



**INVESTMENT ADVISER BROCHURE  
PART 2A OF FORM ADV**

**MARLIN MANAGEMENT COMPANY, LLC**

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Hermosa Beach, CA 90254  
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**March 29, 2024**

**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Marlin Management Company, LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (310) 364-0100. 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 authority.**

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

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

## **MATERIAL CHANGES**

The Management Company filed its last annual update to Form ADV Part 2A on March 31, 2023. This annual amendment updates the description of the business practices of the Management Company and its affiliates.

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<sup>1</sup> **NTD**: To be updated prior to filing.

## ADVISORY BUSINESS

Marlin Management Company, LLC (the “**Management Company**”), a registered investment adviser, is a Delaware limited liability company. The Management Company commenced operations in June 2005. The following investment advisers are affiliated with the Management Company:

- Marlin Equity Partners II, L.P. (“**Fund II GP**”);
- Marlin Equity Partners III, L.P. (“**Fund III GP**”);
- Marlin Equity Partners IV, L.P. and Marlin IV Cayman AIV GP, L.P. (collectively, “**Fund IV GP**”);
- Marlin Heritage Partners, L.P. and Marlin Heritage Cayman AIV GP, L.P. (collectively, “**Heritage Fund GP**”);
- Marlin Heritage Europe Partners, L.P. (“**Heritage Europe Fund GP**”);
- Marlin Equity Partners V, L.P. (“**Fund V GP**”);
- Marlin Ultimate GP, LLC (“**Heritage Europe Executive Fund GP**”);
- Marlin Heritage Partners II, L.P. (“**Heritage Fund II GP**”);
- Marlin Heritage Europe Partners II, L.P. (“**Heritage Europe Fund II GP**,”)
- Marlin Heritage Europe Partners III GP, S.à.r.l. (“**Heritage Europe Fund III GP**,”);
- Marlin Heritage Partners III, L.P. (“**Heritage Fund III GP**”);
- Marlin Strategic Opportunities Partners I, L.P. (“**Opportunities Fund I GP**”);
- Marlin Credit Opportunities GP, L.P. (“**Credit Fund GP**” and together with Fund II GP, Fund III GP, Fund IV GP, Heritage Fund GP, Heritage Europe Fund GP, Fund V GP, Heritage Europe Executive Fund GP, Heritage Fund II GP, Heritage Europe Fund II GP, Heritage Europe Fund III GP, Heritage Fund III GP and Opportunities Fund GP, the “**General Partners**,” and together with the Management Company and their affiliated entities, “**Marlin**”); and
- Marlin Equity Partners Limited (the “**UK Office**”).

The UK Office and each General Partner listed above is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure also describes the business practices of each General Partner and the UK Office, which operate as a single advisory business together with the Management Company.

Marlin provides discretionary investment advisory services to its clients, which consist of private investment funds. Marlin's clients include the following (each, a "**Fund**," and together with any future private investment fund to which Marlin provides investment advisory services, the "**Funds**"):

- Marlin Equity II, L.P. ("**Fund II**");
- Marlin Equity III, L.P. ("**Fund III**");
- Marlin Equity IV, L.P., Marlin Equity IV AIV, L.P. and Marlin IV Cayman AIV, L.P. (collectively, "**Fund IV**");
- Marlin Heritage, L.P. and Marlin Heritage Cayman AIV, L.P. (collectively, the "**Heritage Fund**");
- Marlin Heritage Europe, L.P. (the "**Heritage Europe Fund**");
- Marlin Equity V, L.P., Marlin Equity V-A, L.P., and Marlin Equity V AIV, L.P. (collectively, "**Fund V**");
- Marlin Heritage II, L.P. and Marlin Heritage II-A, L.P. (collectively, the "**Heritage II Fund**");
- Marlin Heritage Europe II, L.P. (the "**Heritage Europe II Fund**");
- Marlin Heritage III, L.P. and Marlin Heritage III-A, L.P. (collectively, the "**Heritage III Fund**");
- Marlin Strategic Opportunities Fund I, L.P. ("**Opportunities Fund I**")
- Marlin Credit Opportunities Fund, L.P. (the "**Credit Fund**").

Marlin also manages Marlin Executive Fund II, L.P., Marlin Executive Fund III, L.P., Marlin Executive Fund IV, L.P., Marlin Executive Fund V, L.P., Marlin Heritage Executive Fund, L.P., Marlin Heritage Europe Executive Fund, L.P., Marlin Monarch Executive Fund V, L.P., Marlin Monarch Heritage II Executive Fund, L.P., Marlin Heritage II Executive Fund, L.P. and Marlin Heritage Europe II Executive Fund, L.P., (collectively, the "**Executive Funds**"), private investment funds formed to allow certain principals, employees and operating professionals of Marlin and its affiliates, as well as certain other persons, to invest in certain portfolio investments made by Fund II, Fund III, Fund IV, Fund V, the Heritage Fund, the Heritage Europe Fund, the Heritage II Fund, the Heritage III Fund and the Heritage Europe II Fund, as applicable, and Marlin-Stark Partners, L.P. (the "**Marlin-Stark Co-Invest**"), a co-investment vehicle established to facilitate a particular investment by the Heritage Europe II Fund.

Interests in the Funds are privately offered to qualified investors in the United States and elsewhere. The Funds are expected to invest through negotiated transactions in operating entities, generally referred to herein as "**portfolio companies**," as well as in publicly traded securities.

Marlin's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances. The senior principals or other personnel of Marlin typically serve on the boards of directors (or other governing bodies) of such portfolio companies held by the Funds or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

Marlin's advisory services for each Fund are detailed in the applicable private placement memorandum or other offering documents (each, a "**Memorandum**") and limited partnership agreement or other operating agreements or governing documents (each, a "**Partnership Agreement**") and together with the Memorandum, the "**Governing Documents**") and are further described below under "Methods of Analysis, Investment Strategies and Risk of Loss." Investors in Funds (generally referred to herein as "investors" or "limited partners") participate in the overall investment program for the applicable Fund, but in certain circumstances are excused from a particular investment due to legal, regulatory or other agreed upon circumstances pursuant to the Governing Documents; for the avoidance of doubt, such arrangements generally do not and will not create an adviser-client relationship between Marlin and any investor. The Funds or the General Partners have entered into certain side letters or other similar agreements ("**Side Letters**") with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the Governing Documents with respect to such investors.

As of December 31, 2023, Marlin managed \$8,589,954,725 in regulatory assets under management on a discretionary basis. The Management Company is principally owned by David M. McGovern. A minority interest in the Management Company is owned by investment funds managed by Blackstone Strategic Capital Group. Blackstone Strategic Capital Group does not have authority over the day-to-day operations or investment decisions of the Management Company as they relate to the Funds, although it has negotiated certain minority protection and consent rights in connection with its investment in the Management Company. The Management Company intends to maintain operations, strategy, and investment decisions separate from Blackstone Strategic Capital Group.

## **FEES AND COMPENSATION**

The following is a general description of fees, compensation, and expenses of the Funds. Differences exist from Fund to Fund, and certain Funds may not charge certain fees, compensation, or expenses that other Funds charge. The Partnership Agreements of the Funds describe fees, compensation and expenses in greater detail.

With respect to the Funds, each General Partner generally receives a management fee and a carried interest in connection with advisory services. The Executive Funds do not pay a management fee and are not subject to a carried interest. The General Partners or other Marlin entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and all or a portion of such additional compensation generally will offset the Management Fees (as defined below) otherwise payable to

Marlin, as described in the Governing Documents. Investors in the Funds also bear certain Fund expenses, as described below.

## **Management Fees**

Generally, a Fund during its investment period will pay the applicable General Partner a management fee (the “**Management Fee**”) equal to 2.0% (in the case of Fund III, Fund IV, the Heritage Fund, the Heritage Europe Fund, Fund V, the Heritage II Fund, the Heritage Europe II Fund, and the Heritage III Fund) and 2.25% (in the case of Fund II) on an annual basis of aggregate Fund investor capital commitments (“**Commitments**”). Opportunities Fund I will pay the Opportunities Fund I GP a Management Fee equal to 0.75% of the lower of the Opportunities Fund I’s unreturned invested capital and the net asset value attributable to Partners not designated as “affiliated persons” by the General Partner. Payment of the Management Fee will be made partially in advance and partially in arrears for a given Management Fee period. Generally, investors participating in a closing after the initial closing of a Fund bear the Management Fee from the date of the initial closing of such Fund, plus interest, as applicable. Upon a date specified in the Governing Documents (the “Stepdown Date”), the Management Fee will be reduced and will equal a percentage of the aggregate amount of capital invested by the Fund (including, if specified in the Partnership Agreement of the applicable Fund, funded with Fund borrowing) in portfolio companies that have not been disposed of or completely written off for U.S. federal income tax purposes. The General Partners generally will pay over to the Management Company a portion of the Management Fee. The Management Fee will be payable to the General Partner until proceeds from all portfolio investments are distributed or until the General Partner’s relationship with the applicable Fund is terminated for other reasons (as described in the applicable Partnership Agreement). Installments of the Management Fee payable for any period other than a full Management Fee determination period are adjusted on a *pro rata* basis according to the actual number of days in such period.

