

FORM ADV – PART 2A

ONEX FALCON INVESTMENT ADVISORS, LLC

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March 28, 2024

This brochure (“Brochure”) provides information about the qualifications and business practices of Onex Falcon Investment Advisors, LLC f/k/a Falcon Investment Advisors, LLC (“Onex Falcon”). If you have any questions about the contents of this Brochure, please contact us at 617-412-2700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Onex Falcon is available on the SEC’s website at www.adviserinfo.sec.gov.

REGISTRATION WITH THE SEC AS AN INVESTMENT ADVISER DOES NOT IMPLY THAT ONEX FALCON OR ANY OF THE PRINCIPALS OR EMPLOYEES OF ONEX FALCON POSSESS A PARTICULAR LEVEL OF SKILL OR TRAINING IN THE INVESTMENT ADVISORY OR ANY OTHER BUSINESS.

Item 2. Material Changes

This Brochure updates the previous Onex Falcon Brochure dated March 31, 2023. This Brochure does not contain any material changes, but Onex Falcon has made routine changes and updates throughout this Brochure, including updated regulatory assets under management and certain enhancements to risk disclosures.

We encourage all recipients to read this Brochure carefully and in its entirety.

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Item 4. Advisory Business

Onex Falcon Investment Advisors, LLC f/k/a Falcon Investment Advisors, LLC (“Onex Falcon”) and together with its affiliates, “Onex”) is a Delaware limited liability company formed on June 1, 2000 and founded by Sandeep D. Alva. Onex Falcon was registered under the Advisers Act as an investment adviser on March 30, 2012. The principal owner of Onex Falcon is Onex Corporation, which indirectly acquired Onex Falcon on December 29, 2020.

Onex Falcon provides the services described below to its advisory clients, which are private investment funds, including the following: Falcon Private Credit Opportunities VI, LP, Falcon Private Credit Opportunities VI (Luxembourg) S.C.Sp, Falcon Strategic Partners III, LP, Falcon Strategic Partners IV, LP, Falcon Strategic Partners IV (Cayman) LP, Falcon Strategic Partners V, LP, Falcon Strategic Partners V (Cayman), LP, Falcon Strategic Partners V (Cayman 2), LP, Falcon Structured Equity Partners, LP, Falcon Structured Equity Partners (Cayman Feeder), LP, Onex Falcon Private Credit Opportunities VII (Luxembourg), S.C.Sp, Onex Falcon Private Credit Opportunities VII (Luxembourg) Feeder, S.C.Sp and Onex Falcon Private Credit Opportunities VII, LP (each a “Falcon Fund,” and collectively, together with any future private investment fund to which Onex Falcon and/or its affiliates provide investment advisory services, the “Falcon Funds”). A related person of Onex Falcon generally acts as general partner or manager of each Falcon Fund, and Onex Falcon generally acts as investment advisor to each Falcon Fund. Onex Falcon also acts as manager to Onex Direct Lending Cayman Fund, LLC, a feeder fund established to invest in Onex Direct Lending BDC Fund (“Onex BDC”). The following general partner and managing member entities are affiliated with Onex Falcon: Falcon Private Credit Investments GP VI (Luxembourg) S.à r.l., Falcon Private Credit Investments VI, LP, Falcon Strategic Investments GP IV, LLC, Falcon Strategic Investments GP V, LLC, Falcon Strategic Investments III, LP, Falcon Strategic Investments IV, LP, Falcon Strategic Investments V, LP, Falcon Structured Equity Investments, GP LLC, Falcon Structured Equity Investments, LP, Onex Falcon Private Credit Opportunities VII GP, LP and Onex Falcon Private Credit Opportunities VII Luxembourg GP (each a “General Partner” and collectively, together with future affiliated general partner or manager entities the “General Partners”). References to Onex Falcon in this Brochure include, as the context requires, affiliates through which Onex Falcon provides investment advisory services or that act in any capacity referenced in the previous sentence.

Onex Falcon’s investment advisory business is principally focused on the lower middle market through investments in private credit and structured equity. Onex Falcon’s private credit portfolio seeks to provide investors with current income and long-term capital appreciation through privately placed junior capital investments, consisting primarily of subordinated debt together with equity features, primarily in the United States and selectively in Canada and Europe. Onex Falcon’s structured equity portfolio seeks to achieve a targeted return commensurate with the risk incurred in privately placed non-control structured equity investments combining structured claims with covenants on any debt instruments, shareholder rights, contractual yield and upside potential. Both portfolios employ the same general strategy but the portfolio construction involves separate and distinct risk profiles.

Onex Falcon tailors its advisory services to the general investment objectives of each Falcon Fund described in such Falcon Fund’s confidential private placement memorandum (each, an “Offering Memorandum”), subject to specific investment guidelines and restrictions set forth in the limited partnership agreement or other operating agreements of such Falcon Fund (each, a “Fund Agreement”). The Falcon Funds generally enter into a management agreement or advisory agreement with Onex Falcon setting forth the management or advisory fees payable by such Falcon Fund to Onex Falcon (its “Advisory Agreement” and, together with any relevant Offering

Memorandum and Fund Agreement, the “Governing Documents”). Investors and prospective investors of each Falcon Fund should refer to the applicable Governing Documents, as well as any side letters or similar agreements (“Side Letters”) of the applicable Falcon Fund for complete information on the investment objectives and investment restrictions with respect to such Falcon Fund.

The interests in the Falcon Funds are privately offered to qualified investors in the United States and elsewhere. The investment advisory services provided to the Falcon Funds by Onex Falcon consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately selling such investments. The Falcon Funds are private funds that make investments primarily in subordinated debt. The Falcon Funds predominantly invest in non-public companies, although the Falcon Funds may invest in public companies, subject to certain limitations set forth in the relevant Falcon Fund’s Fund Agreement. The Falcon Funds generally seek to place at least one Principal or other Onex Falcon professional on the portfolio company’s board, and may, on occasion, take controlling positions in portfolio companies.

Onex Falcon’s advisory services to the Falcon Funds are detailed in the Governing Documents and are further described below. Investors in Falcon Funds (generally referred to herein as “investors” or “limited partners”) participate in such Falcon Fund’s overall investment program, but in certain circumstances are permitted to be excused from a particular investment due to legal, regulatory or other applicable constraints; such arrangements generally do not and will not create an adviser-client relationship between Onex Falcon and any investor. In accordance with common industry practice, the Falcon Funds or their General Partners enter into Side Letters with certain investors in the Falcon Funds which have the effect of establishing rights under, or altering or supplementing, the terms of the Governing Documents or an investor’s subscription agreement in respect of the investor to whom such letter is addressed. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, priority co-investment rights or targeted co-investment amounts, ability to transfer interests in a Falcon Fund, or compliance with specified laws or regulations. Generally, any rights established, or any terms altered or supplemented, will govern only that investor and not the applicable Falcon Fund as a whole. Certain such additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nations” rights pursuant to a Falcon Fund’s Governing Documents. Such Side Letters may also impose restrictions on participation in certain investments or types of investments made by the Falcon Funds. Subject to applicable law and regulation, such agreements will be disclosed only to those actual or potential investors in a Falcon Fund that have separately negotiated with the general partner of such Falcon Fund for the right to review such agreements.

Additionally, as permitted by the Governing Documents, Onex Falcon expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain current or prospective investors or other persons (including investors or clients of Onex Corporation or its affiliates), including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Onex personnel and/or certain other persons associated with Onex Falcon and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Falcon Fund making the investment. Therefore, Onex Falcon expects to serve as the investment manager to co-investment vehicles to participate in Falcon Fund investments on a side-by-side basis with a Falcon Fund. Onex Falcon may also organize one or more co-investment funds to co-invest alongside the Falcon Funds to facilitate personal investments by such persons or firms and by partners, officers and personnel and

their related parties and associates of Onex Falcon or of control entities. Onex Falcon may also facilitate co-investments directly into a portfolio company.

The information provided above about the investment advisory services provided by Onex Falcon is qualified in its entirety by reference to the Governing Documents.

Onex Falcon does not participate in any wrap fee programs.

Onex Falcon may manage one or more additional or adjacent strategies in the future.

Onex Falcon manages all assets of the Falcon Funds on a discretionary basis in accordance with the terms and conditions of the Governing Documents for each Falcon Fund. As of December 31, 2023, the amount of assets Onex Falcon manages on a discretionary basis is approximately \$4,584,417,612.00.

Item 5. Fees and Compensation

Onex Falcon and/or affiliates acting as general partners (or equivalent) of the Falcon Funds generally receive management fees and performance-based compensation and could receive certain additional compensation in connection with management and other services performed for portfolio companies (e.g., Supplemental Fees, as defined below) of the Falcon Funds and the Falcon Fund's pro rata share of such Supplemental Fees is generally offset in whole against the Management Fees (as defined below) otherwise payable to Onex Falcon to the extent provided by the Governing Documents, all as further described below. Investors in a Falcon Fund also bear certain expenses. The precise amount of, and the manner and calculation of, the Management Fees payable with respect to each client are negotiated on a vehicle-by-vehicle basis, depending upon the size of their commitments, the timing of those commitments, and other factors negotiated between the investors and Onex Falcon, and are set forth in the relevant Governing Documents. Different Falcon Funds are subject to different Management Fees as compensation for the investment advisory services rendered to such Falcon Fund, and certain clients may not be subject to Management Fees and/or performance-based compensation, as set forth in the relevant Governing Documents. Management fees and expenses could also be paid out of reserves of the applicable Falcon Fund. All Falcon Funds are "qualified purchasers" as defined in Section 2(a)(51) of the Investment Company Act, and therefore Onex Falcon is not required to include fee and compensation information in this brochure. Investors should review the Governing Documents of the relevant Falcon Fund in conjunction with this Brochure for complete information on the fees, performance compensation, expenses and any applicable offsets or caps described herein, with respect to a particular Falcon Fund.

Management Fees

Falcon Strategic Partners III, LP, Falcon Strategic Partners IV, LP and Falcon Strategic Partners V, LP

Falcon Strategic Partners III, LP, Falcon Strategic Partners IV, LP and Falcon Strategic Partners V, LP pay Onex Falcon a management fee (the "Management Fee") equal to 1.5% on an annual basis of aggregate investor capital commitments ("Commitments"). Upon a date specified in the Governing Documents (the "Stepdown Date"), the Management Fee will be reduced and will equal 1.5% of the lesser of the cost basis of investments and the carrying value of investments.

Falcon Private Credit Opportunities VI, LP, Onex Falcon Private Credit Opportunities VII (Luxembourg), S.C.Sp and Onex Falcon Private Credit Opportunities VII, LP

Falcon Private Credit Opportunities VI, LP, Onex Falcon Private Credit Opportunities VII (Luxembourg), S.C.Sp and Onex Falcon Private Credit Opportunities VII, LP pay Onex Falcon a Management Fee equal to 1.5% on an annual basis of the lesser of the cost basis of investments and the carrying value of investments.

Falcon Structured Equity Partners, LP

Falcon Structured Equity Partners, LP pays Onex Falcon a Management Fee equal to 1.75% on an annual basis of Commitments. Upon the Stepdown Date, the Management Fee will be reduced and will equal 1.75% of the lesser of the cost basis of investments and the carrying value of investments.

Management Fees generally are calculated and paid quarterly in advance and in accordance with the terms of the Governing Documents. Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a pro rata basis based upon the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

Under the Governing Documents, the Management Fee for certain Falcon Funds will be calculated and charged on a basis that generally is not tied to a Falcon Fund's then-current net asset value. As further specified in the Governing Documents, and discussed above, for such Falcon Funds Management Fees will initially generally be charged based on a formula tied to the amount of the relevant Falcon Fund's aggregate Commitments. However, after a certain date specified in the Governing Documents, such Falcon Fund's Management Fee generally will be charged and calculated based on a formula tied to the cost basis of investments or carrying value of investments (whichever is lesser). As a result, and as is generally the case for private equity funds, except where the Governing Documents expressly provide to the contrary, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of the Falcon Fund, including where the fair market value of an investment exceeds or falls below the total amount of contributed capital or the cost basis relating to such investment. Therefore, the Management Fees generally will not be reduced in connection with any partial distributions, partial realizations, reorganizations, write downs, restructurings, roll-over investments, extraordinary dividends made with respect to, or similar transaction or in circumstances where one or more other Falcon Fund(s) divest their respective investment(s) 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 Falcon Fund's interest therein (even in cases where the value of the Falcon Fund's investment or the Falcon Fund's ownership percentage in such investment has been reduced (including substantially reduced) as a result of such partial distribution, partial realization, reorganization, write-down, restructuring, roll-over investment, extraordinary dividend or similar transaction), and in such cases, limited partners will continue paying Management Fees in accordance with the relevant Falcon Fund's Governing Documents, regardless of any such transaction. The lack of a requirement to reduce the Management Fee in connection with any partial distribution, partial realization, reorganization, write down, restructuring, roll-over investment, extraordinary dividend made with respect to, or similar transaction related to, an investment presents certain conflicts between the interests of Onex Falcon and the interests of limited partners, including by incentivizing Onex Falcon to pursue such transactions that would result in the continued payment of Management Fees.

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

Other Fees and Expenses

To the extent that Onex Falcon or related persons of Onex Falcon are entitled to receive certain supplemental fees and other amounts ("Supplemental Fees") from a Falcon Fund's portfolio company (e.g., break-up fees, director's fees, monitoring fees and transaction fees), generally 100% of such Falcon Fund's allocable pro rata share of such Supplemental Fees paid to Onex Falcon, any entity owned and controlled by one or more partners of Onex Falcon (a "Service Provider"), or any affiliate, partner, officer or member of the staff of Onex Falcon or of any Service Provider for services rendered to or with respect to a portfolio company or a prospective portfolio company offsets the Management Fees otherwise payable to Onex Falcon in accordance with the Fund Agreement of such Falcon Fund. The remaining amount of such fees will be retained by Onex Falcon. To the extent that such an offset credit would reduce the Management Fee for the relevant period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, Onex Falcon is expected to retain the benefit, except where the Governing Documents required payment to be made to limited partners that have not elected to waive such amount (e.g., where an adverse tax consequence potentially will result). As a matter of practice, Onex Falcon in certain cases is paid fees of the type referred to in this paragraph from, on behalf of or with respect to co-investors in an investment, and reserves the right to receive fees relating to the structuring and administration of co-investment arrangements. As described above, the receipt of such Supplemental Fees with respect to such co-investors will not reduce the Management Fee payable by any Falcon Fund that also has invested in such investment and, as a result, a Falcon Fund will, in most cases, only benefit with respect to its allocable portion, on a fully diluted basis, of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; or (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Onex Falcon, 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).

Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of Supplemental Fees or the provision of related services. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Falcon Fund, and investors will generally not receive the benefit of Supplemental Fees paid prior to the Falcon Fund's acquisition, or following the Falcon Fund's disposition, of the relevant investment. Falcon Funds that do not pay a Management Fee neither receive the benefit of the Management Fee offsets nor share in any of such additional fees earned by Onex Falcon and its affiliates. Onex Falcon generally has discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation. In most circumstances, such compensation is not reviewed or approved by an independent third party. Onex Falcon may have a conflict of interest to the extent, for example, it is incentivized to make an investment to earn Supplemental Fees or provide a service to a particular portfolio company to earn a director or monitoring fee. However, Onex Falcon believes that this potential conflict of interest is mitigated by the Management Fee offset mechanism described above and the substantial equity commitment by Onex Falcon and its principals in each of the Falcon Funds.

In addition, the Fund Agreements typically allow the applicable General Partner to waive all or a portion of the Management Fee it is entitled to receive. Any such waived portion of the Management Fee reduces the amount of capital such General Partner would otherwise be required to contribute to such Falcon Fund. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant.

Other Information

The Falcon Funds invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the life of the applicable Falcon Fund and investors generally are not permitted to withdraw from or redeem interests in the Falcon Fund except in the case of certain legal or regulatory issues.

Principals or other current or former employees of Onex generally receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Onex Falcon or its affiliates. In addition, Onex Falcon is permitted to exempt certain investors in the Falcon Funds, from payment of all or a portion of Management Fees and/or carried interest, including Onex and any other person designated by Onex, such as “friends and family” of Onex or its personnel, or other investors meeting certain qualification requirements based on Commitment size or other strategic or relationship factors. Such exemptions may be made pursuant to a direct exemption or rebate or through investment in another Falcon Fund, such as a co-investment fund, that does not charge a fee.

In addition to the Management Fees and carried interest payable to Onex Falcon, Onex Corporation and/or its affiliates, each Falcon Fund will be responsible for charges incurred in the operation of the applicable Falcon Fund (to the extent not reimbursed by a portfolio company) and its General Partner (or equivalent), as well as fees and expenses incurred by Onex Falcon and/or its affiliates on behalf of a Falcon Fund, including, without limitation, the fees and expenses relating to the applicable Falcon Fund investments (whether or not consummated), including costs or expenses (including travel and travel-related expenses) incurred in the evaluation, acquisition, holding and disposition thereof (including due diligence expenses (such as market diligence or background checks) with respect to actual or proposed investments, whether or not consummated and “broken deal” fees and expenses), and premiums for insurance protecting the applicable Falcon Fund, the General Partner or certain other indemnified persons from liabilities to third parties in connection therewith (and any legal or consulting fees and expenses related to such insurance); losses or liabilities (including indemnification obligations; the advisory fee; all placement fees; expenses in connection with transactions not consummated and monitoring investments (to the extent such costs are not reimbursed by the portfolio companies); travel and travel-related expenses, administrative, consulting, legal, tax, custodial and accounting expenses (including expenses associated with the printing and preparation of the applicable Falcon Fund’s financial statements, tax returns and K-1s and the fees and expenses of any independent third-party evaluator (including travel and travel-related expenses)) relating to the applicable Falcon Fund or any actual or proposed Falcon Fund investment (to the extent not reimbursed by any third party); expenses relating to any meeting of the partners or otherwise meeting with any limited partners, whether individually or as a group (including travel and travel-related expenses), all mailing, courier and special delivery charges, interest expense for borrowed money (if any) and any other fees or expenses associated with any credit facility for the applicable Falcon Fund, auditing and consulting expenses (including travel and travel-related expenses); research expenses, appraisal expenses; expenses related to organizing and maintaining entities through or in which investments will be made and the General Partners (or equivalent) of such entities, including without limitation, expenses incurred in

connection with the pre-marketing, marketing and offering of interests in a Falcon Fund, legal and accounting fees and expenses, registration fees (including all fees, costs and expenses incurred in connection with the marketing and registration of a Falcon Fund and compliance with regulatory and legal regimes applicable thereto, including the initial registrations, filings and compliance contemplated by the AIFMD or any similar law, rule or regulation as well as the maintenance of any necessary registrations with regulators in order to market the Falcon Funds in certain jurisdictions) (including travel and travel-related expenses); expenses incurred in connection with the initial onboarding of investors (including “know-your-customer” and anti-money laundering compliance); reimbursement of the reasonable expenses of the advisory committee and its members including, without limitation, travel and travel-related expenses and other expenses of counsel and professional advisors to the advisory committee; taxes or other governmental charges payable by the applicable Falcon Fund; costs of reporting to the Falcon Fund partners and of the annual meeting of the partners; costs related to the applicable Falcon Fund’s compliance with U.S. and non-U.S. laws and regulations (including, without limitation, any organizational and ongoing costs resulting directly or indirectly from pre-marketing or marketing the applicable Falcon Fund in the European Union under the European Union’s AIFMD if applicable (or any similar U.S. or non-U.S. marketing, offering or lobbying law, rule or regulation), and the cost of any representative, distribution agent or payment agent required in connection with or arising directly or indirectly from the pre-marketing, marketing or sale of interests in the applicable Falcon Fund in non-U.S. jurisdictions); fees and expenses of third party administrators, including without limitation charges for office space and any travel and accommodation expenses, related to non-U.S. entities formed for tax, regulatory or similar purposes to hold investments by the applicable Falcon Fund in one or more portfolio companies reasonably necessary and/or advisable for the maintenance and operation of such entities, or other overhead expenses in connection therewith, costs of winding up and liquidating the applicable Falcon Fund. Travel and travel-related expenses include, without limitation, first or business class commercial airfare or private or charter airfare, accommodations and meals.

In the event that a parallel fund of a Falcon Fund holds its interest in an investment through a blocker corporation, all costs, expenses and reduction in proceeds attributable to such blocker corporation and any associated intermediate investment vehicle of such blocker corporation shall be borne solely by the limited partners of such parallel fund and the carried interest payable to the relevant General Partner will be calculated without regard to any such costs and expenses.

Brokerage fees may be incurred in accordance with the practices set forth in Item 12 “Brokerage Practices.”

Each Falcon Fund could incur various combinations of expenses outlined in the prior paragraphs which are not intended to be an exhaustive list. Investors and their counsels should read the respective Fund Agreement for complete details.

Broken Deal Expenses

The General Partners of the Falcon Funds generally have the discretion to require the Falcon Funds to pay 100% of the amount of any broken deal expenses whether or not there are co-investors that are committed to or expected to participate in such investment or transaction or a potential co-investment opportunity or a syndication to third parties or other transaction participants (including, without limitation, the borrower’s management) are contemplated in connection with such investment or transaction. Unless required under the Governing Documents or applicable law or regulation, in the event that any potential investment of a Falcon Fund (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) is ultimately not consummated and

results in broken deal expenses and all or a portion of such broken deal expenses are not paid or reimbursed by any potential co-investment vehicles, co-investors or other third parties or transaction participants, as applicable, all broken-deal expenses relating to such proposed transaction may be borne by the Falcon Fund(s), and not by any potential co-investors, that were to have participated in such transaction. Additionally, to the extent a Falcon 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. While certain of such broken deal expenses could be reimbursed by offsetting certain amounts payable to Onex Falcon or one or more of its affiliates, there can be no assurance that sufficient offsetting fees will be generated to reimburse all such broken deal expenses.

Allocation of Shared Expenses

In certain circumstances, Onex Falcon could incur fees, costs and expenses on behalf of more than one Falcon Fund and/or co-investors or one Falcon Fund is expected to pay an expense or obligation common to multiple Falcon Funds and/or co-investors, and be reimbursed by the other Falcon Funds for their share of such expense or obligation, without interest. As a general matter, Falcon Fund expenses typically will be allocated among all relevant Falcon 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 such cases, subject to applicable law and legal, contractual or similar restrictions, expenses will generally be allocated pro rata or otherwise on a basis that is fair and equitable as determined by Onex Falcon using its reasonable judgment, considering such factors as it deems relevant, but in its sole discretion. The Falcon Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Falcon Funds bearing different levels of expenses with respect to the same investment.

Other Benefits

Onex Falcon and/or its personnel can be expected to receive certain tangible, intangible and/or other benefits arising or resulting from their activities on behalf of the Falcon Funds that will not be subject to the Management Fee offset or otherwise shared with Falcon Fund investors. For example, in the course of Onex Falcon's operations, including research, due diligence, investment monitoring, and investment activities, Onex and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to a Falcon Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "Adviser Information"). In many cases, Adviser Information will include tools, procedures and resources developed by Onex to organize or systematize Adviser Information for ongoing or future use. Although Onex Falcon expects the Falcon Funds and their portfolio companies generally to benefit from Onex possession of Adviser Information, it is possible that any benefits will be experienced solely by other or future Falcon Funds or portfolio companies or funds or portfolio companies managed by Onex (or by Onex and its personnel) and not by the Falcon Fund or portfolio company from which Adviser Information was originally received. Adviser Information will be the sole intellectual property of Onex and solely for the use of Onex. Onex reserves the right to use, share, license, sell or monetize Adviser Information, without offsetting or otherwise reducing Management Fees, and the relevant Falcon 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 Falcon 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 Falcon Funds or their respective investors.

Transaction-Based Compensation

Neither Onex Falcon nor its supervised persons will receive any compensation with respect to the purchase or sale of securities or other investment products by any of the Falcon Funds.

Item 6. Performance-Based Fees and Side-by-Side Management

The relevant General Partner of a Falcon Fund will typically be entitled to receive a disproportionate share of net income (including interest payments from portfolio companies) and realized capital gains from the investments of such Falcon Fund relative to its respective capital contribution. All of the Falcon Funds generally pay a performance fee of to a related person of Onex Falcon. The performance fee distributed to each General Partner is generally subject to a potential giveback, as set forth in the Governing Documents, if such General Partner has received excess cumulative distributions from such Falcon Fund. Any distribution to a General Partner from a Falcon Fund is separate and distinct from the advisory fees charged by Onex Falcon to such Falcon Fund for advisory services.

The entitlement to receive a performance fee or disproportionate distributions could create an incentive for related persons of Onex Falcon to select investments that may be riskier or more speculative than those that would be selected under a different compensation arrangement. In addition, the timing of payments of performance fees and the percentage of performance fees allocated to certain employees of Onex Falcon could create an incentive for related persons of Onex Falcon to disproportionately allocate time, services, or functions to the applicable Falcon Funds. Onex Falcon seeks to mitigate the potential for conflicts of interest in these matters with allocation practices that provide for transactions and investment opportunities to be allocated to the Falcon Funds in accordance with the investment guidelines outlined in their respective Fund Agreement, as well as other factors that do not include the amount of performance-based compensation received by Onex Falcon's related persons. Furthermore, Onex Falcon does not make investment allocation decisions based on the likelihood of receiving a performance-based fee from a particular Falcon Fund. In general, in the event that a Falcon Fund seeks to participate in the same or similar investments as another Falcon Fund or other vehicle advised by Onex Falcon or its affiliates, Onex Falcon will seek to allocate transactions and investment opportunities among its clients in a manner it believes to be fair and equitable, considering its fiduciary obligations to its clients and each client's investment objectives, limitations and capital available for investment, among other factors.

Co-investment opportunities may arise for additional capital to be invested alongside a Falcon Fund. In certain instances, Onex Falcon is not in a position to control the assignment of capital, but may have influence over the decision. In other instances, where Onex Falcon has control, the General Partner could choose to offer opportunities to co-invest with the Falcon Fund to one or more limited partners (without making such opportunities available to all limited partners) if the General Partner determines in good faith that the size of the investment opportunity exceeds the amount that the Falcon Fund (and, if applicable, other Falcon Funds) desires to invest. In addition, a Falcon Fund could pursue an opportunity jointly with another private credit fund, credit fund or structured equity fund sponsor in appropriate circumstances, which could include, for example, the size, nature, location, prior investment experience or other relevant factors relating to the target investment, the potential partner, the process or the opportunity.

Onex Falcon has full discretion in determining to whom and in what relative amounts to allocate co-investment opportunities, whether through Onex Falcon or one of its affiliates. In exercising its discretion, Onex Falcon is permitted to consider certain factors including (but not limited to): (i) the aggregate amount of co-invest opportunity available; (ii) the magnitude and nature of a potential recipient's relationship with Onex Falcon and its affiliates, if any (including without limitation, the amount and timing of the recipient's commitment to a Falcon Fund and/or other accounts); (iii) Onex Falcon's assessment of which potential co-investors may be willing and able to pursue and complete the particular co-investment if offered and its understanding of the nature and/or size of opportunities in which the potential co-investor is particularly interested; (iv) Onex Falcon's views as to whether the involvement of any particular potential co-investor(s) could directly or indirectly benefit the Falcon Fund, Onex Falcon and/or its affiliates generally, the pursuit of and investment in the particular portfolio company opportunity and/or the future business, activities or prospects of the Falcon Fund, Onex Falcon or its affiliates, or the portfolio company; (v) whether the potential recipient is expected to provide expertise or other advantages in connection with a particular co-investment; (vi) any relevant considerations made known to Onex Falcon by the portfolio company management team; and (vii) any further legal, regulatory or tax considerations, timing issues, and other special considerations arising as a result of the industry, sector, business or activities of the portfolio company that could affect or be affected by allocation decisions. . Furthermore, as Onex Falcon is permitted to allocate co-investment opportunities in its sole discretion, such as to current or prospective investors in a Falcon Fund, clients or potential clients of Onex Corporation or its affiliates, Onex Corporation or its affiliates, Onex personnel and/or certain other persons associated with Onex, funds or accounts established for any such persons or to other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, and on such terms as Onex Falcon determines in its discretion. Such co-investors typically will invest and dispose of their investments at the same time and on the same terms as the Falcon Fund, but in certain circumstances, this will not be the case. For strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Falcon Fund) may purchase a portion of an investment from one or more Falcon Funds after such Falcon Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Falcon Fund investor capital contributions and/or use of a Falcon Fund credit facility. Any such purchase from a Falcon Fund by a co-investor or co-invest vehicle generally occurs shortly after the Falcon Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Falcon Fund's initial purchase. Where appropriate, and in Onex Falcon's sole discretion, Onex Falcon reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Falcon Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Falcon Fund.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Falcon Fund, and Onex Falcon expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Falcon Fund because (i) co-invest opportunities generally appeal to Falcon Fund investors and third parties, (ii) to the extent co-investments made by Falcon 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 Falcon 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 Falcon Fund's Governing Documents. In order to facilitate

the acquisition of a portfolio company, a Falcon 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 Falcon 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 Falcon 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 Falcon 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 Onex and its affiliates make capital investments in or alongside certain Falcon Funds, Onex and its affiliates are subject to potentially conflicting interests in connection with these investments.

