proxies on a case-by-case basis.

For both private shareholder consent votes and public security proxy votes, in the event of a conflict of interest which is not material, WCP will generally vote such proxy notwithstanding the existence of the conflict. If it is determined that the conflict of interest is material, WCP will resolve the conflict in one of several possible ways, such as by consulting the relevant WCP Fund's Board of Advisors to recommend a vote with respect to such proxy. In general, limited partners cannot request that WCP vote in a particular way on any specific proposal.

Current or prospective Fund limited partners can obtain at no charge, a copy of WCP's complete Proxy Policy or information regarding how WCP voted publicly-traded security proxies for particular portfolio companies by contacting Investor Relations at (312) 676-8400 or [investorrelations@waudcapital.com](mailto:investorrelations@waudcapital.com).

## **ITEM 18 FINANCIAL INFORMATION**

Registered investment advisers are required in this item to provide certain financial information or disclosures about their financial condition. WCP has no financial commitment that impairs its ability to meet its contractual and fiduciary commitments to limited partners, has not been the subject of a bankruptcy proceeding and does not require prepayment of more than \$1,200 in management fees per Fund six months or more in advance.

FORM ADV PART 2B: BROCHURE SUPPLEMENT



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**March 31, 2024**

This Brochure Supplement (“**Supplement**”) provides information about Waud Capital Partners, L.L.C. that supplements the Brochure. You should have received a copy of the Brochure. Please contact Investor Relations at (312) 676-8400 or investorrelations@waudcapital.com if you did not receive the Brochure or if you have any questions about the contents of this Supplement.

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

**REEVE B. WAUD**

Year of Birth: 1963

Founder and Managing Partner

Waud Capital Partners, L.L.C.

300 North LaSalle Street, Suite 4900

Chicago, Illinois 60654

(312) 676-8400

**ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Waud is the Founder and Managing Partner of Waud Capital Partners. Over his 30-year plus private equity career, he has acquired more than 400 companies. Prior to founding WCP in 1993, Mr. Waud was an investment professional at Golder, Thoma & Cressey (“GTC”), a private equity investment firm based in Chicago. At GTC, Mr. Waud had investment responsibility for a wide range of portfolio companies that were built through more than one hundred acquisitions. Before joining GTC, Mr. Waud was in the Corporate Finance Group of Salomon Brothers Inc and was a founding member of its Venture Capital Group.

Mr. Waud holds a B.A. in Economics from Middlebury College and an M.B.A. from the Kellogg School of Management at Northwestern University.

**ITEM 3 DISCIPLINARY INFORMATION**

Mr. Waud has never been the object of any legal or disciplinary event, proceeding or action.

**ITEM 4 OTHER BUSINESS ACTIVITIES**

Mr. Waud is Chairman of Acadia Healthcare Company (NASDAQ: ACHC) and on the Boards of Ivy Rehab and Lifelong Learner. Acadia Healthcare Company was previously a portfolio company of the WCP Funds until August 2017. Ivy Rehab and Lifelong Learner are currently portfolio companies of the WCP Funds. Mr. Waud’s appointment on such boards has been designated in the best interest of the WCP Funds and their respective limited partners. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interest can arise between Mr. Waud’s fiduciary duties to the portfolio company on which he serves and his duty to WCP, as decisions that are in the portfolio company’s best interest will not necessarily be in WCP’s best interests. As the WCP Funds will be significant shareholders of such companies, it is expected that such interests will generally be aligned; however, appropriate measures have been taken whereby Mr. Waud may recuse himself in such circumstances from the decision-making process.

Mr. Waud is a Member of the Northwestern Memorial HealthCare Finance Committee and serves on the Board of Northwestern Memorial Foundation. Mr. Waud is also a Trustee and Member of the Finance Committee and Photography Committee of the Art Institute of Chicago. These activities are charitable in nature and WCP does not believe they create a potential conflict of interest with WCP Funds, limited partners or portfolio companies.