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s aggregate investment(s) in its portfolio companies that have not been realized or completely written off for U.S. federal income tax purposes (such investments, “Impaired Value Investments”).

Under the Governing Documents, where the fair market value of a Fund’s remaining investment in a portfolio company exceeds the total amount of investment contributions by the Fund relating to such portfolio company, post-Stepdown Date Management Fees will continue to be calculated based on the aggregate amount of investment contributions in such portfolio company. In addition, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the

relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of each relevant remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

As a result, and as is generally the case for private equity funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. 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 (*e.g.*, those resulting from a dividend recapitalization) or reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions or in circumstances where one or more other Fund(s) divest their respective investment(s) (including credit investments) in the relevant portfolio company, whether in whole or in part, in each case in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such transaction.

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

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

The Management Fee generally will be reduced by all or a portion of the directors' fees, financial consulting fees, advisory fees, transaction fees, break-up fees and certain other fees paid by portfolio companies or prospective portfolio companies to the General Partner, the Management Company or certain of their affiliates (such fees, "**Transaction Fees**"), but not including, in any event, any amount received by (x) MOGI (as defined below), its employees or other persons engaged by MOGI or (y) any amount received by the General Partner or other person from a portfolio company as reimbursement for expenses directly related to such portfolio company, or as payment for services provided to any portfolio company in the ordinary course of such portfolio company's business or as compensation for services provided by the General Partner, the Management Company, MOGI or any other person as an employee of or in a similar capacity for such portfolio company. To the extent that such an offset credit would reduce the Management Fee for a given Management Fee determination period below zero, the credit will be carried forward for future application against payable Management Fees. Depending on the terms of the applicable Partnership Agreement, to the extent any such excess remains unapplied upon



dissolution of a Fund, each partner of such Fund will receive its share of such unapplied excess, unless such partner elects not to receive its share.

As a matter of practice, the Management Company and/or its affiliates is typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to the relevant allocable portion of any such fee and not the portion of any fee that relates to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by the Management Company, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); or (iii) where applicable, the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. Each of the foregoing conditions is expected to reduce the amount of Transaction Fees otherwise available to be offset against Management Fees.

The Management Company and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees or other similar fees or to require other compensation from a portfolio company and, if so, the rate, timing and/or amount of such compensation. The receipt of such compensation may give rise to conflicts of interest between the Funds, on the one hand, and the Management Company and/or its affiliates on the other hand.

As permitted under the Partnership Agreement of certain Funds, the relevant General Partner is permitted to waive a portion of the Management Fee in exchange for a reduction in the General Partner's capital contribution obligation to such Fund and/or a corresponding interest in such Fund's profits. The limited partners of a Fund would, in such circumstances, be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above and as further described in the applicable Partnership Agreements.

Co-investment vehicles, including the Marlin-Stark Co-Invest, may also pay management fees to the applicable General Partner. The terms of such fee arrangements are generally negotiated between such vehicles' limited partners and General Partner.

### **Carried Interest**

Each General Partner generally is entitled to a carried interest with respect to the relevant Fund equal to 20% of all realized profits, or with respect to Opportunities Fund I, a percentage equal to 10%-25% of all realized profits, subject to a specified preferred return with a related General Partner catch-up provision, as more fully described in the Governing Documents. The carried interest distributed to a General Partner is subject to a potential giveback at the end of the life of a Fund (and, in the case of certain Funds, at such other times as described in the applicable

Partnership Agreement) if the relevant General Partner has received excess cumulative distributions. The General Partners may also be entitled to a carried interest in co-investment vehicles as negotiated by such General Partners and the applicable limited partners.

## **Other Information**

Marlin generally has the right to exempt certain investors in certain Funds from payment of all or a portion of Management Fees and/or carried interest. The relevant General Partner reserves the right to make any such exemption from fees and/or carried interest by a direct exemption or by allowing such investors to invest through other vehicles which co-invest with a Fund. For example, in instances where a Marlin professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, Marlin has the right to permit investors, affiliated with Marlin or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest.

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the relevant Partnership Agreement, over the term of the Funds and investors generally are not permitted to withdraw or redeem interests in the Funds.

Principals or other current or former personnel of Marlin are permitted to receive a portion of the Management Fee, carried interest or other compensation received by the General Partner.

In addition to the Management Fee and carried interest payable to the General Partners, each Fund and certain co-investment vehicles bear certain expenses. The categories of expenses payable by each can be found in the relevant private placement memorandum, limited partnership agreement, or other governing documents for such Fund or vehicle.

Subject to such Governing Documents, the Funds or co-investment vehicles will pay, or reimburse the applicable General Partner, the Management Company, or any affiliate thereof for, all other fees, costs, expenses, liabilities and obligations relating to such Fund or vehicle's activities, business, portfolio companies or actual or potential investments whether or not consummated, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including, but not limited to, all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the pursuing, structuring, organizing, diligencing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, dissolving, liquidating, or otherwise disposing of, as applicable, the Fund's portfolio companies, and the Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party due diligence software and service providers (including certain subscriptions to databases and/or research services), consultants and similar professionals in connection therewith and any fees and

expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful, and costs related to the organization or maintenance of any intermediate vehicle, including without limitation, any travel and accommodation costs related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity or other overhead expenses in connection therewith; (ii) indebtedness of, or guarantees made by, the Fund, the Management Company, the applicable General Partner, or any “affiliated partner” on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including the repayment of principal and interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including, without limitation, both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and other similar services; (v) brokerage, sale, custodian, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including a depository appointed pursuant to the Alternative Investment Fund Managers Directive (“AIFMD”) and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act, Swiss Financial Services Act, and Swiss Financial Institutions Act (all as amended), including any law, rule, or regulation relating to the implementation thereof); (vi) administrative, regulatory, reporting, filings, and other ongoing compliance requirements contemplated by the AIFMD or any similar law, rule, or regulation (excluding for the avoidance of doubt, the initial and/or preliminary registrations, filings, and compliance obligations related thereto), including secondary legislation, regulations, rules, and/or associated guidance and any related requirements; (vii) legal, accounting, research, auditing, technology, administration (including costs associated with compliance with any law, rule, regulation, policy, directive or special measure, including, without limitation, in relation to privacy, data protection, know your customer, anti-money laundering, sanctions, anti-terrorism or environmental, social, and governance considerations) and any third-party service provider fees, costs related thereto, and any regulatory costs incurred by Marlin in connection with the operation of the Fund, tracking or reporting software of the Fund, auditing, research, information, advisory, valuation (including third-party valuations, appraisals or pricing services as well as costs related to the establishment or maintenance of such other services), appraisal, consulting (including expenses incurred in connection with hiring consultants and MOGI (as defined below) personnel, consulting, advisory, and retainer fees, salary, expense reimbursement, personnel costs and other compensation paid and benefits provided to MOGI or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance considerations and policies and other similar consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services); (viii) reverse breakup, termination, and other similar fees; (ix) insurance (including directors and officers liability, fidelity bond, cybersecurity, portfolio company management liability, errors and omissions liability, crime coverage, general partnership liability premiums, and other insurance and regulatory expenses, including any costs and expenses related to any retention or deductibles and broker fees, costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance, and analysis of insurance policies; (x) filing, courier, mailing, survey, title, transfer, registration and other similar fees and expenses; (xi) printing, communications, marketing, and publicity; (xii) the preparation, distribution or filing of 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 administrative, regulatory, reporting, filing or other compliance requirements contemplated by the AIFMD that are directly attributable to the Fund), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xiii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor systems, ledger systems, financial management, and cybersecurity) and other administrative tools for the benefit of the Fund or its limited partners, computer software specific to the affairs of the Fund and any parallel investment entities and strategy-related research and market data, including, without limitation, news and quotation equipment and other reporting tools (including subscription-based services); (xiv) any activities with respect to protecting the confidential or non-public nature of any information or data (including, without limitation, any costs and expenses incurred in connection with the General Data Protection Regulation (EU 2016/679) (as amended), the California Consumer Privacy Act, and the Freedom of Information Act, 5 U.S.C. § 552); (xv) to the extent provided in the Partnership Agreement or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund's advisory board (including any reasonable out-of-pocket costs and expenses incurred by the representatives of the General Partner, advisory board members, permitted observers, and other persons in attending or otherwise participating in meetings of the advisory board); (xvi) indemnification (including any legal and other fees, costs, and expenses incurred in connection with indemnifying any partner or other person or entity pursuant to the Partnership Agreement and advancing fees, costs and expenses incurred by any such person or entity in defense or settlement of any claim that may be 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 the costs and expenses of any discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xviii) holding annual, periodic, and special meetings of the Fund, any partners, their respective affiliates, and/or any parallel investment entities and any other conference, meeting, or webcast or other video conference and any periodic executive forum of portfolio company management and/or other persons, in each case including, without limitation, set-up, room and board, dining, entertainment, travel, honorarium or speaker fees and other meeting- or conference-related expenses; (xix) attendance of any member, manager, shareholder, partner, director, officer, employee, or affiliate of the General Partner or Marlin at any trade conference, including any applicable registration costs and exhibitions, sponsorships, or other presentation costs; (xx) except as otherwise determined by the General Partner 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 Fund expense or organizational expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up, or dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities, and any other costs related to any past or anticipated structuring or restructuring of any Fund entity, (xxi) the termination, liquidation, winding up, or dissolution of the Fund, and any of its constituent vehicles, including portfolio companies and related entities; (xxii) defaults by Fund partners in the payment of any capital contributions; (xxiii) any amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund and related entities, the General