The economic participation of co-investors in an investment opportunity could be substantial and could involve greater risks than an investment in which there are no co-investors. In certain circumstances, co-investors will have interests that are inconsistent with those of Onex Falcon or a Falcon Fund. In addition, co-investors will, in certain circumstances, be in a position to obtain additional information regarding the applicable investment that generally will not be available to investors in the Falcon Fund. Prospective investors in a new Falcon Fund should review the Offering Memorandum for such Falcon Fund for proposed "performance-based fee" information; however, the actual fees and compensation will be as set forth in the Governing Documents.

Reference is made to Items 10 and 11 below for a further discussion of potential conflicts of interest and the manner in which they are addressed by Onex Falcon.

Item 7. Types of Clients

Types of Clients

Onex Falcon provides advice to its clients, the Falcon Funds, and any references throughout this Brochure to "clients" and to Onex Falcon's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Falcon 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 limited partners of the Falcon Funds typically include individuals, banks or thrift institutions, other investment entities, pension and profit-sharing plans, endowments, foundations and trusts, sovereign wealth funds, estates or family offices of high net worth individuals, charitable organizations or other corporations or business entities and often include, directly or indirectly, principals or other personnel of Onex and its affiliates and members of their families, or other service providers retained by Onex or a Fund, as well as executives of portfolio companies.

Onex Falcon or its related persons are permitted to form alternative investment vehicles or special purpose vehicles (collectively, “AIVs”) formed for the purpose of facilitating certain investments by one or more Falcon Funds and/or such Falcon Funds’ investors without any additional fees or compensation charges. Please refer to the Fund Agreement of the relevant Falcon Fund for complete details on any Falcon Fund’s ability to utilize AIVs. In addition, Onex Falcon or its related persons has and could, from time to time, establish Falcon Funds and other investment vehicles to address certain tax, legal or regulatory requirements (“Feeder Falcon Funds”). Each Feeder Falcon Fund, if formed, would be a limited partner or shareholder of a Falcon Fund and interests in such Feeder Falcon Fund would be held by the investors who elect to participate in the Falcon Fund through such Feeder Falcon Fund. Please refer to the Fund Agreement of the relevant Feeder Falcon Fund for complete details on any Feeder Falcon Fund established by Onex Falcon or its affiliates.

Minimum Investment Requirements

Onex Falcon and its related persons generally require that, to the extent required by applicable law, each limited partner or shareholder in each of the Falcon Funds be (a) (i) an “accredited investor” as defined in Regulation D under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and (ii) either a “qualified purchaser” or “knowledgeable employee” as defined under the Investment Company Act or (b) a non-“U.S. Person” as defined in Regulation S under the Securities Act.

In general, the minimum investment commitment required of an institutional limited partner to participate in a Falcon Fund is \$5,000,000; however, the General Partner of each Falcon Fund has discretion to increase, reduce or waive the minimum investment commitment.

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

Methods of Analysis

Onex Falcon’s investment strategy with respect to the Falcon Funds is focused on private credit and structured equity investments in the lower middle market. Investments and potential investments are analyzed by Onex Falcon based upon (i) the business strategy and focus of the portfolio company, (ii) demonstrated historical financial metrics, (iii) collateral that may be available and (iv) the relevant experience of the portfolio company’s officers and directors.

Onex Falcon’s principal sources of information include referrals from investment banks or other financial advisors, private offering memoranda received by Onex Falcon, quarterly and annual reports of target investments, personal interviews with directors and officers of such entities, visits to the offices and facilities of such entities, SEC filings (if available) and general industry knowledge.

As discussed in the section titled “Advisory Business,” Onex Falcon’s investment portfolios consist of investments in private credit and structured equity focused on the lower middle market. Onex Falcon’s private credit portfolio seeks to provide investors with current income and long-term capital appreciation through privately placed junior capital investments, consisting primarily of subordinated debt together with equity features, primarily in the United States and selectively in Canada and Europe. Onex Falcon’s structured equity portfolio seeks to achieve a targeted return commensurate with the risk incurred in privately placed non-control structured equity investments combining structured claims with covenants on any debt instruments, shareholder rights, contractual yield and upside potential.

Material Risks

The task of identifying investment opportunities and managing such investments is difficult. There can be no assurance that Onex Falcon will be able to choose, and the Falcon Funds will be able to make and/or realize any particular investment or that the Falcon Funds will be able to generate returns for their investors. In addition, there can be no assurance that the investment objectives of the Falcon Funds will be achieved or that any investor will receive any distribution from a Falcon Fund. Investing in the Falcon Funds involves a risk of loss that investors should be prepared to bear. Investors in the Falcon Funds should carefully consider, among other factors, the following material risks involved with Onex Falcon's investment strategies. Please refer to the Offering Memorandum of the relevant Falcon Fund for more complete information on investment strategies employed by the Falcon Fund and the corresponding risks associated with such investment strategies.

Prior to committing to any Falcon Fund, potential investors are furnished with an Offering Memorandum which sets forth in detail the material risks associated with such investment and cautions that returns can be unpredictable, that the possibility of a partial or total loss of capital will exist and that investors should not commit unless they can readily bear the consequences of such loss. All investors are required to represent in their subscription materials that they have carefully read the risk factor disclosure and understand all such risks. Prospective investors are also advised in the Offering Memorandum that the risk factors and other investment considerations described therein are not necessarily a complete list or explanation of all risks involved and are advised to consult their own counsel and other advisors.

The following summary identifies the material risks related to Onex Falcon's significant investment strategies with respect to the Falcon Funds and should be carefully evaluated before making an investment with Onex Falcon; however, the following does not intend to identify all possible risks of an investment with Onex Falcon or provide a full description of the identified risks associated with an investment in a Falcon Fund. Not all of these risks apply to each strategy. Without limiting the foregoing or (i) the disclosure set forth in the Governing Documents and (ii) the acknowledgements made by investors in their subscription agreements or otherwise, the discussion below summarizes certain material risks associated with investments in the Falcon Funds:

- *An Investment in a Falcon Fund Will Not Be Suitable to All Investors* – An investment in the Falcon Funds requires a long-term commitment with no certainty of return. Further, the terms of any realization transaction will necessarily be affected by economic and other market conditions at the time. An investment in a Falcon Fund is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment, who understand that they could lose all or a significant portion of their invested capital and have the wherewithal to fund amounts due over time in respect of their capital commitments. Investors must be willing to bear the economic risk of an investment in a Falcon Fund for an indefinite period of time. Any investor interested in an investment in a Falcon Fund should conduct its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such an investment.
- *Restrictions on Transfer and Withdrawal; Lack of Liquidity for Interests* – There are restrictions both at law and in the Fund Agreements on the transferability of Falcon Fund interests, and investors generally may not withdraw capital from a

Falcon Fund. Consequently, investors will likely not be able to liquidate their investments prior to the end of a Falcon Fund's term.

- *Changes in Environment* – The investment program of each Falcon Fund is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which a Falcon Fund operates could undergo substantial changes, some of which could be adverse to such Falcon Fund. The General Partner or manager of a Falcon Fund will have the exclusive right and authority (within limitations set forth in the Fund Agreement of such Falcon Fund) to determine the manner in which a Falcon Fund responds to such changes, and investors in a Falcon Fund will have no right to withdraw or to demand specific modifications to a Falcon Fund's operations except in exceptional circumstances. Investment sourcing, selection, management and liquidation strategies and procedures exercised by the Onex Falcon investment team may not be successful, or even practicable, throughout a Falcon Fund's term. Within the limitations set forth in the Fund Agreement of a Falcon Fund, the General Partner or manager of such Falcon Fund will have the right and authority to determine such Falcon Fund's investment sourcing, selection, management and liquidation strategies and procedures.
- *Dependence on Key Personnel* – The success of the Falcon Funds depends in substantial part upon the skill and expertise of Onex Falcon's investment professionals and the other individuals employed to assist them. There can be no assurance that these individuals will continue to be employed or engaged by Onex Falcon or its affiliates. The loss of their services could have a material adverse effect on the success of the Falcon Funds.
- *Market Risks* – The profitability of a significant portion of the investments depends to a great extent upon correctly assessing the future course of the price movements of securities and other investments. There can be no assurance that Onex Falcon will be able to accurately predict these price movements. Although Onex Falcon could attempt to mitigate market risk through the use of long and short positions (in those portfolios permitted to short) or other methods, there may be a significant degree of market risk.
- *Portfolio Company-Specific Changes* – Changes in the financial condition of a portfolio company or counterparty, changes in specific economic or political conditions that affect a particular type of investment or portfolio company, and changes in general economic or political conditions can increase the risk of default by a portfolio company or counterparty, which can affect a securities or other instrument's value. The value of securities or loans of smaller, less well-known portfolio companies can be more volatile than that of larger portfolio companies. Smaller portfolio companies can have more limited product lines, markets, or financial resources.
- *Interest Rate Risks* – Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

- *Hedging* – There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while Onex Falcon is permitted to enter into hedging transactions to seek to reduce risk, such transactions could result in poorer overall performance and increased (rather than reduced) risk for Onex Falcon’s investment portfolios than if Onex Falcon did not engage in any such hedging transactions.
- *Inflation* – Certain global economies have experienced and continue to experience substantial, and in some periods extremely high, rates of inflation, which could continue in the future. Inflation and rapid fluctuations in inflation rates have had and continue to have negative effects on the economies and securities markets (both public and private) in which the Falcon Funds may invest and could materially and adversely affect the Falcon Funds’ investment results.
- *Leveraged Investments* – Subject to any relevant restrictions in its Governing Documents, a Falcon Fund is 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 both such Falcon 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 Falcon 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 such Falcon 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 Falcon Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Falcon Fund. Furthermore, should the credit markets be limited or costly at the time a Falcon Fund determines that it is desirable to sell all or a part of a portfolio company, the Falcon Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Falcon Fund invests generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Falcon Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Falcon Fund’s creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Falcon Fund is 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 such Falcon Fund would be compensated for providing such

guarantee or exposure to such liability. The use of leverage by a Falcon Fund generally also will result in fees, interest expense and other costs to such Falcon Fund that may not be covered by distributions made to such Falcon Fund or appreciation of its investments. While Falcon 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 Falcon Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Falcon Funds and entities managed by Onex Falcon or any of its affiliates, including through Falcon 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 Falcon Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Falcon Fund incurs leverage (or provides such guarantees), such amounts are permitted to be secured by Commitments made by such Falcon Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Falcon Fund.

- *Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, each Falcon Fund is authorized to incur indebtedness that is secured by any assets of the Falcon 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 Falcon Fund, including without limitation to: finance any investment-related activities of the Falcon Fund; increase the buying power of the Falcon 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 Falcon 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 Falcon Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Falcon 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 Falcon 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.

- *Available Opportunities and Competitive Marketplace* – The Falcon Funds compete for investment opportunities with a significant number of other credit funds as well as with institutional and other investors. As a result of this competition, there can be no assurance that a Falcon Fund will be able to source suitable investment opportunities, to acquire them on appropriate terms, to achieve its targeted rate of return, or to fully invest its committed capital.
- *Accuracy of Third-Party Information* – Investments are selected in part on the basis of information and data made available directly or indirectly by third parties or filed by third parties with various government regulators. The relevant Falcon Fund's General Partner and Onex Falcon are not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.
- *Financial Fraud* – Instances of fraud and other deceptive practices committed by senior management of borrowers in which a Falcon Fund invests could undermine Onex Falcon's due diligence efforts with respect to such companies and, if such fraud occurs, negatively affect the valuation of a Falcon Fund's investments. In addition, when discovered, financial fraud could contribute to overall market volatility that can negatively impact a Falcon Fund's investment program.
- *Expedited Transactions* – Investment analyses and decisions by Onex Falcon could be undertaken on an expedited basis in order for a Falcon Fund to take advantage of investment opportunities. In such cases, the information available to a Falcon Fund at the time of an investment decision may be limited, and that Falcon Fund may not have access to the detailed information necessary for a full evaluation of the investment opportunity.
- *Uncertainty of Financial Projections* – Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results could vary significantly from the projections. General global economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.
- *Early Termination of a Fund* – It is possible that a Falcon Fund could be dissolved and terminated prematurely, and as a result, may not be able to accomplish its objectives and could be required to dispose of its investments at a disadvantageous time or make an in-kind distribution (resulting in investors not having their capital invested and/or deployed in the manner originally contemplated).
- *Investments Longer than Term* – A Falcon Fund could make investments that may not be advantageously disposed of prior to the date such Falcon Fund will be dissolved, either by expiration of such Falcon Fund's term or otherwise. There can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