Outside of his roles with WCP, Mr. Waud is engaged in the operation and management of certain family investment entities. WCP does not believe that these activities create a conflict of interest with WCP Funds, their limited partners or portfolio companies as these investment entities do not invest in similar investments as the WCP Funds.

**ITEM 5** **ADDITIONAL COMPENSATION**

Mr. Waud does not receive an economic benefit for providing advisory services, other than his ownership interest in the management company and the compensation received from WCP.

**ITEM 6** **SUPERVISION**

Mr. Waud is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425. For investment matters, the relevant Investment Committee of each WCP Fund is responsible for approving and monitoring all investments.

**Matthew W. Clary**

Year of Birth: 1961

Partner

Waud Capital Partners, L.L.C.

300 North LaSalle Street, Suite 4900

Chicago, Illinois 60654

(312) 676-8400

**ITEM 2 EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Clary joined WCP in 2004 and has been active in principal investing since 1992. He was previously a Partner at Banc of America Capital Investors.

Mr. Clary holds a B.A. in Economics from the University of Washington and an M.B.A. from the Kellogg School of Management at Northwestern University.

**ITEM 3 DISCIPLINARY INFORMATION**

Mr. Clary has never been the object of any legal or disciplinary event, proceeding or action.

**ITEM 4 OTHER BUSINESS ACTIVITIES**

Mr. Clary has served on the board of more than 15 private and public companies during his private equity career. He is currently on the Board of Apotheco, Career Certified, Lifelong Learner, PracticeTek, Pharmacy Partners and Sphere. The aforementioned companies are portfolio companies of the WCP Funds and Mr. Clary's appointment on such boards has been designated in the best interest of the WCP Funds and their respective limited partners. Serving on portfolio company boards could lead to potential conflicts of interest. For example, a conflict of interest can arise between Mr. Clary's fiduciary duties to the portfolio company on which he serves and his duty to WCP, as decisions that are in the portfolio company's best interest will not necessarily be in WCP's best interests. As the WCP Funds will be significant shareholders of such companies, it is expected that such interests will generally be aligned; however, appropriate measures have been taken whereby Mr. Clary may recuse himself in such circumstances from the decision-making process.

**ITEM 5 ADDITIONAL COMPENSATION**

Mr. Clary does not receive an economic benefit for providing advisory services, other than the compensation received from WCP.

**ITEM 6 SUPERVISION**

Mr. Clary is supervised with respect to compliance matters by WCP's Chief Compliance Officer, Mark Flower, (312) 676-8425. For investment matters, the relevant Investment Committee of each WCP Fund is responsible for approving and monitoring all investments.



**MARK D. FLOWER**

Year of Birth: 1964

Chief Financial Officer and Chief Compliance Officer

Waud Capital Partners, L.L.C.

300 North LaSalle Street, Suite 4900

Chicago, Illinois 60654

(312) 676-8425

**ITEM 2**                      **EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

Mr. Flower joined WCP in 2004. He was previously the CFO and Treasurer at Vector Fund Management. He began his career at Arthur Andersen and later worked in accounting and finance positions with Kemper Financial Services, Kemper Asset Management and Iowa Grain.

Mr. Flower holds a B.B.A. in Accounting from the University of Wisconsin and has a CPA designation from the state of Illinois (inactive).

**ITEM 3**                      **DISCIPLINARY INFORMATION**

Mr. Flower has never been the object of any legal or disciplinary event, proceeding or action.

**ITEM 4**                      **OTHER BUSINESS ACTIVITIES**

Mr. Flower is not actively engaged in any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients.

**ITEM 5**                      **ADDITIONAL COMPENSATION**

Mr. Flower does not receive an economic benefit for providing advisory services, other than the compensation received from WCP.

**ITEM 6**                      **SUPERVISION**

Mr. Flower is supervised by WCP's Managing Partner, Reeve Waud, (312) 676-8400.