Partner, Marlin and related entities, any entities owned directly or indirectly by the Fund (including portfolio companies), and any alternative investment vehicle of the Fund or any parallel investment entity, including the preparation, distribution, and implementation thereof; (xxiv) compliance with any law, rule, regulation, policy, directive, or special measure (including in relation to privacy, data protection, “know-your-client,” Cayman Islands anti-money laundering rules and regulations, sanctions or anti-terrorism considerations) related to the activities of the Fund including, but not limited to, legal, administrative, consulting or other third-party service provider costs related thereto, any regulatory expenses of the General Partner incurred in connection with the operation of the Fund (other than expenses directly related to, and as the direct result of, the registration of, and ongoing compliance by, Marlin and/or the General Partner as a registered investment adviser under the Advisers Act) or incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Partnership Agreement; (xxv) any transfer or proposed transfer by a limited partner or any limited partner’s name change, internal restructuring, or change in registered agent or custodian; (xxvi) any taxes, fees or other governmental charges levied against the Fund or any alternative investment vehicle or parallel investment entity and all expenses incurred in connection with any tax audit, inquiry, investigation settlement, or review of the Fund (except to the extent that the Fund, vehicle, or entity is reimbursed therefor by a partner or such tax, fee, or charge is treated as having been distributed to the partners pursuant to the Partnership Agreement) and any costs and expenses relating to the “partnership representative” and the “designated individual” of the Fund; (xxvii) distributions to the partners and the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxviii) unreimbursed or unpaid costs of MOGI or its members, employees, or other persons engaged by MOGI; (xxix) any travel (including the cost of using public or private aircraft or other private air travel (including ownership or fractional ownership of private aircraft), car or ride sharing services, and other modes of transportation), and lodging, meals, and entertainment relating to any of the foregoing, including in connection with any consummated or unconsummated investment or disposition opportunities; (xxx) compliance with the Partnership Agreement, side letters, and similar agreements with limited partners (including, without limitation, compliance with any most-favored nations provisions set out therein), except as otherwise set forth in the Partnership Agreement; (xxxi) amendments to, and waivers, consents, or approvals pursuant to side letters or similar agreements with Limited Partners and “most favored nations” elections processes in connection therewith; (xxxii) any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making, holding, or disposing of, directly or indirectly, an investment in the same entity as one or more other investment vehicles managed or controlled by the General Partner, Marlin, or any of their affiliates; (xxxiii) the organization or maintenance of any holding entity or other intermediate entity used to acquire, hold or dispose of any investment or otherwise facilitating the Fund’s investment activities, including (without limitation) any travel or accommodation expenses related to such entity, the salary and benefits of any personnel reasonably necessary for the maintenance of such entity, or other overhead expenses in connection therewith; (xxxiv) compliance with any tax or financial account reporting regime, including FATCA and the OECD Standard for Automatic Exchange of Financial Information – Common Reporting Standard and any similar laws, rules and regulations, and any fees, costs and expenses of any third party service providers and professionals related to the foregoing; (xxxv) reconstituting the fund pursuant to the applicable partnership agreement; and (xxxvi) any other expenses, costs or liabilities approved by the

advisory board of the Fund. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Marlin and/or its affiliates; the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Transaction Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“SPACs”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to Marlin and its personnel.

The General Partner reserves the right to agree with operating partners, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund’s investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Brokerage fees may be incurred in accordance with the practices set forth in “Brokerage Practices.”

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including, without limitation, legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. While Marlin believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Marlin’s related policies and practices and the Governing Documents and/or Side Letter(s). Where a co-invest vehicle is formed, such entity generally will bear expenses related to its

formation and operation, many of which are similar in nature to those borne by the Funds. 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, in the judgment of the General Partner, ultimately is not consummated, all expenses relating to transactions not consummated (“Broken Deal Costs”) relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Costs. Marlin’ practice of allocating Broken Deal Costs among investing Funds is discussed under “Conflicts of Interest,” below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole. The Executive Funds generally do not pay Broken Deal Costs and are not allocated any portion of the transaction, monitoring or other similar portfolio company fees.

Marlin and/or its affiliates generally have discretion over whether to charge Transaction 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. The receipt of Transaction Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Marlin and/or its affiliates on the other hand.

## **Operations Group**

Marlin Operations Group, Inc. (“**MOGI**”), an exclusive consulting firm affiliated with the Management Company, assists the Management Company in its operational due diligence and capital sourcing for prospective and consummated transactions and in its post-closing operating initiatives for Fund portfolio companies, including manufacturing, sales, marketing, finance, tax, technology, information technology, financing (*e.g.*, debt and equity financing, including, without limitation, in connection with acquisitions, dispositions, refinancings, recapitalizations and other similar transactions), legal, real estate/facilities management, financial planning and analysis, human resources, acquisition integration/rationalization, data analytics, procurement and/or other operations services (such assistance, collectively, “**Operational Services**”). Operational Services may be performed by employees of MOGI or by certain third-party operating professionals who are independent contractors of MOGI, the Management Company, a Fund, a portfolio company, or an affiliate of any of the foregoing. MOGI and such third-party operating professionals (whether or not employed or engaged by MOGI) are hereinafter referred to collectively as the “**Operations Group**.”

The Funds and the Marlin-Stark Co-Invest, directly or through portfolio companies in which they invest, bear the cost of Operational Services provided by the Operations Group. Members of the Operations Group (including MOGI) may receive compensation from Fund portfolio companies or from a Fund or the Marlin-Stark Co-Invest (including through the reimbursement of fees or other compensation initially paid by the Management Company or

applicable General Partner, which may be borne by a Fund through a reduction in the offset to the Management Fees for certain non-investment advisory fees received by the Management Company or its affiliates in connection with the Funds' investments and portfolio companies). Such compensation will not offset or reduce the Management Fee and, thus, will not be covered by the Management Fee.

Certain members of the Operations Group are permitted, from time to time, to participate in meetings of the Management Company's investment or other committees to, among other things, provide feedback and operational insight regarding a particular industry or prospective portfolio company and help ensure coordination between the Operations Group and Marlin's investment team (the "**Investment Team**") in constructing an operating plan for a given portfolio company. The Management Company and/or the applicable General Partners generally have discretion over whether to charge fees to or require other compensation from (or seek reimbursement from) a portfolio company in connection with services provided by the Operations Group and, if so, the fee rate or amount. The receipt by members of the Operations Group of such fees or other compensation generally will give rise to potential conflicts of interest between the Funds and the Marlin-Stark Co-Invest, on the one hand, and the Management Company and/or its affiliates (including MOGI), on the other hand. See "Methods of Analysis, Investment Strategies and Risk of Loss - Conflicts of Interest."

The Funds and the Marlin-Stark Co-Invest, through portfolio companies or directly, bear the cost, including compensation, of directors, executives or consultants to portfolio companies, which may include former senior principals or employees of Marlin, in connection with management or consulting services provided by such persons. Any such cost will generally not offset management fees paid to Marlin.

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

As described under "Fees and Compensation," each General Partner generally receives a carried interest allocation on certain realized profits in the Funds and the Marlin-Stark Co-Invest. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the funds it manages. The existence of performance-based compensation has the potential to create an incentive for the General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement, although Marlin generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Marlin manages the Executive Funds, which are not charged a performance-based fee. Although this practice could present a conflict of interest, Marlin does not believe this arrangement poses a conflict of interest in practice because the Executive Funds co-invest alongside Funds that are charged performance-based fees at substantially the same time and on substantially the same terms as such Funds and dispose of such investments in a similar manner.