- *Secondary Transactions* – Onex Falcon could propose to a Falcon Fund’s advisory committee or investors one or more transactions that would enable such investors to monetize or restructure all or a portion of their interests in a Falcon Fund, including through the use of a continuation vehicle (each such transaction, a “Secondary 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 Onex Falcon 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 Onex Falcon and its affiliates), often on different terms than their original investment in the Falcon Fund. However, certain of such transactions are expected to involve: a limited partner investing (or being required to invest) additional capital in the existing Falcon 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 Falcon 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. The sale of an investment to a continuation vehicle could result in certain investors, the General Partner and/or members of Onex Falcon (including employees and affiliates) disposing of their investments in the underlying assets at a different time than some or all investors of such Falcon Fund and otherwise taking actions with respect to such investments that are different than the actions taken by other investors in such Falcon Fund. Onex Falcon could be subject to other conflicts of interests in connection with a Secondary Transaction, including with respect to investment valuations, allocation of fees and expenses, the receipt of fees and/or performance based compensation or additional compensation by the General Partner, and the offering of investment opportunities to the Falcon Funds and co-investors.
- *Distributions in Kind* – Although, under normal circumstances, the Falcon Funds intend to make distributions in cash, cash equivalents or marketable securities, it is possible that under certain circumstances (including upon the dissolution of a Falcon Fund) distributions could be made in kind and could consist of securities for which there is no readily available public market.
- *Reinvestment* – Under certain circumstances, proceeds distributable (or previously distributed) to the investors that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by a Falcon Fund or used (or recalled for use) by a Falcon Fund for any other proper purpose. Amounts available for recall will be restored to the investors’ respective unfunded capital commitments. Accordingly, investors could be required to contribute capital for investment, management fees or other expenses during a Falcon Fund’s life in an aggregate amount that significantly exceeds such investors’ capital commitment to such Falcon Fund.
- *Recourse to a Falcon Fund’s Assets* – A Falcon Fund’s assets, including its investments and any capital held by such Falcon Fund, are generally available to

satisfy all liabilities and other obligations of that Falcon Fund. If a Falcon Fund itself becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to that Falcon Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

- *Indemnification* – Pursuant to the terms of the Fund Agreements, Onex Falcon and certain of its affiliates and related persons will generally be entitled to indemnification from a Falcon Fund, which might ultimately have to be funded by Falcon Fund investors and could even result in an obligation to return distributions.
- *Risks Relating to Admission of Benefit Plan Investors to the Falcon Funds* – It is possible that the assets of a Falcon Fund could be deemed to constitute “plan assets” of investors which are subject to the fiduciary provisions of the U.S. Employee Retirement Income Security Act or the prohibited transaction rules of Section 4975 of the Internal Revenue Code. In that case, the operations of a Falcon Fund could be materially affected and transactions into which that Falcon Fund might enter in the ordinary course of business could be deemed to constitute prohibited transactions under such laws.
- *Lack of Portfolio Diversification* – Falcon Funds may not be diversified among a wide range of types of securities, countries or industry sectors. Because a Falcon Fund may only make a limited number of investments and since a Falcon Fund's investments generally will involve a high degree of risk, poor performance by one or more of a Falcon Fund's investments could materially affect the total returns to investors. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in a Fund's investments.

Lack of Business Diversification – The companies in which the Falcon Funds invest are expected to be mostly companies in the lower middle market which often rely upon concentrated business strategies, products or services for their economic viability. A Falcon Fund's investment performance could be adversely affected by the failure of any or all of these potentially concentrated business strategies, products or services.

Non-North America Investments – A Falcon Fund can make investments outside North America in accordance with the Fund Agreement for such Falcon Fund. Investments outside North America or denominated in non-U.S. currencies pose currency exchange risks (including restrictions on repatriation of proceeds of investments, exchange rate fluctuation, devaluation and non-exchangeability), as well as a range of other potential risks that may include (depending on the country involved) expropriation, confiscatory taxation, political or social instability, illiquidity, difficulty in taking legal action and market manipulation. A Falcon Fund's exposure to such investments is limited to a certain extent by the Fund Agreement of such Falcon Fund which, by its terms, may limit investments in securities of companies formed in jurisdictions outside North America to not more than a certain percentage of such Falcon Fund's committed capital.

- *Mandatory Withdrawal* – A Falcon Fund investor could be required to withdraw from a Falcon Fund prior to the termination and liquidation of that Falcon Fund if Onex Falcon determines that continued participation could materially adversely

affect that Falcon Fund or in certain other circumstances as further described in the relevant Fund Agreements (for example, by causing a Falcon Fund to be registered as an investment company under the Investment Company Act or causing a Falcon Fund's assets to be treated as plan assets). Falcon Fund investors required to withdraw early under these circumstances could suffer a diminution of return or material loss on their investments.

- *Public Disclosure Obligations* – Certain affiliates of Onex Falcon and/or portfolio companies of a Falcon Fund may be publicly-traded companies. Public company status could give rise to disclosure obligations in respect of a Falcon Fund or its operations or investments, which could result in the disclosure of information that would otherwise be considered confidential. There could be additional disclosure obligations imposed by applicable law or regulation in respect of Onex Falcon, the Falcon Funds, their affiliates, or Falcon Fund investors that could be viewed by any particular Falcon Fund investor as adverse.
- *Freedom of Information Act* – The General Partners of the Falcon Funds or Onex Falcon could withhold all or any part of the information otherwise to be provided to a Falcon Fund investor under certain circumstances in order to prevent public disclosure of such information under the Canadian Access to Information Act, the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state, provincial or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.
- *Legal, Tax and Regulatory Risks* – The regulatory considerations affecting the ability of a Falcon Fund to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses. In addition to the risks and complications arising under applicable tax laws and other laws specifically addressed in the Falcon Funds’ Offering Memorandum or Fund Agreements, further legal, tax and regulatory circumstances could arise during the term of a Falcon Fund that could adversely affect a Falcon Fund or its investors.
- *Sanctioned Investors* – If after subscribing to a Falcon 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 Falcon 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 Falcon Fund’s activities, could materially and adversely affect the Falcon Funds.
- *Other Regulatory Concerns* – The Falcon Funds are not required to be, and are not, registered as investment companies under the Investment Company Act; thus, its provisions are not applicable. Onex Falcon intends that the Falcon Funds and their activities will not become subject to that statute but should that nonetheless occur, the activities and performance of the Falcon Funds could be materially adversely affected. Neither Onex Falcon nor its counsel can assure investors that the Falcon Funds may not become subject to such regulation. In addition, Section 13 of the Bank Holding Company Act of 1956, as amended (together with the rules,

regulations and published guidance thereunder, the “Volcker Rule”), generally prohibits certain “banking entities” from engaging in proprietary trading, or from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with “covered funds”, unless pursuant to an exclusion or exemption under the Volcker Rule. Each purchaser of the interests of the Falcon Funds must make its own determination as to whether it is subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain any such interests. Investors in the interests of the Falcon Funds are responsible for analyzing their own regulatory position and none of the Falcon Funds or any of their affiliates make any representation to any prospective investor or purchaser of such interests regarding the treatment of the Falcon Funds under the Volcker Rule, or to such investor’s investment in the interests of the Falcon Funds on the date of issuance or at any time in the future.

- *Regulatory Status* – Onex Falcon is registered as an investment adviser pursuant to the Advisers Act and, as such, is subject to the provisions of the Advisers Act. Failure to comply with the requirements imposed on Onex Falcon as a consequence of its current registrations or requirements that could be imposed as a result of future registrations could have a significant adverse effect on Onex Falcon’s ability to perform its duties to the Falcon Funds. Onex Falcon’s ability to source and execute transactions for the Falcon Funds could also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to Onex Falcon, any affiliate of Onex Falcon or any of their respective investment professionals.
- *Changes in Applicable Law* – The Falcon Funds must comply with various legal requirements, including requirements imposed by laws governing anti-money laundering, bribery and corruption, securities, commodities, tax and pensions. A failure to satisfy the requirements of those laws or changes in the applicable law over the life of a Falcon Fund or of any of its investments could have material adverse consequences on that Falcon Fund and/or its investors. In recent years, the SEC has increased its scrutiny of the private fund industry, including conducting numerous examinations and bringing a number of enforcement actions against private fund managers. Changes in law or regulations could adversely affect the value of investments held (directly or indirectly) by clients, could affect the ability of clients to pursue their investment strategies, or could restrict or prevent Onex Falcon from continuing to perform services for clients in the manner currently contemplated.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Onex Falcon and the Falcon 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 Onex Falcon and its affiliates, the Falcon Funds and/or their investments. In addition, the Falcon 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 Falcon 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.

- *Withdrawal of the United Kingdom from the European Union* – The United Kingdom (“UK”) withdrew from the European Union (“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 to in a Trade and Cooperation Agreement (“TCA”), the TCA 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.

There can be no assurance that any negotiated laws, taxation and/or regulations will not have an adverse impact on the Falcon Funds and their investments, including the ability of the Falcon Funds to achieve their investment objectives. The legal, political and economic uncertainty and disruption generally resulting from Brexit could result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management (due in part to redenomination of financial assets and liabilities), an adverse effect on the ability of Onex Falcon to manage, operate and invest the Falcon Funds, increased legal, regulatory or compliance burden for Onex Falcon or the Falcon Funds, and may adversely affect both EU- and UK- based businesses, including Onex Falcon and Falcon Fund portfolio companies, as applicable, each of which could have a negative impact on the operations, financial condition, returns or prospects of the Falcon Funds.

- *Global Economic Conditions; Market Dislocation* – General global economic conditions may affect the Falcon Funds’ activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Falcon Funds. Market conditions affecting, for example, liquidity and volatility, credit availability and financial conditions generally, could change at any time. These changes could have a material adverse effect on the ability of Onex Falcon to complete the Falcon Funds’ investment programs and to realize on investments, on the terms of those investments, or on the business, operations, condition or prospects of the portfolio companies. National and global market and economic conditions could deteriorate during the term of the Falcon Funds, and such conditions could deteriorate materially and for an extended period of time.
- *Banking System Volatility* – In March of 2023, the failure of Silicon Valley Bank (“SVB”) and Signature Bank prompted the U.S. Federal Deposit Insurance Corporation (the “FDIC”) to take swift measures with respect to receivership and subsequent sales of their respective assets. At the time of their failures, SVB and Signature Bank were, respectively, the second and third largest bank failures in U.S. history. Shortly after these events, Credit Suisse experienced significant

declines and announced it would undergo an emergency take-over by UBS. Following these high-profile events, the share prices of several other U.S. and non-U.S. banks experienced significant declines or sell-offs, with several being placed on “watch lists,” suffering ratings downgrades and/or receiving emergency funding from governments. At this time, it is not clear if there will be additional bank failures.

The closing of SVB and Signature Bank will negatively impact the availability of certain financial services to their respective former clients, which includes certain of Onex Falcon, Falcon Fund General Partners, a Falcon Fund, a portfolio company, an obligor of an investment made by a Falcon Fund, or service providers and may require former clients to establish new bank relationships. These closures, and any additional closures that may occur within the banking system, may significantly impact Onex Falcon’s, Falcon Fund General Partners’ and the Falcon Funds’ costs, negatively impact a Falcon Fund’s ability to execute on pending transactions, including with respect to the ability to draw down amounts under credit facilities, and divert Onex Falcon’s time, attention and resources away from the pursuit of a Falcon Fund’s investment strategy. In the event of failure of any of the financial institutions where Onex Falcon, a Falcon Fund General Partner, a Falcon Fund or any portfolio company maintains its respective cash and cash equivalents, there can be no assurance that each would be able to access uninsured funds in a timely manner or at all. Ordinarily, Onex Falcon, the Falcon Fund General Partner, the Falcon Fund and the portfolio companies will be unsecured creditors with respect to cash and cash equivalents held with such institutions in excess of insured deposit limits, and therefore may be exposed to a credit risk. Furthermore, the Falcon Fund may be unable to call capital from its limited partners until it sets up a new deposit account at a different institution (which could be a time-consuming process and may be prohibited by the terms of such Falcon Fund’s then-existing credit facilities). If Onex Falcon, the Falcon Fund General Partner, the Falcon Fund or the portfolio companies have credit facilities and deposit accounts provided by the same financial institution, and such institution fails, the Falcon Fund could be required to make more frequent capital calls to limited partners and Onex Falcon, the Falcon Fund and portfolio companies could face significant difficulties in funding any near-term obligations they have. Furthermore, these closures, and any additional closures that may occur within the banking system, may also increase counterparty risk, including raising the likelihood of defaults or bankruptcies by counterparties and their major customers that rely on such bank relationships. Depending on ongoing developments, regulatory guidance and timing, the closing of SVB and Signature Bank may significantly exacerbate the normal risks associated with a Falcon Fund and result in adverse changes to, among other things: (i) general economic and market conditions; (ii) interest rates, currency exchange rates, and expenses associated with currency management transactions; (iii) demand for investments; (iv) availability of credit in certain markets; and (v) laws, regulations and governmental policies. Furthermore, the closing of SVB and Signature Bank may lead to financial system and participant regulatory reform, and such increased regulatory oversight may impose additional administrative burden on Onex Falcon, the Falcon Fund General Partners and the Falcon Funds. The foregoing could materially adversely impact a Falcon Fund’s operations and its ability to realize its investment objectives in a timely manner, and it is currently unclear what

the ultimate effect of the situation will be on the private equity industry and global markets as a whole.

- *Disease, Epidemics and Pandemics* – The impact of disease and epidemics, or fear of the impact of disease and epidemics, could have a negative impact on Onex Falcon, the Falcon Funds, Falcon Fund investments and/or the performance and financial position of any of the foregoing. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19 have resulted in historic market disruptions and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Falcon Funds. The extent of the impact on the Falcon Funds’ and their portfolio companies’ operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Falcon Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Falcon Funds intend to pursue, all of which could adversely affect the Falcon Funds’ ability to fulfill their investment objectives.
- *Business Continuity Plans* – In the event of unforeseen catastrophic events such as natural disasters, terrorist attacks and epidemics, Onex Falcon, in conjunction with the broader Onex organization, will initiate its business continuity plan to safeguard that its employees have the resources and technology necessary to continue their responsibilities and investment and investor needs. Onex Falcon is not able to predict the level of disruption that such catastrophic events may have on its operation or the ability of its plan to succeed in a time of crisis. Thus, its business continuity plan could be insufficient to continue operating Onex Falcon’s business as usual in light of such unforeseen circumstances. Any insufficiency in the business continuity plan could cause interruptions in the operations of Onex Falcon, the Falcon Funds and their investments.
- *International Conflicts* – 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 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 ultimate effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of a Falcon Fund or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. This impact could include reductions in future revenue and growth of portfolio companies, unexpected operational losses and liabilities and reductions in the availability of capital. It could also limit the ability of a Falcon 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) could 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 Falcon Fund intends to pursue, all of which could adversely affect a Falcon Fund's ability to fulfill its investment objectives.