Additionally, to the extent that Marlin personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for vehicles from which they are entitled to receive a higher carried interest percentage. Marlin seeks to address the potential for conflicts of interest in these matters with allocation policies and practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Marlin or any personnel. See "Methods of Analysis, Investment Strategies and Risk of Loss," for further discussion of conflicts of interest.

## **TYPES OF CLIENTS**

Marlin provides investment advice to the Funds and the Marlin-Stark Co-Invest. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of Marlin and its affiliates and members of their families, members of MOGI or other service providers retained by Marlin or a Fund, as well as executives of portfolio companies.

The relevant General Partner also generally is permitted to establish Funds that are alternative investment vehicles in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle managers generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the Governing Documents of the related Fund.

Funds II, III, IV, V, the Heritage II Fund, and the Heritage III Fund generally have a minimum investment amount of \$10 million, the Heritage Fund and the Credit Fund generally have a minimum investment amount of \$5 million, the Heritage Europe Fund generally has a minimum investment amount of €5 million and the Heritage Europe II Fund generally has a minimum investment amount of €10 million. Generally, investors must be "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and may also be required to be either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act. The General Partners may waive such minimum investment amounts and qualification requirements.

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

### **General**

Marlin seeks to achieve capital appreciation for the Funds primarily through acquiring equity and/or debt interests in small- and middle-market businesses. Marlin generally seeks to invest (i)

the assets of the Heritage Fund, the Heritage II Fund, and the Heritage III Fund (together with their successor funds, the “**Heritage Funds**”) in companies toward the smaller end of Marlin’s spectrum of target companies (and, with respect to the Heritage II Fund and the Heritage III Fund, target companies generally located in North America), (ii) the assets of Fund IV and Fund V (together with their successor funds, the “**Equity Funds**”) in companies toward the larger end of Marlin’s spectrum of target companies generally located in North America and Europe, (iii) the assets of the Heritage Europe Fund and the Heritage Europe II Fund in companies toward the smaller end of Marlin’s spectrum of target companies generally located in Europe, and (iv) the assets of the Credit Fund in private debt issued by portfolio companies held by Marlin’s other Funds as well as the debt of unaffiliated operating companies.

The following is a summary of the investment strategies and methods of analysis generally employed by Marlin on behalf of the Funds. *There can be no assurance that Marlin will achieve the investment objectives of any Fund and a loss of investment is possible.*

### **Investment and Operating Strategy**

Marlin seeks to execute its investment strategy through a consistent, disciplined and repeatable investment process. Marlin is organized to reinforce its investment strategy through every step of the transaction process and seeks to increase expediency and certainty of closure. Marlin utilizes this approach for sourcing, qualifying and executing transactions both to optimize resources and maintain consistency in the execution of its strategy.

Marlin’s investment process incorporates the following phases: (i) sourcing, (ii) qualification, (iii) execution, (iv) value building, and (v) exit.

*Sourcing.* Marlin’s Business Development group maintains primary responsibility for transaction origination. Direct calling, advertising, email, mailings and industry affiliations are all used to reach a variety of deal sources, primarily in technology, healthcare, consumer, business services and manufacturing. The Business Development group is supported by Marlin personnel in developing relationships with investment bankers, business brokers, turnaround consultants, large corporations, lender workout groups, lawyers, accountants, complementary private equity partners, fund-less sponsors, industry executives, media contacts and financing partners.

*Qualification.* Marlin’s qualification stage is a disciplined, opportunity-driven process designed to extract investment opportunities out of a pool of prospective deals generated by the Business Development group.

Marlin looks to acquire businesses that exhibit one or more of the following characteristics:

- Strong installed customer base with recurring revenue streams
- Scalable business model
- Defensible market position with barriers to entry
- Experiencing some form of financial, operational or market-related transition

- Strong management team with track record of success
- Underutilized or non-core assets
- Solid brand equity with established channel relationships and/or significant marketing power
- Operating in a fragmented industry with opportunities for consolidation

*Execution.* Marlin's execution process includes due diligence, creation of a detailed operating plan, price discipline, structuring and assessing financing networks. Because its target companies are typically undergoing some form of transition, Marlin spends a substantial amount of time and effort performing due diligence. During due diligence, the Investment Team, Operations Team and, selectively, management of an existing portfolio company or outside consultants will construct an operating plan that is a critical factor in the investment decision.

*Value Building.* Building long-term value is the core of Marlin's operations-focused investment strategy. Accordingly, Marlin seeks to partner with outstanding management teams to stabilize, strengthen and grow its portfolio companies. In addition to financial capital, Marlin provides a network of strategic resources and relationships geared to help management teams weather challenging transitions and recognize long-term value opportunity within their businesses.

*Exit.* Marlin pursues an active exit strategy, with an average expected hold period of three to five years. The intrinsic nature of operational investing increases the possibility for rapid value creation as exit potential generally increases once a business undergoes a strategic or operational transformation. Throughout the investment lifecycle, contact is maintained with potential exit partners including strategic buyers, financial buyers, investment bankers and key opinion leaders. Marlin reviews company specific performance and outlook, as well as general market conditions in both public and private capital markets, to determine the best form of and timing for exit.

## **Risks of Investment**

The Funds and their investors bear the risk of loss that Marlin's investment strategy entails. Although the following risk factors are generally applicable to Marlin's Funds, investors should also refer to each Fund's Memorandum for risk factors specific to their Fund. The risks involved with Marlin's investment strategy and an investment in a Fund include, but are not limited to:

*Business Risks.* Each Fund's investment portfolio is expected to consist 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.

*Future and Past Performance.* The performance of Marlin's prior investments is not necessarily indicative of a Fund's future results. While Marlin intends for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that positive returns will be achieved. On any given investment, loss of principal is possible.

*Investment in Junior Securities.* The securities in which the Funds will invest may 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 an investment once made.

*Non-Controlling Investments.* The Funds may invest in debt obligations and other non-controlling interests of portfolio companies. In such cases, a Fund will have a limited ability to protect the Fund's position in such portfolio companies. However, the relevant General Partner will seek appropriate creditor and shareholder rights to help protect the Fund's interest.

*Concentration of Investments.* Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings may substantially affect its aggregate return.

*Lack of Sufficient Investment Opportunities.* It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. However, limited partners will be required to bear Management Fees during the investment period based on the entire amount of their Commitments to a Fund and other expenses as set forth in the applicable Partnership Agreement.

*Illiquidity; Lack of Current Distributions.* An investment in a Fund should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may 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 may 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, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including any Management Fee payable to the General Partner) may exceed its income, thereby requiring that the difference be paid from a Fund's capital, including unfunded Commitments.

*Leveraged Investments.* The Funds are permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain 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 a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of the Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available

to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of the Fund. Furthermore, should the credit markets be limited or costly at the time the Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

The Funds are also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that a Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding.

A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Marlin or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

*Subscription Lines.* A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations, including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. The Fund is also permitted to seek to enter into one or more other types of revolving credit facilities (the collateral for which can be, for example, one or more assets of the Fund, i.e., asset-backed facilities). Fund-level borrowing subjects limited partners to certain risks and costs. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. 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 the maintaining, renegotiating or terminating the facility.

Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may 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 Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the 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 Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because, in such cases, Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing 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 relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them. For example, certain lenders or facilities are expected to impose restrictions and/or financial or other covenants, that could affect the implementation of the Fund's investment strategy. The General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner 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 General Partner called smaller amounts of capital incrementally over time as needed by a 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. Additionally, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse Marlin for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when a General Partner 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 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.

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Governing Documents, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

*Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on

borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

*Restricted Nature of Investment Positions.* Generally, there will be no readily available market for a substantial number of each Fund's investments, and hence, most of a Fund's investments will be difficult to value. Certain investments may be distributed in kind to the partners of a Fund and it may be difficult to liquidate the securities received at a price or within a time period that is determined to be ideal by such partners. After a distribution of securities is made to the partners, many partners may 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 may be sold by such partners may be lower than the value of such securities determined pursuant to the Governing Documents, including the value used to determine the amount of carried interest available to Marlin with respect to such investment.

*Reliance on the General Partner and Portfolio Company Management.* Control over the operation of the Funds will be vested entirely with their respective General Partners, and a Fund's future profitability will depend largely upon the business and investment acumen of Marlin. The loss of service of one or more of the principals of Marlin could have an adverse effect on a Fund's ability to realize its investment objectives. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of a Fund will depend entirely on the actions of the General Partner. Although the General Partners will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis.

*Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management, with adjustments to such projections made by a Fund's General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the 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 may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its 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 is no assurance that a Fund will make follow-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments may 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 may result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company.



*Non-U.S. Investments.* The Funds are authorized to invest in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and foreign tax rules to cross-border investments, possible imposition of foreign taxes on a Fund and/or the partners with respect to the Fund's income, and possible foreign tax return filing requirements for the Fund and/or the partners.

Additional risks include: (a) risks of economic dislocations in the host country; (b) less publicly available information; (c) less well-developed regulatory institutions; and (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

The accounts of the Heritage Europe Fund and the Heritage Europe II Fund will be maintained in Euros and the accounts of the other Funds will be maintained in U.S. Dollars. Investments by the Heritage Europe Fund and the Heritage Europe II Fund may be made in currencies other than Euros and the other Funds' investments may be made in currencies other than U.S. Dollars. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the Euro or the U.S. Dollar, as applicable.

*United Kingdom ("UK") Exit from the European Union (the "EU").* The UK formally left the EU on January 31, 2020 ("**Brexit**"). After a transition period that ended on December 31, 2020, EU rules ceased to apply in the UK. Although the terms of the UK's future relationship with the EU were agreed in a trade and cooperation agreement, the agreement does not include an agreement on financial services and, as a result, UK firms in the financial sector have more limited access to the EU market than prior to Brexit and EU firms similarly have more limited access to the UK, owing to the loss of passporting rights under applicable EU and UK legislation. Alternative arrangements and structures may allow for the provision of cross-border marketing and services between the EU and UK, but these are subject to legal uncertainty and the risk that further legislative and regulatory restrictions could be imposed in the future.

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions). There can be no

assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

The legal, political and economic uncertainty and disruption generally resulting from Brexit may adversely affect both EU and UK-based businesses, including Marlin and Fund portfolio companies, as applicable. Brexit has already led to disruptions in trade as businesses attempt to adapt cross-border procedures and rules applicable in the UK and in the EU to their activities, products, customers, and suppliers. Continuing uncertainty and the prospect of further disruption may also result in an economic slowdown and/or a deteriorating business environment in the UK and in one or more EU Member States.

*Public Health Emergencies; COVID-19.* Global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as “COVID-19.” In an effort to contain COVID-19, national, regional, and local governments, as well as private businesses and other organizations, have taken restrictive measures, including instituting local and regional quarantines, restricting travel (including by closing certain international borders), prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of offices, businesses, schools, and other public venues. These and other effects of COVID-19 have adversely impacted the global economy, the economies of certain nations, and individual companies, and may continue to do so, all of which may negatively affect Fund performance.

*Director Liability.* A Fund will often obtain the right to appoint a representative to the board of directors of the companies in which it invests. Serving on the board of directors of a portfolio company exposes a Fund’s representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. Co-investors and/or co-investment vehicles may directly benefit from a General Partner’s appointment of such board representatives, although co-investors (including their respective co-investment vehicle, even if managed by Marlin) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by the relevant Fund.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases 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 may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund’s portfolio companies.

*Volatility of Credit Markets May Affect Ability to Finance and Consummate Investments.* A Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

*Lack of Unilateral Control.* Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent the Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, is subject to terms and conditions imposed by portfolio company lenders, or makes a minority investment, the relevant portfolio companies may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the Funds or their limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

*Material Non-Public Information; Other Regulatory Restrictions.* As a result of the operations of Marlin and its affiliates, as well as in connection with officerships or directorships of Marlin personnel, Marlin frequently comes into possession of confidential or material non-public information. Therefore, Marlin and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Marlin's internal policies and practices. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Marlin or the funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

*Sanctioned Investors.* If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including

OFAC or equivalent non-U.S. authorities) (a “**Sanctions List**”), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including without limitation a “freeze” on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Fund’s activities, could materially and adversely affect the Funds.

*CFIUS and National Security Clearance Considerations.* Certain investments are expected to be subject to or require review and approval by the U.S. Committee on Foreign Investment in the United States (“**CFIUS**”), such as where CFIUS-related laws, regulations or guidance deem non-U.S. persons or entities under their control (such as a Fund, co-investors and/or rollover sellers) to be acquiring a U.S. business (including a business with assets, employees, facilities, and/or operations in the United States). CFIUS has the authority to review proposed or existing transactions or investments or to seek to impose limitations on or prohibit investments, and CFIUS filings and other considerations can materially impact transaction timing, feasibility, certainty and costs. In certain circumstances, CFIUS considerations have the potential to prevent a Fund from maintaining or pursuing investments, or limit the universe of available buyers for an existing investment. Any of these factors have the potential to adversely affect a Fund’s performance, and the likelihood that CFIUS considerations will be implicated is expected to increase where non-U.S. limited partners comprise a substantial percentage of a Fund. Under the Governing Documents, the relevant General Partner generally is authorized, although not required, to excuse or otherwise limit non-U.S. limited partners’ ability to invest in U.S. businesses (or to exercise voting or advisory committee rights with respect thereto) in order to anticipate or comply with CFIUS considerations. However, there can be no assurance that invoking any such excuse provisions or other limitations will allow a Fund to proceed with or maintain any investment, or to avoid losses relating thereto. Similar considerations are expected to apply with respect to reviews by non-U.S. national security or investment clearance regulators.

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Marlin, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. 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, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks 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 Marlin to manage the Funds and their investments, and on the ability of Marlin, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable 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 the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of Marlin or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Marlin will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Marlin will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

*Hedging Arrangements; Related Regulations.* The General Partners are authorized (but not obligated) to endeavor to manage the Funds' or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund is permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an

applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

*Environmental, Social, and Governance Matters.* Marlin maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is subjective by nature, and Marlin expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Marlin, or any judgment exercised by Marlin, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. In addition, Marlin's ESG policy is expected to evolve over time. Although Marlin views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Marlin cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund.

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

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Marlin's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. Marlin and its ESG policy could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Marlin cannot guarantee that its current approach will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

*Impact of Government Regulation, Reimbursement and Reform.* The SEC has proposed and enacted significant rules that will impact the business of Marlin the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Marlin and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear

significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

*Unfunded Pension Liabilities of Portfolio Companies.* Recent court decisions have found that, where an investment fund owns 80% or more (or under certain circumstances less than 80%) of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although Marlin intends to manage each Fund's investments to minimize any such exposure, a Fund is permitted to invest in a portfolio company that has unfunded pension fund liabilities, including structuring the investment in a manner where such Fund owns an 80% or greater interest in such a portfolio company. If such Fund (or other 80%-owned portfolio companies of such Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of the Fund and the companies in which such Fund invests. This discussion is based on current court decisions, statute and regulations regarding control group liability under the Employee Retirement Income Security Act of 1974, as amended, as in effect as of the date of this Brochure, which may change in the future as the case law and guidance develops.

*Valuation of Investments.* Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the Fund's investments that are not readily marketable by applying a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner 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. Accordingly, the valuation decisions made by such General Partner may cause it to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of such Fund's portfolio of investments.

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company, Fund, General Partner, Marlin or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to

function properly, Marlin, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Marlin's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may 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, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, 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, may 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 Marlin or one of its service providers holding its financial or investor data, Marlin, its affiliates or the Funds may also be at risk of loss.

*International Conflict.* Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

These conflicts may have a significant adverse impact and result in significant losses to the Funds. This impact may include reductions in revenue and growth, unexpected operational losses and liabilities and reductions in the availability of capital. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which any Fund intends to pursue, all of which could adversely affect the Fund's ability to fulfill its investment objectives.

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



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

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Marlin or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Marlin or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, Marlin, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent Marlin requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by Marlin in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances Marlin reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory committee prior to the closing of the transaction, there can be no assurance that Marlin will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Marlin reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. Marlin is permitted to seek the consent of the relevant Fund advisory committee(s) to approve conflicts

associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

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

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

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

Many Financial Institutions require, as a condition to using their services or otherwise, that Marlin and/or the relevant Fund maintain all or a set amount or percentage of their respective

accounts or assets with the Financial Institution, which heightens the risks associated with a Distress Event with respect to such Financial Institutions. Although Marlin seeks to do business with Financial Institutions that it believes are creditworthy and capable of fulfilling their respective obligations to the Funds, Marlin is under no obligation to use a minimum number of Financial Institutions with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

## **Conflicts of Interest**

Marlin and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds and co-investment vehicles, and providing transaction-related, legal, management and other services to Funds, SPACs and portfolio companies. Marlin will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Partnership Agreement, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of Marlin conducting its activities, the interests of a Fund likely will conflict with the interests of Marlin, one or more other Funds, co-investment vehicles, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Marlin will determine all matters relating to structuring transactions and Fund operations using its reasonable judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of a Fund, Marlin generally pursues all appropriate investment opportunities to invest in new portfolio companies through such Fund, to the extent such opportunities fit within such Fund's investment guidelines and subject to certain limited exceptions, as described in the applicable Partnership Agreement. Without limitation, Marlin currently manages, and expects in the future to manage, several other Funds and investments similar to those in which the Funds invest, and expects to direct certain relevant investment opportunities to those other Funds and investments. Marlin personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Marlin's investment staff will continue to manage and monitor such Funds and investments until the end of their life or realization of such investment, as applicable. Marlin's significant capital investment in each Fund, as well as Marlin's interest in the carried interest with respect to such Funds, operate to align, to some extent, the interest of Marlin with the interest of the partners of each such Fund, although Marlin is expected to have economic interests in such other Funds and investments as well and receive Management Fees and carried interests relating to such interests. Such other Funds and investments that Marlin expects to control or manage generally have the potential to compete with a Fund or companies acquired by such Fund. Following the investment period of a Fund, Marlin principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Marlin's sole discretion, Marlin and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Marlin

personnel are permitted to serve on boards or act in other roles unaffiliated with Marlin, the 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 Fees.