- *Climate Change Laws and Regulations Restricting Emissions of Greenhouse Gases* – In response to published findings that emissions of carbon dioxide, methane and other greenhouse gases (“GHGs”) present an endangerment to public health and the environment, the Environmental Protection Agency (“EPA”) has adopted regulations under existing provisions of the federal Clean Air Act that, among other things, establish Prevention of Significant Deterioration (“PSD”) construction and Title V operating permit reviews for certain large stationary sources that are potential major sources of GHG emissions. Facilities required to obtain PSD permits for their GHG emissions also will be required to meet “best available control technology” standards that will be established by the states or, in some cases, by the EPA on a case-by-case basis. These EPA rulemakings could adversely affect a portfolio company's operations. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified sources in the United States on an annual basis.

In January 2021, the Biden administration issued an executive order directing all federal agencies to review and take action to address any federal regulations, orders, guidance documents, policies and any similar agency actions promulgated during the prior administration that could be inconsistent with the administration's policies. In March 2024 the SEC adopted rules intended to enhance and standardize climate-related disclosures by public companies, including disclosure of GHG emissions. In addition, Congress has considered legislation to restrict or regulate emissions of greenhouse gases. While it remains unclear whether Congress will be able to agree on comprehensive climate legislation in the near future, energy legislation and other initiatives could seek to address GHG emissions issues. In the absence of federal climate legislation, almost half of the states, either individually or through multi-state regional initiatives, have begun to address GHG emissions, primarily through the planned development of emission inventories or regional GHG cap and trade programs. Although it is not possible at this time to predict how legislation or new regulations that could be adopted to address GHG emissions would impact the Fund's investment program, and any such laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, a portfolio company's operations could require it to incur costs to reduce or report emissions of GHGs. Finally, it should be noted that some scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere could produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have an adverse effect on the operations of Onex Falcon, the Falcon Funds, and their portfolio companies.

- *Regulatory Changes* – A company in which the Falcon Funds invest could be materially and adversely affected as a result of new laws or regulations, or statutory or regulatory changes or changes in judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company, the markets in which such company operates or such company's industry generally. Such changes could materially and adversely

affect the performance of one or more of the Falcon Funds' investments. Moreover, additional regulatory approvals and permits, including renewals, extensions, transfers, assignments, reissuances or similar actions, could become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s), or for other reasons. Changes in laws and regulations could result in increased compliance costs, additional capital expenditures or unanticipated liabilities. An investee also could be materially and adversely affected by regulations that have been vacated, remanded or otherwise limited by court decisions, which creates considerable uncertainty as to how these regulations will be modified and/or ultimately implemented. Any such modifications could alter the competitive landscape and/or the nature of the markets in which an investee operates in a material and adverse manner to such investee.

- *Investors Will Not Participate in Management of the Falcon Funds* – Investors in the Falcon Funds generally will not have the right to participate in the management of the Falcon Funds or in decisions made by Onex Falcon with respect to a Falcon Fund on its behalf. As a result, investors will have almost no control over their investments in a Falcon Fund or their prospects with respect thereto.
- *Limited Access to Information* – Investors' rights to information regarding the Falcon Funds will be specified, and strictly limited, in the Fund Agreements, although certain investors have the right to additional information pursuant to rights in Side Letters or similar agreements. In particular, it is anticipated that Onex Falcon and its affiliates will obtain certain types of material information related to a Falcon Fund's investments and prospective investments that will not be disclosed to investors because such disclosure is prohibited by contractual, legal or other obligations or Onex Falcon determines not to disclose such information for other reasons. Decisions to withhold information could have adverse consequences for investors in a variety of circumstances. Additionally, it is expected that investors who designate representatives to participate on an advisory committee to certain funds could, by virtue of such participation, have more information about a Falcon Fund and investments in certain circumstances than other investors generally and may be disseminated information in advance of communication to other investors generally. In addition, due to the fact that potential investors in a Falcon Fund could ask different questions and request different information, Onex Falcon could provide certain information to one or more prospective investors that it does not provide to all prospective investors.
- *Lack of Registration under the U.S. Securities Exchange Act of 1934* – Onex Falcon is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or with the Financial Industry Regulatory Authority and is consequently not subject to the recordkeeping and specific business practice provisions of those statutory regimes to the extent they vary from the applicable provisions of the Advisers Act.
- *Difficulty in Valuing Investment Portfolio* – The valuation of a Falcon Fund's portfolio of investments, which will affect the Falcon Fund's performance results, involves uncertainties and subjective determinations. As a result, valuation of a Falcon Fund's investments may not reflect the price at which a Falcon Fund could dispose of its investments at any given time. The process of valuing investments for which reliable market quotations are not available is based on inherent

uncertainties and the resulting values could differ from values that would have been determined had a ready market existed for such investments and could differ from the prices at which such securities could ultimately be sold. Because Onex Falcon determines in its discretion the value of certain Falcon Fund assets, potential conflict of interest exists in making valuation determinations given the potential impact of such valuations on a Falcon Fund's performance, particularly with respect to an account that pays performance fees.

- *Anti-Corruption Laws* – Onex Falcon, the Falcon Funds and/or portfolio companies could be subject to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, the Canadian Corruption of Foreign Public Officials Act and other anticorruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations (collectively, the “Anti-Corruption Laws”). Any determination that Onex Falcon, the Falcon Funds and/or any portfolio company has violated any Anti-Corruption Law could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct and/or securities litigation, any one of which could adversely affect Onex Falcon, the Falcon Funds and/or the portfolio companies.
- *Applicability of EU law in the UK* – As a result of a withdrawal from the EU by the UK, and subject to agreement on the terms of any future UK-EU relationship, EU law (or its incorporated equivalent) may cease to apply in the UK in the future. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. As a result, depending on the terms of the UK's future relationship with the EU, substantial amendments to English law may occur. At this time it is not possible to predict the consequential impact of such changes on the Falcon Funds or their investments, business, financial condition, results of operations or prospects, or whether such consequential impact will be materially detrimental to investors.
- *The AIFMD and the UK AIFMR* – The Directive on Alternative Investment Fund Managers, together with any supplementary regulation implemented in the UK following Brexit (“UK AIFMR”), or subordinate legislation or guidance thereto implemented in any relevant jurisdiction (the “AIFMD”), imposes requirements on AIFMs (as defined in the AIFMD) that market AIFs (as defined in the AIFMD) to professional investors who are domiciled or have a registered office within the European Economic Area (the “EEA”) or the UK, as applicable. The UK AIFMR currently imposes compliance obligations that are broadly similar to those described below in connection with a non-EEA AIFM marketing a non-EEA AIF.

For these purposes certain of the Falcon Funds are non-EEA and non-UK AIFs and Onex Falcon is a non-EEA and non-UK AIFM. As a non-EEA entity, Onex Falcon is required to comply with the national private placement regimes in those EEA member states that allow private placement and in which interests in a Falcon Fund are marketed and sold. Compliance with these requirements could result in significant additional costs over the life of the Falcon Funds and could reduce returns to investors. Onex Falcon and its affiliates and agents have endeavored to comply with these rules as interpreted but there is not absolute certainty as to their successful compliance. In the event that Onex Falcon or any of its affiliates or agents is found to have breached the provisions of the AIFMD (inadvertently or

otherwise), such parties (and/or a Fund indirectly) could face regulatory sanctions and/or EEA investors could seek to rescind their interests, which would result in significant costs and ultimately materially and adversely affect such Fund.

- *Data Privacy Risk* – The General Data Protection Regulation (“GDPR”) governs the processing of personal data and is directly applicable in all EEA member states. The GDPR has been imposed into UK law as the UK General Data Protection Regulation (“UK GDPR”) and sits alongside the UK Data Protection Act 2018 (together the “UK DP Laws”). To the extent that Onex Falcon actively offers investment opportunities to, or monitors the behavior of, natural persons located in the EEA and the UK, Onex Falcon will be: (i) deemed to be a “controller”; (ii) required to comply with the GDPR, UK DP Laws and any applicable local derogations; and (iii) subject to certain rules with respect to cross-border transfers of personal data from the EEA and the UK.

For non-compliance, the GDPR imposes fines of up to €20 million (£17.5 million) or 4% of a company’s total worldwide annual turnover of the preceding financial year, whichever is higher. In relation to any alleged non-compliance, Onex Falcon could therefore incur additional costs, become subject to regulatory investigations or fines, face civil claims (including representative actions and class action type litigation) and experience serious reputational damage, all of which could affect how Onex Falcon conducts its business reducing capital and time that can be deployed for making investments.

- *Cyber Security Incidents* – Cyber security incidents and breaches and cyber-attacks have been occurring globally at a more frequent and severe level, and are expected to continue to increase in frequency and severity in the future. Information and technology systems of Onex Corporation, Onex Falcon, a Falcon Fund, the portfolio companies of the Falcon Funds and any service providers for the foregoing may be vulnerable to damage or interruption from computer viruses, ransomware, other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communication or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes or terrorist incidents. If any systems designed to manage such risks are compromised, become inoperable for extended periods of time or cease to function properly, Onex Falcon, a Falcon Fund and/or its portfolio company will likely have to make a significant investment to fix or replace them or remedy effects of such failures. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Onex Falcon’s, the Falcon Funds’ and/or its portfolio company’s operations and result in a failure to maintain the security, confidentiality or privacy of information, including sensitive, personal and non-public information relating to investors (and the beneficial owners of investors), intellectual property and trade secrets. Further, if unauthorized parties gain access to information and technology systems, or if personnel abuse or misuse their access privileges, they may be able to steal, publish, delete or modify such information.

Cyber incidents such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified in a timely manner or at all, even with sophisticated prevention and

detection systems. This could potentially result in further harm and prevent such incidents from being addressed appropriately. Although Onex Falcon has implemented various measures to manage risks relating to cyber incidents, Onex Falcon does not control the cyber security measures, plans and systems put in place by third-party service providers, and such service providers may have limited indemnification obligations to Onex, Onex Falcon, a Falcon Fund, the Falcon Fund portfolio companies, the Falcon Fund investors and/or their respective affiliates, each of whom could be negatively impacted as a result. Cyber incidents and system failures could harm Onex Falcon's, the Falcon Funds' or its portfolio company's reputation, subject them and their respective affiliates to legal claims, regulatory action or enforcement arising out of applicable privacy, security or other laws, lead to adverse publicity and otherwise affect their business and financial performance. Although Onex Falcon takes various measures and has made, and will continue to make efforts to ensure the integrity of information systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and efforts will provide adequate protection. Despite security measures, information technology networks may be vulnerable to attacks by third parties or breached due to employee error, malfeasance or other disruptions.

- *Environmental, Social & Governance (“ESG”) Matters* – ESG matters have been the subject of increased focus by regulators in the United States and EU, among other jurisdictions. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the “Action Plan”), setting up the sustainable finance strategy for the EU to transform the entire financial system and reorient capital flows towards sustainable investment. It is difficult to predict whether the Action Plan will succeed in reorienting capital flows and, if it is successful, the impact it will have on the returns to investors. There is a risk that the value of investments made by Onex Falcon in pursuing its investment strategies could be adversely affected over the life of the Falcon Funds by changes to economic conditions brought about by the Action Plan initiatives.

As part of the Action Plan, the European legislators have adopted legislative reforms, which include, without limitation: (a) Regulation 2019/2088 on sustainability-related disclosures in the financial services sector (the “SFDR”), which took effect on March 10, 2021 and (b) Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the “EU Taxonomy”) which started applying in January 2022. These regulations introduce measures to, among others, clarify the responsibilities of alternative investment fund managers in relation to the integration of ESG factors and risks into their investment processes, and standardize their transparency obligations and ESG reporting in relation to funds that are marketed to investors in the European Union.

The scope of the SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate sustainability risks into their investment decisions and consideration of adverse sustainability impacts in the investment process. Data constraint is one of the biggest challenges when it comes to sustainability-related information to end investors, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Brochure may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial

market participants and financial advisers to achieve the objectives of the SFDR in order to make sustainability-related information available.

Sustainability-related practices differ by region, industry and issue and are evolving accordingly, and an investment's sustainability-related practices or assessment of such practices may change over time. Similarly, new sustainability requirements imposed by jurisdictions in which Onex Falcon does business and/or in which the Falcon Funds are marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Falcon Funds or on Onex Falcon. Under such requirements, Onex Falcon may be required to classify itself or the Falcon Funds against certain criteria, some of which can be open to subjective interpretation. Onex Falcon's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, such as requiring further disclosures or new processes to be set up, which may lead to additional cost.

Onex Falcon will continue to monitor any developments to these regulations. As this area is still developing, it is also difficult to assess the full costs of compliance with the SFDR and the EU Taxonomy by the Falcon Funds and other Onex Falcon entities. Resources will need to be allocated to determine how such entities may be impacted by the new regulatory framework (including, domestic regulatory initiatives implementing or supplementing those following from the Action Plan) and, to the extent applicable, creating an additional compliance burden and reporting costs. Moreover, there is a risk that for funds in scope of SFDR, the relevant funds' SFDR classification will affect the pool of investors that the fund will be able to target.

The Falcon Funds and other Onex Falcon entities may also be impacted by a series of other ongoing legislative initiatives at the EU and UK level. On 25 October 2022, the UK Financial Conduct Authority published its consultation paper on sustainability disclosure requirements (the "SDR") and investment labels, with proposals including a multi-tiered labelling system for 'sustainable' and 'responsible' investments and further entity and product level SDRs to cover environmental and societal impacts, as well as financial risks and rewards. These proposals are still being discussed and developed, and the UK regulatory framework on sustainable finance disclosures is yet to come into effect. Further, the FCA intends to follow with a separate consultation on how these proposals may be applied in respect of overseas funds marketed into the UK. There therefore remains substantial uncertainty as to the potential impact of this new regime on the Falcon Funds and other Onex Falcon entities.

Compliance with the SFDR, the EU Taxonomy and other ESG-related rules is expected to result in increased legal, compliance, reporting and other associated costs and expenses, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters, and such costs and expenses will reduce investor returns. Onex Falcon reserves the right to adopt such arrangements as it deems necessary or desirable to comply with any applicable

requirements of the SFDR, the EU Taxonomy and any other applicable legislation or regulations related to the Action Plan.

Onex Falcon's ESG investment policy limits the types and number of investment opportunities available to the Falcon Funds and, as a result, the Falcon Funds could underperform other funds that do not have an ESG focus. The ESG investment strategy of the Falcon Funds could result in a Falcon Fund making investments that underperform the market as a whole or underperform other funds screened for ESG standards, or could cause a Falcon Fund to pass on investments that such Falcon Fund would have made absent ESG considerations. Additionally, it should not be assumed that any ESG practices or standards have applied to all of a Falcon Fund's prior investments. ESG is only one of many considerations that Onex Falcon takes into account when making investment decisions, and depending on the strategy of the fund, other considerations can be expected in certain circumstances to outweigh ESG considerations. Accordingly, certain investments may exhibit characteristics that are inconsistent with ESG standards.

- *Changes to Benchmark Rates* – To the extent that a Falcon Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate or other rates (each, a "Benchmark Rate"), the Falcon Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Falcon Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.
- *Natural Disasters, Geopolitical Events and Similar Dislocations* – Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country could not efficiently and quickly recover from such event, which can have a materially adverse effect on borrowers and other developing economic enterprises in such country. Also, geopolitical events and the fear of a prolonged global conflict can result in increased short-term economic volatility. Consumer, corporate and financial confidence could be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, major disruptions in credit markets and uncertainties relating to sovereign debts and economic stability or other sources of political, social or economic unrest. Such erosion of confidence could lead to or extend a localized or global economic downturn. A climate of uncertainty could reduce the availability of potential investment opportunities, result in longer holding periods for investments and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. The effects geopolitical events, military action or similar events on global and domestic

economies and securities markets cannot be predicted. Such disruptions of the global financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to a Falcon Fund's investments.

- *Use of Subscription Lines* – The Falcon Funds may fund the making of investments with proceeds from drawdowns under one or more revolving credit facilities (the collateral for which can be, for example, the undrawn capital commitments of investors, i.e., subscription lines) prior to calling capital commitments. Conflicts of interest have the potential to arise in that, while the interest expense and other costs of any such borrowings will be borne by the applicable Falcon Fund and, accordingly, could decrease net returns of such Falcon Fund, the use of such borrowings typically delays the need for limited partners to make contributions to a Falcon Fund, or results in short-term gains to a Falcon Fund, which in certain circumstances enhances the relevant Falcon Fund's return calculations and thereby may be deemed to benefit the marketing efforts of Onex Falcon and its affiliates. It is expected that interest will accrue on any such outstanding borrowings at a rate lower than the preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the applicable Falcon Fund, and the use of such borrowing increases the likelihood that any hurdle or preferred component in the Falcon Fund's carried interest arrangements will be met. In light of the foregoing, and because Management Fees are incurred whether an investment is financed through capital calls or borrowings, Onex Falcon has an incentive to cause such vehicle to borrow in this manner and make investments or pay such amounts using a subscription line in lieu of drawing down capital commitments, subject to the Fund Agreements of each Falcon Fund. In addition, 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 could be obligated to contribute capital on an accelerated basis if a Falcon Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder.
- *Allocation of Personnel* – Conflicts could arise in the allocation of time, services and function among the Falcon Funds and such other persons to which Onex Falcon, the Principals or their affiliates provide services.
- *Tax Liability* – Although the relevant Offering Memorandum seeks to address the reasonably identifiable and material tax considerations for potential Falcon Fund investors, it is possible that investors may have unexpected or unwelcome tax obligations as a result of a Falcon Fund's activities or their status or actions in respect thereof.
- *Material Non-Public Information* – Certain personnel of Onex Falcon could acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Falcon Funds will not be free to act upon any such information. Due to these restrictions, the Falcon Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- *Limited Remedies Against the General Partner* – There can be no assurance that adequate remedies will be available to any investors if the General Partners of the

Falcon Funds, Onex Falcon or the principals of the General Partners of the Falcon Funds or Onex Falcon fail to perform their respective duties, and the Fund Agreements do not afford the investors rights to remove a Falcon Fund's General Partner other than for specified cause events as described in the applicable Fund Agreement. The Fund Agreements include provisions for exculpation and indemnification of the General Partners, Onex Falcon and each of their respective affiliates and the members, partners, managers, officers, directors, shareholders, employees, agents, representatives, investors, affiliates, advisors and other personnel of the General Partners, Onex Falcon and their respective affiliates. Therefore, Falcon Fund investors could have more limited rights of action than they would have absent such limitation.

- *Risk Management Failures* – Although Onex Falcon attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by Onex Falcon, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, Onex Falcon may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.
- *Systems and Operational Risk* – Onex Falcon relies on certain financial, accounting, data processing and other operational systems and services that are employed by Onex Falcon and by third party service providers, including prime brokers, third-party administrators, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems could be subject to certain defects, failures or interruptions. For example, Onex Falcon and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by Onex Falcon and third-party service providers to safeguard information in these systems, Onex Falcon, clients and their third-party service providers are subject to risks associated with a breach in cybersecurity which could result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions could lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.
- *Risks of Certain Investments* – A Falcon Fund can acquire securities of companies formed for specific transactions (such as holding companies) or of companies that are highly leveraged, with significant burdens on cash flow resulting from debt service. Such companies' securities and the ability of such companies to pay their debts could be adversely affected by interest rate movements, changes in the general economic climate or the economic factors affecting a particular industry, changes in tax law or specific developments within such companies. In connection with the disposition of an equity investment in a portfolio company, a Falcon Fund could be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a

business or could be responsible for the contents of disclosure documents under applicable securities laws. It could also be required to indemnify the purchasers of such investment to the extent that any such representations or disclosure documents turn out to be inaccurate. These arrangements could result in the incurrence of contingent liabilities, which might ultimately have to be funded by investors in a Falcon Fund to the extent of their unpaid capital commitments to such Falcon Fund or through the return by investors of certain prior distributions.

- *Security Types* – Onex Falcon’s investments, by the nature of the portfolio companies’ leveraged capital structures, will involve a high degree of financial risk. Debt investments will typically be unsecured and/or subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In addition, these investments may not be protected by financial covenants or limitations upon additional indebtedness and may have limited liquidity. Preferred stock and common stock investments made by Onex Falcon are more speculative than the debt investments and all of these security types often reflect a greater possibility that adverse changes in the financial condition of the underlying obligor or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both may impair the ability of the underlying obligor to make payments of principal and interest. These investments are often issued in connection with leveraged acquisitions or recapitalizations, in which the issuer incurs a substantially higher amount of indebtedness than the level at which it had previously operated. Some issuers of a Falcon Fund’s investments may be highly leveraged, and their relatively high debt-to-equity ratios increase the risk that their operations might not generate sufficient cash flow to service their debt obligations or offer any return to the preferred and/or common stock classes. Both the debt and equity securities in general are also subject to other risks including (among others): (a) limited liquidity and secondary market support, (b) the possibility that earnings of the relevant obligor may be insufficient to meet its debt service, (c) the declining creditworthiness and potential for (or actual) insolvency of the relevant obligor of such debt during periods of economic downturn, (d) that the relevant obligor is often a small or mid-size company serving only local or regional interests, and (e) if subordinated, subordination to the prior claims of other debt or senior lenders. These instruments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for these instruments and adversely affect the value of outstanding debt and the ability of the portfolio companies thereof to repay principal and interest or offer a return to the preferred and/or common stock securities.
- *Leveraged Loans* – Leveraged loans have historically experienced greater default rates than has been the case for investment grade loans. There can be no assurance as to the levels of defaults and/or recoveries that may be experienced on leveraged loans and such loans may be subject to a higher risk of default. The ultimate amount of defaults with respect to such loans and timing of the recoveries may substantially diminish the expected investment returns achieved by clients investing in such loans. In addition, leveraged loans may experience volatility in the spread that is paid on such leveraged loans. Such spreads will vary based on a variety of factors, including, but not limited to, the level of supply and demand in the leveraged loan market, general economic conditions, levels of relative liquidity

for leveraged loans, the actual and perceived level of credit risk in the leveraged loan market, regulatory changes, changes in credit ratings and the methodology used by credit rating agencies in assigning credit ratings, and such other factors that may affect pricing in the leveraged loan market. Since leveraged loans may generally be prepaid at any time without penalty, the obligors of such leveraged loans would be expected to prepay or refinance such leveraged loans if alternative financing were available at a lower cost.

- *Preferred Stock and Other Equities* – The Falcon Funds may invest in preferred stock which may have characteristics of both debt and equity. Dividend payments to preferred stockholders may be suspended or cancelled if the issuer experiences liquidity difficulties and the principal paid for preferred stock is generally subordinate to the debt obligations of the issuer. Preferred stocks are not generally entitled to meaningful covenant protection. Additionally, some preferred stocks may be non-cumulative, which means that the issuer does not ever have to declare or pay dividends on the stock or make-up any missed dividends. Also, when the Falcon Funds invest in senior secured loans or mezzanine loans, equity securities may be acquired as part of the transaction. The Falcon Funds may also invest directly in equity securities, typically with a goal of ultimately disposing such equity interests and realizing gains upon disposition. However, the equity interests may not appreciate in value and, in fact, may decline in value. Accordingly, the Falcon Funds may not be able to realize gains from equity interests, and any gains that are realized on the disposition of any equity interests may not be sufficient to offset any other losses experienced.
- *Second Lien Loans and Unsecured Loans* – Second lien loans are subordinate to the senior secured debt of the related borrower in right of payment from the proceeds of the liquidation of the property securing such second lien loans. Therefore, second lien loans are subject to additional risks that the cash flows of the property securing such second lien loans may be insufficient to make the scheduled payments after giving effect to any senior secured debt of the related borrower. Such lien subordination is also expected reduce the liquidity of second lien loans vis-à-vis senior secured loans. Unsecured loans are not secured obligations and do not have the benefit of a pledge of property. The absence of a security interest may make unsecured loans more illiquid investments than either senior secured loans or second lien loans and is likely to result in lower recoveries following a default.
- *Covenant-Lite Loans* – Loans that Onex Falcon invests in on behalf of its clients could include loans that are considered “covenant-lite” loans, meaning they lack the protective covenants usually found in more traditional loan facilities and are generally subject to less restrictions on collateral, payment terms and level of income. A covenant-lite loan borrower is not typically subject to maintenance covenants requiring such borrower to comply with one or more financial covenants whether or not such borrower has taken any specified action. Ownership of covenant-lite loans may expose Onex Falcon’s clients to different and increased risks, including with respect to liquidity, price volatility, and the ability to restructure such loans when compared to ownership of loans that are subject to maintenance covenants and other protective covenants.

- *Future Investment Techniques and Instruments* – Subject to the Falcon Funds’ investment restrictions and other guidelines, the Falcon Funds can employ other investment techniques and invest in other instruments that Onex Falcon believes will help achieve the Falcon Funds’ investment objectives, whether or not such investment techniques or instruments are specifically described in this Brochure or the Governing Documents. Such investments could be more speculative than existing investment strategies and techniques employed by Onex Falcon on behalf of the Falcon Funds and could involve material and as-yet-unanticipated risks.
- *Lender Liability Considerations* – A number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various legal theories (collectively termed “lender liability”). Generally, lender liability is founded upon the premise that an institutional lender has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in a creation of a fiduciary duty owed to the borrower or its other creditors or shareholders. While believed to be unlikely, because of the nature of certain of the Falcon Fund’s investments, a Falcon Fund could become subject to lender liability claims. Any such claim, if determined adversely to a Falcon Fund, could have a material adverse effect on such Falcon Fund’s returns to investors.
- *Allocation of Investment Opportunities* – Onex Falcon manages multiple portfolios concurrently with separate risk profiles. Onex Falcon’s investment committee and allocation committee govern the investment allocation process across all portfolios. Investment opportunities are allocated based on the security composition of each transaction at the time of initial investment. Onex Falcon will generally allocate investment opportunities on a pro rata basis, and there will be differences among the Falcon Funds in invested positions and securities held due to differences in investment objectives and strategies, risk tolerances, tax status and other criteria. As a result, it is expected that certain Falcon Funds may be over weighted toward debt investments, while others may emphasize preferred and common stock investments.
- *Active Management* – In certain cases, a Falcon Fund designates directors to serve on the boards of portfolio companies. The designation of directors and other protective provisions negotiated by a Falcon Fund could expose the assets of a Falcon Fund to claims by a portfolio company, its security holders and its creditors that such Falcon Fund is a controlling person and thus is liable for securities laws violations and other actions of the portfolio company. These protective measures also could result in certain liabilities in the event of the bankruptcy or reorganization of the portfolio company; could result in claims against a Falcon Fund if the designated directors violate their fiduciary and other duties to the portfolio company or fail to exercise appropriate levels of care under the federal securities laws, environmental laws and other legal principles; and could expose a Falcon Fund to claims that it has interfered in management to the detriment of the portfolio company.

Item 9. Disciplinary Information

Neither Onex Falcon nor its management persons have been subject to any legal or disciplinary events required to be discussed in this Brochure.

Item 10. Other Financial Industry Activities and Affiliations

Onex Falcon is affiliated with the following entities, including the General Partners and equivalent entities formed and subject to the Advisers Act pursuant to Onex Falcon's registration: Falcon Private Credit Investments GP VI (Luxembourg) S.à r.l., Falcon Private Credit Investments VI, LP, Falcon Strategic Investments GP IV, LLC, Falcon Strategic Investments GP V, LLC, Falcon Strategic Investments III, LP, Falcon Strategic Investments IV, LP, Falcon Strategic Investments V, LP, Falcon Structured Equity Investments, GP LLC, Falcon Structured Equity Investments, LP, ONCAP Management Partners L.P., Onex Canada Asset Management Inc. (f/k/a Gluskin Sheff + Associates Inc) ("OCAM"), Onex Credit Advisor, LLC, Onex Credit Partners, LLC, Onex Falcon Private Credit Opportunities VII GP, LP, Onex Falcon Private Credit Opportunities VII Luxembourg GP and Onex Partners Manager LP ("OP Manager").