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

Marlin must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. Marlin generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Governing Documents, as well as factors including but not limited to: investment restrictions and objectives (including those set forth in the Governing Documents where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of Marlin in the manner set forth in the Governing Documents and Marlin's Investment Allocation Policy. Marlin will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with Marlin's obligations and reserves the right to take into consideration factors such as those set forth above.

Following such determination of allocation among Funds, Marlin reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Marlin's procedures regarding allocation. Marlin's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: whether such prospective co-investor is a limited partner in a Fund (who Marlin will generally favor over other prospective co-investors), perceived ability to provide a tangible or intangible benefit to the transaction or the applicable Fund, perceived ability to move towards closing with speed, clarity and certainty, tax or regulatory considerations, conflict of interest issues, risk tolerance, investment/concentration limits or other factors Marlin deems appropriate.

Furthermore, Marlin 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 Fund investors, 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. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have

been taken by the relevant Fund, and Marlin expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the “most-favored nation” provisions of a Fund’s Governing Documents and (iii) co-investors’ proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund’s Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner’s interest in limiting the Fund’s exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Marlin make capital investments in or alongside certain Funds, Marlin is subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund’s return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it will be as favorable as it would have been had such conflict not existed.

Marlin’s allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Marlin will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund’s actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which Marlin expects to be subject, discussed herein, did not exist.

In certain cases, Marlin will have opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Marlin will use its discretion to select such transferees based on suitability 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 Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Costs relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Marlin and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

The Funds generally are authorized to hold portfolio company interests that are of a different class or type than the class or type of interests held by the Credit Fund, another Marlin-affiliated vehicle designed principally to invest in the debt instruments and/or other securities of portfolio companies (including, without limitation, portfolio companies of the Funds) (the Credit Fund and any other such funds, Marlin-affiliated vehicles, and any successors thereto, the “**Credit Vehicles**”). Moreover, certain Credit Vehicles including certain funds, managed accounts and joint ventures have been and may in the future be formed by Marlin to invest solely, primarily or substantially for the accounts of the Principals and/or other Marlin affiliates (the “**Proprietary Credit Vehicles**”). To the extent any Credit Vehicle (including a Proprietary Credit Vehicle) is formed and is actively investing during the life of any Fund, it is likely that the relevant Fund will hold equity securities while such Credit Vehicle(s) holds debt instruments of the same portfolio company. The Funds and/or one or more Credit Vehicles (including Proprietary Credit Vehicles) are authorized to invest side-by-side in certain debt instruments and/or other securities. In addition, the Funds are authorized to buy and/or sell the debt instruments and/or other securities issued by any company (including, without limitation, any portfolio company of another Fund) on different terms and at different times than one or more Credit Vehicles (including Proprietary Credit Vehicles) and/or any other Fund. Marlin will be subject to conflicts of interest in connection with any transaction between a Fund and any Credit Vehicle and, in particular, any Proprietary Credit Vehicle.

To the extent that a Credit Vehicle invests in a debt instrument of a portfolio company in which a Fund holds equity securities (particularly where such Credit Vehicle is a Proprietary Credit Vehicle), Marlin and its affiliates expect to be subject to conflicts of interest (potentially including conflicting fiduciary duties) in determining the terms of such debt instrument and in managing a Fund's and such Credit Vehicle's investments in such portfolio company on a going-forward basis. In such a scenario, conflicts are likely to arise between a Fund and a Credit Vehicle in negotiating the price of the debt securities or other instruments, the characterization of such debt securities or other instruments, the terms of inter-creditor agreements, the interest rate or stated dividend yield

of such debt securities or other instruments, the nature of the covenants running in favor of lenders and the other terms and conditions of the investment or in addressing subsequent amendments or waivers. Other conflicts also could arise in cases where a Fund desires optimal flexibility to grow a portfolio company, while a Credit Vehicle with interests in the same portfolio company may want to place tighter restrictions on the type and the amounts of such portfolio company's permitted investments and acquisitions. For example, a Fund could have an interest in pursuing, on behalf of a portfolio company, an acquisition that would increase indebtedness, a divestiture of revenue-generating assets or other similar transactions that may enhance the value of the equity investment with respect to such Fund but that would potentially also increase the risk of a Credit Vehicle's debt investment in such portfolio company. Further, because of the different legal rights associated with debt and equity investments, Marlin and its affiliates expect to face a potential conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund as compared to a Credit Vehicle. For example, questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt investments should be refinanced or restructured.

In addition, the interests of a Fund and a Credit Vehicle would diverge significantly in the case of financial distress of a portfolio company. For example, if additional financing is necessary as a result of financial or other difficulties, it may be in the best interests of a Fund, but not a Credit Vehicle, to provide such additional financing. If a Credit Vehicle had the potential to incur a loss on its investment as a result of such difficulties, the General Partner's ability to recommend actions in the best interests of a Fund might be impaired. In troubled situations, certain decisions, including whether to enforce claims, whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring, are expected to raise conflicts of interest with respect to such Fund and any relevant Credit Vehicle, the interests of which are likely to diverge in such situations. Although Marlin will employ procedures to address such conflicts, there can be no assurance that such conflicts will be resolved in a manner that is most favorable to the Fund.

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

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

certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

As a result of the Funds' controlling interests in portfolio companies, Marlin and/or its affiliates typically have the right to appoint portfolio company board members (including current or former Marlin personnel or persons serving at their request), or to influence their appointment, and to determine or influence a determination of their compensation. Portfolio company board members frequently approve compensation and/or other amounts payable to Marlin and/or its affiliates. Except to the extent such amounts are subject to the Governing Documents' offset provisions, they will be in addition to any Management Fees or carried interest paid by a Fund to Marlin.

Additionally, a portfolio company typically will reimburse Marlin or service providers retained at Marlin's discretion for expenses (including, without limitation, travel expenses) incurred by Marlin or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Marlin personnel. This subjects Marlin and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Marlin determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

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



Marlin generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include (i) Marlin or a related person of Marlin (which is permitted to include a portfolio company of such Fund), (ii) an entity with which Marlin or its affiliates or current or former members of their personnel has a relationship (including MOGI, as described below) or from which Marlin or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Marlin personnel are seconded, or from which Marlin receives secondees; or (iii) certain limited partners or their affiliates. For example, Marlin expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects Marlin to conflicts of interest, because although Marlin selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Marlin would have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Marlin, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Marlin), may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Marlin will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Marlin generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Marlin expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to Marlin or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Marlin has a relationship 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.

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

adverse effects resulting from any default by any Fund or a Marlin affiliate, whether or not related to the Fund in which such limited partners have invested.

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

Marlin, its principals and/or one or more of their respective affiliates are authorized to form, sponsor and/or provide other services and capital to SPACs and the companies they acquire in the future. Any such SPACs could acquire companies in certain of the key verticals in which a Fund is expected to invest (including “asset-light” industries, such as software, technology, healthcare and tech-enabled businesses and financial services). While Marlin does not generally believe that any such SPAC and the Funds will pursue the same investment opportunities, it is possible that the market conditions or the companies’ priorities could change and that certain opportunities that could be viewed as appropriate for a Fund could be appropriate for or pursued by a SPAC. As such, any SPAC formed by Marlin, its principals or their respective affiliates has the potential to compete with the Fund’s portfolio companies for investments (*e.g.*, add-on investments). While the organizational documents of SPACs typically contain waivers of provisions requiring their sponsors to present to them investment opportunities, Marlin and/or its affiliates and personnel are likely to have obligations to pursue certain acquisitions through any SPACs they sponsor. In the event an investment opportunity is suitable for a SPAC and a Fund, Marlin will make an allocation in accordance with its Investment Allocation Policy. In addition, a Fund could co-sponsor a SPAC and/or participate in an initial business combination together with

certain Marlin specialized investment vehicles (including certain principals), advisors and/or consultants, members of MOGI and each of their respective affiliates. Marlin will be subject to conflicts of interests in determining whether to cause the Funds to participate in an investment alongside any SPAC sponsored by such other Marlin investment vehicles /or Marlin, its Principals, partners, employees and their respective affiliates since ensuring sufficient demand for the SPAC prior to its initial business combination will directly impact the return of such other Marlin investment vehicles and/or Marlin, its Principals, partners, employees and their respective affiliates that are sponsoring the SPAC.

Marlin employees (including certain principals), advisors and/or consultants of Marlin and/or its affiliates and individual members of MOGI (for the purposes of this paragraph, “**Marlin personnel**”) have the right to serve in director, executive or consulting roles with respect to SPACs, which will require a portion of their time. Any future SPAC formed by Marlin or its affiliates is expected to provide, the Marlin personnel involved with such SPAC with substantial economic incentives, including incentive equity, stock, options, warrants and/or other interests that have the potential to be more favorable than those associated with the Funds. This has the potential to reduce the incentive of Marlin personnel to dedicate time and resources to the Funds and instead to dedicate time and resources to, or otherwise sponsor, SPACs and potentially to favor SPACs in making investment allocation decisions.

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

Except to the extent prohibited by the Governing Documents, Marlin and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders’ equity or similar interests) relating thereto. Subject to any limitations imposed by the Governing Documents and anti-“assignment” provisions of the Advisers Act, Marlin and its personnel are also permitted to offer, restructure and monetize interests in Marlin.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when Marlin may not otherwise have done so.

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

Where the Management Fee is calculated taking into account the valuation of an investment, Marlin will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Where the Governing Documents do not require Management Fees to be reduced in connection with investment reorganizations, restructurings, roll-over investments, extraordinary dividends or similar transactions, Marlin is incentivized to pursue such transactions. Additionally, the amount of carried interest owed to the relevant General Partner is dependent in part on the amount and timing of investment dispositions, as well as in certain instances determinations that investments are Impaired Value Investments, and the relevant General Partner expects to be subject to related potential conflicts of interest in determining whether and when to dispose of investments, make distributions, and/or determine that an investment is an Impaired Value Investment, within the requirements of the relevant Governing Documents.

Marlin's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. The General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of Marlin's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although Marlin intends to operate in accordance with the Governing Documents, as well

as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Marlin reserves the right to accrue, defer or forego payments of Transaction Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

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

Marlin is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, *e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Marlin, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Marlin, its affiliates and personnel, or the Funds. Further, Side Letters are also expected to relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except in the circumstances where required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, Marlin, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Marlin to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner

defaults on a drawdown in respect of an investment. Although Marlin believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Marlin has established an initial investment threshold, with (i) Fund V generally investing in platform investment opportunities presented to or sourced by Marlin that require \$75 million to \$200 million or more of initial permanent equity capital generally located in North America and Europe, (ii) the Heritage II Fund generally investing in platform investment opportunities presented to or sourced by Marlin that require \$10 million to \$75 million of initial permanent equity capital generally located in North America until such time as the General Partner is permitted to commence the operation of a successor investment fund, (iii) the Heritage III Fund generally investing in platform investment opportunities presented to or sourced by Marlin that require an investment of initial permanent capital between \$40 million and the lesser of \$100 million and 10% of the fund's aggregate capital commitments and that are generally located in North America once the General Partner is permitted to commence the operation of the Heritage III Fund, (iv) the Heritage Europe Fund generally investing in platform investment opportunities presented to or sourced by Marlin that are generally located in Europe and that require an initial permanent investment of capital consistent with the guidelines established for the Heritage II Fund until such time as the General Partner is permitted to commence the operation of a successor investment fund, and (v) the Heritage Europe II Fund generally investing in platform investment opportunities presented to or sourced by Marlin that require €30 million to €125 million of initial permanent equity capital that are generally located in Europe, subject in each case to the terms of the applicable Governing Documents and any policy regarding investment allocations and co-investments adopted by Marlin. The foregoing initial investment capital thresholds are not applicable to any follow-on investments made by a Fund in an existing portfolio company or to any add-on acquisitions or other similar transactions by an existing portfolio company.

Since the General Partners are permitted to retain certain fees (as described under "Fees and Compensation") in connection with Fund investments, they expect to be subject to a conflict of interest in connection with approving transactions or setting such compensation. Marlin manages such conflicts by offsetting the Management Fee by all or a portion of such fees (except as discussed above) and by a General Partner's interest in the carried interest of a Fund and the Marlin-Stark Co-Invest. In addition, the potential conflict is further mitigated by the fact that such fees generally are negotiated with the applicable portfolio company's management team. In many cases, such fees are based on enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of such fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. In certain circumstances, such as

those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, Marlin reserves the right to accrue, defer or forego payments of such fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

As described under “Fees and Compensation” above, the Funds and the Marlin-Stark Co-Invest, directly or through portfolio companies in which they invest, bear the cost of Operational Services provided by the Operations Group. Members of the Operations Group (including MOGI) may receive compensation from Fund portfolio companies or from a Fund (including through the reimbursement of fees or other compensation initially paid by the Management Company or applicable General Partner, which may be borne by a Fund through a reduction in the offset to the Management Fees for certain non-investment advisory fees received by the Management Company or its affiliates in connection with the Funds’ investments and portfolio companies). Such compensation will not offset or reduce the Management Fee and, thus, will not be covered by the Management Fee. Members of the Operations Group are expected to include former employees of Marlin or certain portfolio companies, and in some circumstances former members of the Operations Group are expected to become Marlin employees or employees of portfolio companies. Consequently, the determination of whether individuals are members of the Operations Group is expected to vary and/or be revisited over time, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Marlin might otherwise be required to bear.

The Management Company and/or the applicable General Partners generally have discretion over whether to charge fees to or require other compensation from (or seek reimbursement from) a portfolio company in connection with services provided by the Operations Group and, if so, the fee rate or amount. The receipt by members of the Operations Group of such fees or other compensation may give rise to conflicts of interest between the Funds and the Marlin-Stark Co-Invest, on the one hand, and the Management Company and/or its affiliates (including MOGI), on the other hand. Such potential conflicts of interest include the determination by the Management Company and/or the applicable General Partner whether certain costs or expenses that are incurred in connection with services provided by the Operations Group constitute expenses for which a Fund or portfolio company is responsible under the relevant Partnership Agreement or portfolio company transaction document or services agreement, as applicable, or whether such expenses should be borne by the Management Company. The Management Company or applicable General Partner’s determination regarding the allocation of such expenses is binding on a Fund and/or the relevant portfolio company. Although there can be no assurance that there will be no errors in allocating such expenses, the Management Company or applicable General Partner makes such determinations in a fair and equitable manner, consistent with its fiduciary obligations, in accordance with the relevant Partnership Agreement or portfolio company transaction document or services agreement, as applicable, and pursuant to the Management Company’s policies and procedures regarding the allocation of expenses.

The Operations Group works with the Marlin Investment Team throughout the investment process and provides substantial domain expertise in various areas of operations and capital sourcing, including, without limitation, turnarounds, complex carve-outs, integrations, finance, tax, accounting, internal audit, legal, human resources, risk management, technology, financing

(e.g., debt and equity financing, including, without limitation, in connection with acquisitions, dispositions, refinancings, recapitalizations and other similar transactions), real estate/facilities management, planning and reporting, data analytics, procurement, sales and marketing and operational strategy across multiple vertical markets. The Operations Group is separate from the Investment Team, does not include employees of the Management Company and performs services that the Management Company generally believes would otherwise be performed by third-party providers. However, certain members of the Operations Group are permitted to participate in meetings of the Management Company's investment or other committees to, among other things, provide feedback and operational insight regarding a particular industry or prospective portfolio company and help ensure coordination between the Operations Group and Investment Team in constructing an operating plan for a given portfolio company.

Although (i) the Management Company selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund and (ii) the Operations Group is operated as a break-even enterprise and does not directly generate profits for the Management Company or the owners of MOGI, due to the relationship between the Management Company and the Operations Group (including MOGI) and the ability of the Management Company or applicable General Partner to determine the allocation of costs and expenses related to the services provided by the Operations Group, as discussed above, the Management Company may have an incentive to recommend the services of the Operations Group (including MOGI) to the Funds and their portfolio companies rather than engage third-party service providers, even though the services recommended may not necessarily be the lowest cost or most effective available to the Funds or the portfolio companies. In addition, the fees and other compensation received by the members of the Operations Group for services provided to the Funds and the portfolio companies will not be shared with the Funds or their investors, through an offset to or reduction in the Management Fee or otherwise.