In December 2020, Onex Corporation indirectly acquired control of Onex Falcon. Onex Corporation has been a private equity investor since 1984. In 1999, Onex Corporation launched the first of the ONCAP funds, a series of private equity funds managed by ONCAP Management Partners L.P. and focused on investing in North American small and medium-sized businesses (the "ONCAP Funds"). The ONCAP Funds are active in the marketplace and the fourth and most recent ONCAP Fund to hold a final closing was raised in 2016. In 2003, Onex Corporation established the first of the Onex Partners funds, a platform focused on larger private equity transactions managed by OP Manager, and subsequently raised four further Onex Partners funds (the "Onex Partners Funds"). In June 2019, Onex Corporation acquired control of OCAM, a large Canadian wealth management firm serving high net worth families and institutional investors with a focus on public securities investing. On March 23, 2023, Onex Corporation and RBC Dominion Securities Inc. ("RBC DS") entered into a memorandum of understanding, the key terms of which included: (i) RBC offering employment to all of OCAM's wealth management advisory and investment planning services terms, and (ii) RBC entering into a distribution agreement with Onex under which RBC would act as a distributor of certain funds managed by OCAM and other subsidiaries of Onex, the investment planning team has transitioned to RBC DS and a majority of OCAM's wealth management advisors have also transitioned to RBC DS or one of its affiliates. The parties have since finalized the distribution agreement on August 31, 2023. As a result of the distribution agreement and related transition, OCAM expects to wind down its wealth advisory and wealth planning divisions. In 2023, Onex Corporation established Onex Transportation Partners, a platform focused on transportation-related assets used for land, air, marine, intermodal or industrial applications and/or operating companies that own, control, operate, manage or manufacture such assets or enable transportation through logistics, components and/or technology. Onex Corporation may in the future seek to expand its activities in real estate and credit, and may also seek to engage in additional investment or asset management businesses that are complimentary to its existing platforms.

Onex Falcon and its related entities engage in a broad range of advisory and non-advisory activities. In the ordinary course of Onex Falcon conducting its activities, the interests of a Falcon Fund likely will conflict with the interests of Onex Falcon, one or more other Falcon Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Onex Falcon will determine all matters relating to structuring transactions and Falcon 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 Falcon Funds under the Governing Documents.

Actual or perceived conflicts of interest may exist or could arise between Onex Falcon and Onex Corporation and its affiliates. In general, each of the affiliated advisers described above have their own dedicated investment teams and typically pursue investment opportunities that are different in nature from those sought by Onex Falcon for the Falcon Funds. In particular, the Onex Partners Funds, the ONCAP Funds and the Onex Transportation Partners platform, and the other private equity strategies managed within Onex Corporation typically pursue differentiated investment opportunities than those pursued by Onex Falcon with regard to the investment objectives and restrictions of the Falcon Funds. Nonetheless, those affiliations and relationships, the potential avenues for the growth and development of the company business and its investment platforms, as well as the fact that more than one of the Falcon Funds could be making investments at any particular time, could lead or be perceived to lead to certain conflicts of interest around, among other things, the devotion of time and the allocation of investment opportunities. During the investment period of a Falcon Fund, all appropriate investment opportunities will be pursued by the principals through such Falcon Fund, subject to certain limited exceptions set forth in the applicable Governing Documents and Onex Falcon's allocation policies. Without limitation, the principals currently, and in the future are expected to, manage multiple Falcon Funds with similar strategies and several other investments similar to those in which a Falcon Fund will be investing, including funds advised by affiliated advisers, and expect to direct certain relevant investment opportunities to those funds and investments. Further, it is possible that Onex Credit Partners, LLC ("Onex Credit"), OP Manager and the managers of other investment products advised by advisers controlled by Onex Corporation could seek to work together, with a view to the relevant fund from each fund family potentially investing together, in certain circumstances, as a result of, for example, industry expertise or relationships, prior investment experience or other factors in respect of the opportunity. Additionally, clients of affiliated advisers and investors in investment products advised by affiliated advisers of Onex Falcon could in the future be referred to clients advised by Onex Falcon, and Onex Falcon may from time to time refer Falcon Fund investors to investment products advised by affiliated advisers. Although the Falcon Funds are currently separately managed by Onex Falcon, Onex Corporation will indirectly receive management fees paid by investors in the Falcon Funds and a portion of the carried interest of Falcon Private Credit Opportunities VI, LP, Onex Falcon Private Credit Opportunities VII (Luxembourg), S.C.Sp and Onex Falcon Private Credit Opportunities VII, LP, which could lead or be perceived to lead to certain conflicts of interest with respect to Onex Falcon and Onex Credit.

Because the Falcon Funds are considered to be affiliates of Onex Direct Lending BDC Fund ("Onex BDC"), which has elected to be regulated as a business development company under the Investment Company Act, a Falcon Fund may be prohibited under the Investment Company Act from participating in certain transactions involving Onex BDC or affiliates of Onex BDC. Onex has been granted an exemptive order by the SEC (the "Order") to permit Onex BDC to co-invest with the Funds and other clients advised by Onex Falcon and its related persons, subject to compliance with various conditions. The Order requires that any opportunities that are appropriate for both Onex BDC and other clients advised by Onex Falcon and its related persons will need to be offered to Onex BDC, and any such investments, if made, will need to be conducted in compliance with the conditions of the exemptive relief and related requirements under the Investment Company Act. The Investment Company Act also restricts the ability of the Falcon Funds to invest alongside Onex BDC in certain transactions that are not covered by the Order. The Investment Company Act also prohibits certain affiliates of Onex BDC from selling securities to or buying securities from Onex Falcon or a company controlled by Onex Falcon absent exemptive relief from the SEC or otherwise subject to an exemption under the Investment Company Act.

Onex Falcon 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 other similar arrangements, and to pay or receive compensation relating to the foregoing. The principals and Onex Falcon's investment staff will continue to manage and monitor such funds and investments until their realization. Such funds and other investments that the principals expect to control or manage generally have the potential to compete with each other or with companies acquired by a Falcon Fund. Following the investment period of a Falcon Fund, the principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Falcon Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Falcon Fund, in Onex Falcon's sole discretion, Onex Falcon 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, Onex Falcon personnel are permitted to serve on boards or act in other roles unaffiliated with Onex Falcon, the Falcon 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 Management Fees. Onex Falcon and its principals and personnel are permitted to carry on investment activities for their own accounts and for family members, friends or others who do not invest in the Falcon Funds, and can give advice and recommend securities to other accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Falcon Fund, even though their investment objectives may be the same or similar.

Employees of Onex Falcon and its affiliates serve as directors, board observers or committee members for certain portfolio companies in which the Falcon Funds invest, or provide other services to portfolio companies, and may receive compensation in connection therewith, provided that such compensation will generally be used to offset the advisory or management fee payable by the relevant Falcon Fund to Onex Falcon. Employees of Onex Falcon and its affiliates may be given access to confidential information relating to companies in which the Falcon Funds invest. As a result, a Falcon Fund may, under certain circumstances, be prohibited for a period of time from engaging in transactions with respect to the debt or equity securities of such a portfolio company, which prohibition may have an adverse effect on such Falcon Fund. The above individuals may spend a substantial portion of their time with these related activities.

In some instances, a Falcon Fund is permitted to invest together with a fund advised by Onex Corporation (or its affiliates) in the manner set forth in the relevant Governing Documents and Onex Falcon's allocation policies. If permitted by the applicable Fund Agreement and the relationship terms, Falcon Funds could make debt or equity investments in companies in which Onex Corporation (or its affiliates) has made or is proposing to make an equity or debt investment or to which Onex Corporation (or its affiliates) has made or is proposing to make a loan (each an "Onex Portfolio Company" or collectively, "Onex Portfolio Companies"). Investing in Onex Portfolio Companies could present certain conflicts of interest and/or present certain regulatory issues to a Falcon Fund. For example, if a Falcon Fund invests in an Onex Portfolio Company and the Onex Portfolio Company enters bankruptcy, the Falcon Fund could be deemed an "insider" for purposes of the Bankruptcy Code of the United States (the "Bankruptcy Code"). Insider status under the Bankruptcy Code could adversely affect the Falcon Fund's ability to collect on the loan by subjecting the Falcon Fund to equitable subordination (i.e., the threshold of inequitable conduct that needs to be shown to invoke this remedy is lower when the holder of the claim is an insider and the burden of proof to show that any particular transaction was fundamentally fair will be on the Falcon Fund, not the bankruptcy trustee), increased exposure to preference suits (i.e., more transactions will be potentially avoidable as preferential as the reach-back period will be one year rather than 90 days) and other restrictions under certain circumstances. Further, due to its affiliation with Onex Corporation, Onex Falcon could become aware of material non-public information concerning certain companies and as a result of such knowledge, or as a result of certain internal

policies adopted by Onex Falcon, Onex Falcon could at times be precluded from acquiring or disposing of investments it would otherwise wish to acquire or dispose. There could also be other areas of overlap between Onex Corporation's or its affiliates' activities or customers and the Falcon Fund or portfolio companies in which the Falcon Fund is invested. Finally, Onex Falcon could decide not to invest in Onex Portfolio Companies or adopt procedures intended to minimize potential conflicts and/or regulatory or tax issues, which procedures could have the effect of limiting the Falcon Fund's ability to acquire or dispose of investments in Onex Portfolio Companies.

As discussed in Item 4, the General Partners of the Falcon Funds, Onex Falcon and/or their respective affiliates have in the past and may in the future enter into Side Letters or other agreements with a particular investor in connection with its investment without the approval of any other investor. This would have the effect of establishing rights under or supplementing the terms of the Fund Agreement in respect of such investor in a manner potentially more favorable to such investor than those applicable to other investors. Such rights or terms in any such Side Letter or other similar agreement could include, without limitation: (i) rights to designate a member of, to the extent applicable, an advisory committee; (ii) excuse rights applicable to particular investments (which could increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments); (iii) reporting obligations of the General Partners of the Falcon Funds; (iv) waiver of certain confidentiality obligations; (v) consent to certain transfers by such investor; (vi) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor; (vii) adjustments to fees or other economics (including, without limitation, management fees, carried interest, or distributions); (viii) access to certain information; (ix) consent rights of the investor; (x) co-investment rights; (xi) tax and structuring matters; and (xii) other representations, warranties or diligence confirmations. The General Partners of the Falcon Funds and Onex Falcon may not be required to notify the other investors of any such Side Letters or of any of the rights or terms or provisions thereof, and some or all of the other investors in that Falcon Fund may not be entitled to receive such additional benefits or other rights. The General Partners of the Falcon Funds, Onex Falcon and/or their respective affiliates could enter into such Side Letters with any party as the relevant General Partner may determine, in its sole and absolute discretion, at any time. Falcon Fund investors will not necessarily have most-favored-nation rights in respect of all or any of the more favorable terms provided to others and investors will have no recourse against the Falcon Funds, the General Partners of the Falcon Funds or Onex Falcon or any of their respective affiliates in the event that certain investors receive additional benefits or other rights pursuant to Side Letters that are more favorable than the terms received by other investors. As a result of certain Side Letters, investors holding the same interests could have different returns, or receive different information, depending on any arrangements applicable to a given investor's interest in a Falcon Fund.

Onex Falcon 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 Falcon Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Onex Falcon, its affiliates and personnel or the Falcon Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Onex Falcon, its affiliates and personnel, or the Falcon Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make commitments to multiple Falcon Funds. Except in the circumstances and on the timing 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 Falcon Fund, Onex Falcon, 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

Onex Falcon to potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Falcon 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 expenses of the relevant Falcon 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 Falcon Fund.

The Fund Agreement and any such Side Letters related to each Falcon Fund are detailed agreements that establish complex arrangements among Onex Falcon, the Falcon Fund, its General Partner and the investors. Questions will arise from time to time under these agreements regarding the parties' rights and obligations in certain situations, some of which the parties may not have considered while drafting and executing these agreements. In these instances, the applicable provisions of the agreements, if any, may be broad, general, ambiguous, or conflicting, and may permit more than one reasonable interpretation. At times, there may not be provisions directly applicable to the situation at hand. While Onex Falcon will construe the relevant agreements in good faith and in a manner consistent with its legal obligations, the interpretations it adopts may not necessarily be, and need not be, the most favorable interpretations for the Falcon Funds or their investors.

Additionally, certain of the limited partnerships or private funds for which Onex Falcon or one of its related persons (including without limitation Onex Credit and its related persons) serves as general partner or investment manager has and could in the future invest in the same projects or portfolio companies with other clients managed by Onex Falcon or one of its related persons. Such investments may be in different parts of the capital structure of a company in which one or more advised clients of Onex Falcon, Onex Corporation or their affiliates have an investment in a debt and/or equity tranche. Consequently, given the differing tranches and corresponding priorities in the capital structure of a single company, Onex Falcon and its related persons could in certain circumstances face a conflict of interest in respect of the advice they have given to, and the actions they take on behalf of, the advised vehicles, particularly in the case of financial distress of the company in which such clients have invested.

Onex Falcon will determine allocations of investment opportunities and any resulting conflicts of interest in a manner that it believes is fair and equitable to the Falcon Funds consistent with Onex Falcon's obligations to each such Falcon Fund and Onex' investment allocation policy. Onex Falcon will also consider compliance with the Investment Company Act and the terms of the Order, and specifically the requirements pertaining to certain co-investment transactions between Onex BDC and other clients of Onex Falcon and its related persons that are subject to the Order.

On any issue involving conflicts of interest, the General Partner of the relevant Falcon Fund and Onex Falcon will be guided by their respective good faith judgment. In certain circumstances and as required by the Fund Agreements, the General Partner could present potential conflicts of interest to the applicable Falcon Fund's board of directors, advisory committee or conflicts committee, if any, for approval.

Onex Falcon generally exercises its discretion to recommend to a Falcon 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) Onex Falcon or a related person of Onex Falcon or Onex

(which may include another portfolio company of the Falcon Funds or funds managed by Onex); (ii) an entity with which Onex Falcon, Onex or their affiliates or current or former personnel has a relationship or from which Onex Falcon, Onex or their affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or (iii) certain limited partners or their affiliates. This subjects Onex Falcon to conflicts of interest, because although Onex Falcon selects service providers that it believes are aligned with their operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Falcon Fund. Onex Falcon generally would in certain circumstances have an incentive to recommend the related or other person because of its financial or other business interest. There is a possibility that Onex Falcon, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Whether or not Onex has a relationship or receive 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 Onex Falcon 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. In certain circumstances where Onex Falcon commits or has committed to seek “market” or “arms-length” rates or terms, Onex Falcon will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Onex Falcon reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, Onex Falcon undertakes no minimum amount of benchmarking, and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, Onex Falcon reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Additionally, Onex Falcon expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Falcon Funds or other funds managed by Onex or its affiliates, 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.