Although such arrangements may subject the Management Company and/or its affiliates to potential conflicts of interest, the Management Company attempts to address the potential for conflict by seeking to agree upon fees that the Management Company believes are reasonable. Such potential conflicts also may be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Operations Group is lower than market rates for the services provided and/or if the quality of the services make a greater contribution to the success of the portfolio company. Although the Management Company seeks to retain the Operations Group (including MOGI) with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. The Management Company also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that the Management Company believes will align such persons' interests with those of the Funds' limited partners. Additionally, the Management Company believes that (i) the significant investment of Marlin and its principals in a Fund, (ii) Marlin's interest in the carried interest and (iii) the Operations Group being operated as a break-even enterprise with no profit potential for the Management Company or the owners of MOGI, further operate, in part, to mitigate such potential conflicts of interest by aligning, to some extent, the interest of Marlin with the interest of the limited partners of such Fund and creating an incentive for Marlin to minimize costs, including Operations Group fees and expenses, borne by the Funds and their portfolio companies.



The Funds, through portfolio companies or directly, bear the cost, including compensation, of directors, executives or consultants to portfolio companies, which is permitted to include former senior principals or employees of Marlin, in connection with management or consulting services provided by such persons. Any such cost will generally not offset management fees paid to Marlin. Because such persons are former senior principals or employees of Marlin, Marlin could have a potential conflict of interest in approving such arrangement, although it seeks to do so generally at market rates for the services provided. There can be no assurance, however, that such rates are the lowest cost available.

Marlin has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Marlin has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Discounted prices or better terms offered by a portfolio company to Marlin, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

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

Any of these situations subjects Marlin and/or its affiliates to potential conflicts of interest. Marlin attempts to resolve such conflicts of interest in light of its obligations to investors in its Funds and the obligations owed by Marlin's advisory affiliates to investors in investment vehicles managed by them, and attempts to allocate investment opportunities among such entities in a manner it believes to be fair and equitable to the Funds under the circumstances over time. To the extent that an investment or relationship raises particular conflicts of interest, Marlin will review the circumstances of such investment or relationship with a view to addressing and reducing the potential for conflict. Where necessary, Marlin consults and receives consent to conflicts from an advisory board of a given Fund consisting of limited partners of such Fund(s) and such other investment vehicles, if any.

#### **DISCIPLINARY INFORMATION**

Marlin and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this Brochure.

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

As described under “Advisory Business” above, the Management Company is affiliated with the General Partners and the UK Office, which are registered with the SEC under the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. The General Partners operate as a single advisory business together with the Management Company and the UK Office and serve as general partners of the Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

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

Marlin has adopted the Marlin Code of Ethics and Securities Trading Policy (the “Code”), which sets forth standards of conduct that are expected of Marlin principals and personnel and addresses certain conflicts that may arise from personal securities trading. Among other things, the Code requires Marlin personnel to:

- report certain personal securities transactions;
- pre-clear certain proposed purchases and sales of reportable securities, including in initial public offerings and limited offerings; and
- comply with policies and procedures reasonably designed to prevent the misuse of, or trading upon, material nonpublic information.

A copy of the Code will be provided to any investor or prospective investor upon request to the Marlin Chief Compliance Officer at (310) 364-0100. Personal securities transactions by Marlin personnel are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

Marlin and its affiliated persons may come into possession of material nonpublic or other confidential information about public companies which, if disclosed, might affect an investor’s decision to buy, sell or hold a security. Under applicable law, Marlin and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, regardless of whether such person is a client of Marlin.

Accordingly, should Marlin or any of its affiliated persons come into possession of material nonpublic or other confidential information with respect to any company, Marlin generally would be prohibited from communicating such information to clients, and Marlin would have no responsibility or liability for failing to disclose such information to clients as a result of following their policies and procedures designed to comply with applicable law. Similar restrictions may be applicable as a result of Marlin personnel serving as directors of public companies and may restrict trading on behalf of clients, including the Funds.

Principals, personnel and operating professionals of Marlin and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, the Executive Funds or certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles are

expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Marlin, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under "Methods of Analysis, Investment Strategies and Risk of Loss."

The Funds are permitted to invest together with the Executive Funds and other Funds advised by an affiliated adviser of Marlin in the manner set forth in the Partnership Agreements. Marlin will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and Marlin's Investment Allocation Policy.

Marlin and its affiliates, principals and employees are expected to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles that differs from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. The operative documents and investment programs of certain Funds generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Funds or give priority with respect to investments to such Funds. Some of these restrictions could be waived by investors (or their representatives) in such Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

### **BROKERAGE PRACTICES**

Marlin primarily focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Marlin may also distribute securities to investors in the Funds, sell such securities, purchase publicly traded equity securities as part of a take-private transaction, or purchase and sell public debt securities for investment purposes, including by using a broker-dealer where a public trading market exists. Marlin generally follows the brokerage practices described below when engaging in public securities transactions.

If Marlin purchases or sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Marlin. In such event, Marlin will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, Marlin may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) gross compensation paid to the broker; and (v) the financial strength of the broker.

Marlin has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate or markup applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although

Marlin generally seeks competitive commission rates and markups, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or markups or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Marlin seeking to obtain best execution, Marlin's allocation of brokerage commissions or credit deal flows on client transactions may be influenced by the perceived value of research furnished by brokers, although Marlin generally does not make use of such services at the current time. Research provided by these brokers may be used for the benefit of one, or a subset, of the Funds managed by Marlin, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between Marlin and its affiliates.

To the extent that Marlin allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution.

To the extent that Marlin engages in any public securities transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for any Funds are completed independently, Marlin reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. Marlin reserves the right, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are expected to be executed in a manner intended to ensure that no participating Fund of Marlin is favored over any other Fund.

When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds. Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible provided they are fair and equitable to the Funds over time.

## **REVIEW OF ACCOUNTS**

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, Marlin closely monitors companies in which the Funds invest, and the Chief Compliance Officer periodically checks to confirm that each Fund is managed in accordance with its stated objectives.

Each Fund will generally provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year and (iii) annual tax information necessary for each partner's U.S. tax returns.

#### **CLIENT REFERRALS AND OTHER COMPENSATION**

Marlin and/or its affiliates may provide certain business or consulting services to companies in a Fund's portfolio and may receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation, in certain circumstances, will offset all or a portion of the Management Fees paid by a Fund. However, in other circumstances (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company or amounts paid to MOGI), this compensation would be in addition to Management Fees. See "Fees and Compensation." Marlin or certain of its affiliates may have the right to receive certain non-investment advisory fees in connection with the Funds' investments and portfolio companies. For example, Marlin may be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions and (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company. All or a portion of such fees may be offset against the Management Fee. See "Fees and Compensation."

Marlin reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by Marlin directly or indirectly through an offset 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(s).

#### **CUSTODY**

As required by the Advisers Act, Marlin has established accounts with Silicon Valley Bank, a division of First Citizens Bank, with offices at 3003 Tasman Drive, Santa Clara, CA 95054, to hold funds and securities on behalf of the Funds. Keybank, with offices at 127 Public Square, Cleveland, OH 44114, also holds certain funds on behalf of the Credit Fund. Silicon Valley Bank and Keybank are qualified custodians, as defined by Rule 206(4)-2 under the Advisers Act (the "**Custody Rule**"). Marlin complies with the Custody Rule's independent asset verification requirements by distributing audited Fund financial statements to applicable limited partners on an annual basis.

#### **INVESTMENT DISCRETION**

Marlin has discretionary authority to manage investments on behalf of the Funds. As a general policy, Marlin does not allow clients to place limitations on this authority. Pursuant to the terms of the Partnership Agreements, however, Marlin has entered into side letter arrangements with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund may be altered or varied, including, in some cases, the right to opt out of certain investments

for legal, tax, regulatory or other agreed-upon reasons. Marlin assumes this discretionary authority pursuant to the terms of the Governing Documents.

### **VOTING CLIENT SECURITIES**

Marlin has adopted Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for a Fund’s portfolio investments. The Proxy Policy seeks to ensure that Marlin votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Marlin generally believes its interests are aligned with those of a Fund’s investors through the principals’ beneficial ownership interests in the Funds and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Marlin may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve Marlin’s vote in a particular solicitation. Marlin does not consider service on portfolio company boards by Marlin personnel or Marlin’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Marlin when voting proxies on behalf of a Fund. A copy of the Proxy Policy and Marlin’s proxy voting record will be provided to any investor or prospective investor upon request to the Marlin Chief Compliance Officer at (310) 364-0100.

### **FINANCIAL INFORMATION**

Marlin does not require prepayment of Management Fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.