The Governing Documents provide Onex Falcon with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that have the potential to affect Onex Falcon’s compensation. In making such determinations, Onex Falcon is subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for Onex Falcon or its affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the Management Fee and performance fee compensation arrangements. Onex Falcon expects to be incentivized to cause a Falcon Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that investments have been realized or written down or written off, in the manner described in the Governing Documents (such investments, “Impaired Value Investments”)) in order to receive greater ongoing Management Fees and, potentially, larger incentive fees than would otherwise be the case.

Where the Management Fee is calculated taking into account the valuation of an investment, including a determination of whether an investment has become an Impaired Value Investment, Onex Falcon will have incentives to make determinations that result in the continued payment of, or a higher, Management Fee. Additionally, the amount of incentive fee 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 Governing Documents.

The criteria used by Onex Falcon 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 Onex Falcon's determination that an investment is an Impaired Value Investment, and, except as set forth in the Governing Documents, none of Onex Falcon 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 relevant Falcon Fund's holding period. The relevant 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 relevant 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 Onex Falcon's compensation is dependent in part on an investment's status as an Impaired Value Investment, Onex Falcon faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria.

Although the Governing Documents generally contain broad exculpation and indemnification provisions, Onex Falcon will not interpret such provisions to constitute a waiver of any person's non-waivable federal fiduciary duties to the relevant Falcon Fund under the Advisers Act.

Generally, Onex Falcon addresses conflicts of interest by way of avoidance or disclosure and informed consent. The Offering Memorandum and the Fund Agreement for the Falcon Funds address in detail the conflicts of interest that could arise as a result of the affiliations and relationships described above. They also address the manner in which notification, consent or approval requirements may arise and any restrictions or prohibitions that could apply.

In addition to the foregoing protections, Onex Falcon's investment personnel make significant investments in the Falcon Funds. Onex Falcon believes that this strong alignment of interests between Falcon Fund investors and those charged with investing their capital further mitigates the risks associated with any potential conflicts.

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

Onex Falcon has adopted a code of ethics as required under Rule 204A-1 of the Advisers Act ("Code of Ethics"). Onex Falcon's Code of Ethics describes fiduciary duties of Onex Falcon and its supervised persons and their responsibilities to Onex Falcon's clients. Under Onex Falcon's Code of Ethics, Onex Falcon has a duty of utmost good faith to act in the best interests of the Falcon Funds. All supervised persons must acknowledge receipt of the Code of Ethics and any amendments thereto. A copy of the Code of Ethics can be obtained by a Falcon Fund investor or qualified prospective investor (if applicable) upon written request.

The Code of Ethics contains specific policies and procedures dealing with such matters as personal trading and political contributions, and restrictions on outside business activities. The Code of Ethics is accompanied by a broader compliance manual that further supports Onex Falcon's

adherence to law, and more generally to prudent and appropriate processes and conduct, in the investment, management and safeguarding of the Falcon Funds' assets, preventing insider trading and the misuse of material, non-public information, the giving and receipt of gifts and entertainment, political contributions, communications with investors and prospective investors, public and media communications, the prevention, detection and handling of concerns relating to money-laundering, bribery and corruption, and record-keeping policies and procedures.

As further described in Item 10, Onex Falcon could make investments for its clients in portfolio companies of the Onex Partners Funds and other funds advised by Onex Corporation (or its affiliates). These practices create a conflict of interest because Onex Falcon has an incentive to recommend securities from (or sell securities to) clients based on its, or its related persons, own financial interests, rather than solely the interests of a client.

Onex Falcon engages in transactions that are considered principal or cross transactions in which one of Onex Falcon's clients, including clients that are owned by related persons, could sell assets to another one of Onex Falcon's clients. All such transactions are done in compliance with the requirements of the Advisers Act. Additionally, certain principals, employees, officers, directors and other related personnel of Onex Falcon and its affiliates are permitted to make passive investments in other private vehicles managed by other investment advisers, including investment advisers that are related persons of Onex Falcon. Such other private vehicles may compete with the Falcon Funds with respect to investment opportunities, seek to enter into or enter into transactions with the Falcon Funds or investments held by the Falcon Funds, or make investments that compete with, are customers of, or service providers or suppliers to, investments held by the Falcon Funds.

Additionally, the Falcon Funds may invest together with other private investment funds advised by Onex Falcon and/or its affiliates in the manner set forth in each Falcon Fund's Governing Documents and Onex Falcon's allocation policies. In general, unless otherwise provided for in a Falcon Fund's Governing Documents, (a) no investor in a Falcon Fund has a right to participate in any co-investment opportunity, (b) decisions regarding whether and to whom to offer co-investment opportunities are made in the sole discretion of Onex Falcon or, in certain instances, in consultation with other participants in the applicable transaction, (c) co-investment opportunities may be offered to some and not other investors in the Falcon Funds in the sole discretion of Onex Falcon and (d) certain persons other than, including in lieu of, investors in the Falcon Funds (e.g., third parties) will be offered co-investment opportunities in the sole discretion of Onex Falcon.

Onex Falcon's policies and procedures permit it to take into consideration a variety of factors in making determinations with respect to allocating co-investment opportunities, some of which are applicable in determining whether an investor is a strategic investor.

Onex Falcon's allocation of co-investment opportunities among investors may not, and often will not, result in proportional allocations among investors that have expressed interest in co-investment opportunities as most co-investments typically will have strategic investors, and it is possible that certain investors may receive multiple opportunities to coinvest while others expressing interest in co-investments may receive none. In order to facilitate a transaction with a portfolio company, a Falcon 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 Falcon 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

Falcon 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 Falcon 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.

In addition, Onex Falcon and/or certain members, employees or related persons of Onex Falcon could, directly or through one or more entities, sell securities in which they have a direct or indirect ownership interest to certain Falcon Funds in connection with certain "warehousing" transactions, provided that the sale is consistent with Onex Falcon's fiduciary obligations to the Falcon Funds and appropriate consents are obtained. Such transactions will be fully disclosed in writing and the written consent of the appropriate Falcon Fund (which, in certain circumstances, may be provided by the advisory committee of such Falcon Fund) will be obtained prior to the consummation of any such transactions in accordance with Section 206(3) of the Advisers Act. While Onex Falcon endeavors at all times to act in the best interests of the Falcon Funds, investors should be aware that the entitlement to disproportionate distributions from the Falcon Funds creates a potential conflict of interest with respect to such transactions. These circumstances may give rise to certain conflicts of interest.

Onex Falcon requires its access persons to pre-clear transactions in securities (with certain exceptions) in their personal accounts, and permission to execute the transaction will be denied if such transaction will have any adverse economic impact on one of its clients. Generally, personal trading will not be approved in any security that (i) a client owns or is in the process of buying or selling or (ii) Onex Falcon or Onex Credit is researching, analyzing or considering buying or selling for a client.

All of Onex Falcon's access persons are required to disclose their securities transactions on a quarterly basis and holdings on an annual basis. All of Onex Falcon's access persons are also required to provide broker confirmations of each transaction in which they engage and a quarterly certification of such transactions. Trading in employee accounts will be reviewed under the supervision of the CCO and compared with transactions for the Fund accounts and reviewed against the restricted securities list.

Item 12. Brokerage Practices

Onex Falcon 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, Onex Falcon reserves the right to distribute securities to investors in the Falcon Funds or sell such securities, including through using a broker-dealer, if a public trading market exists. Although Onex Falcon does not intend to regularly engage in public securities transactions, to the extent it does so, it would expect to follow the brokerage practices described below.

With respect to those limited instances in which the Falcon Funds purchase, sell or distribute publicly traded securities through a broker-dealer, Onex Falcon seeks to satisfy its best execution obligation by considering all relevant facts and circumstances, including the price and size of the

order, the trading characteristics of the securities involved, which investment bank or banks have a relationship with the issuer of the securities and their knowledge of the market, the value of research provided by each broker, the broker's execution abilities, commission rates, and financial responsibility and responsiveness.

Onex Falcon's policy is that the Chief Compliance Officer ("CCO") or a designee evaluate, on a periodic basis as deemed appropriate by the Company, broker-dealers that provide services to Onex Falcon (or that are under consideration by Onex Falcon) to determine whether such broker-dealers continue to provide services that maximize value for Onex Falcon's clients.

Research and Soft Dollar Benefits

Onex Falcon does not generally have any soft dollar arrangements with any brokers whereby Onex Falcon can direct a broker to pay for external research services from a soft dollar account.

Brokerage for Client Referrals

Subject to Onex Falcon's obligation to seek best execution of all transactions for its clients, Onex Falcon could consider referrals of investors in determining its selection of broker-dealers or other third-party service providers. Accordingly, Onex Falcon could have an incentive to select or recommend a broker-dealer or other service provider based on its interest in receiving investor referrals, rather than on its clients' interest in receiving the most favorable execution. Any such determinations will be made in accordance with Onex Falcon's fiduciary obligations to the Falcon Funds and Onex Falcon's compliance policies and procedures.

Directed Brokerage

Onex Falcon has discretionary authority to select the brokers or dealers in connection with securities transactions of the Falcon Funds, and investors are not permitted to direct Onex Falcon to use a particular broker or dealer to execute portfolio transactions on behalf of a Falcon Fund.

Trade Aggregation

Onex Falcon does not anticipate engaging in significant public securities transactions; however, to the extent that Onex Falcon engages in any such transactions, orders for the 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 Falcon Funds are completed independently, Onex Falcon may also purchase or sell the same securities or instruments for several Falcon Funds simultaneously. Onex Falcon is permitted, but is not obligated to, purchase or sell securities for several Falcon Funds 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 executed in a manner intended to ensure that no participating Falcon Fund is favored over any other Falcon Fund.

Onex Falcon will use its good faith discretion in allocating investment opportunities among the Falcon Funds, taking into account: (i) the nature and size of the opportunity (including projected follow-on financing requirements); (ii) the amount of capital the Falcon Funds have available for investment; (iii) whether a Falcon Fund has an existing investment in the applicable company (i.e., the investment opportunity is a follow-on investment) and, if so, the existing ownership percentage of the Falcon Fund in such company; (iv) liquidity needs; (v) portfolio construction and diversification; (vi) the age or life of the particular Falcon Funds; (vii) any restrictions or other investment opportunity allocation provisions in the Fund Agreement of each Falcon Fund and such other factors as the General Partner and its affiliates may determine to be relevant.

Onex Falcon's investment committee and allocation committee govern the investment allocation process across Onex Falcon's private credit and structured equity investment portfolios. Investment opportunities are allocated based on the security composition of each transaction at the time of initial investment. As discussed in Item 8, Onex Falcon will generally allocate investment opportunities on a pro rata basis, and there will be differences among the Falcon Funds in invested positions and securities held due to differences in investment objectives and strategies, risk tolerances, tax status and other criteria. As a result, it is expected that certain Falcon Funds may be over weighted toward debt investments, while others may emphasize preferred and common stock investments.

To the extent that multiple clients (e.g., more than one Falcon Fund) hold an interest in the same issuer, it is Onex Falcon's policy that disposition opportunities with respect to that investment shall, to the extent practicable, be allocated among such Falcon Funds on a basis that is fair and equitable to each Falcon Fund relative to the other Falcon Funds, taking into account all relevant facts and circumstances, including (without limitation): (i) the strategies, guidelines and restrictions of each Falcon Fund; (ii) relevant provisions in the Fund Agreement of a Falcon Fund or in other agreements related to the Falcon Funds' investment in such issuer; (iii) the ownership percentage of each applicable entity in the portfolio company; (iv) the amount of gain (or loss), realized and unrealized, on each applicable Falcon Fund's investment in the portfolio company at the time of such disposition opportunity; (v) liquidity needs for each Falcon Fund and the investment cycle of a particular Falcon Fund; (vi) respective holding periods for the investment; (vii) the nature of the disposition opportunity, including the size and source of the opportunity; (viii) current and anticipated market conditions; and (ix) tax, legal or regulatory considerations.

Item 13. Review of Accounts

Review of Client Accounts

Onex Falcon's policy is that all investment decisions made or recommended for any Falcon Fund and all transactions entered into on behalf of any Falcon Fund must be appropriate for such client as a whole based upon such Falcon Fund's financial situation. In addition, Onex Falcon's investment decisions and recommendations for a Falcon Fund must be consistent with any investment policies, objectives or restrictions in the Fund Agreement of such Falcon Fund and any applicable regulatory requirements. Onex Falcon's policy is that all client accounts be reviewed regularly by the CCO (or designee) to confirm that each client account is being managed in accordance with its stated objectives.

Reports to Clients

Each Falcon Fund distributes quarterly and annual written reports to the limited partners of such Falcon Fund. Annual reports generally contain a listing of investments held by the Falcon Fund at the end of the fiscal year and the audited financial statements of the Falcon Fund and are accompanied by an individual capital account statement as of the end of such fiscal year. The quarterly reports generally contain unaudited financial statements of the Falcon Fund for the fiscal quarter. In addition to the information provided to all investors, Onex Falcon provides certain investors with additional information or more frequent reports that other investors will not receive.

Please refer to the Fund Agreement of the relevant Falcon Fund for further information on the reports provided by a particular Falcon Fund to its investors.

Item 14. Client Referrals and Other Compensation

Economic Benefits Received from Third Parties

Onex Falcon does not receive any economic benefits from third parties in connection with its advisory services.

Third Party Compensation for Client Referrals

Onex Falcon and its related persons, from time to time, enter into placement agreements or solicitation arrangements with unaffiliated placement agents or third parties for introducing investors to a Falcon Fund. Generally, any sales charge associated therewith will ultimately be payable by Onex Falcon and/or its related persons, either directly or through an offset of the advisory fee or Management Fee payable by the relevant Falcon Fund to Onex Falcon.

Item 15. Custody

Onex Falcon will not have physical custody of any client assets (other than certain privately offered uncertificated securities to the extent permitted by the Advisers Act). Nevertheless, Onex Falcon will generally be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2 (the “Custody Rule”) of the funds or securities of the Falcon Funds, subject to certain exceptions set forth in the Custody Rule and related guidance. Accordingly, Onex Falcon maintains assets and securities of the Falcon Funds with qualified custodians, including Delaware Trust Company, in a separate account for the Falcon Funds under the Falcon Funds’ name, or in accounts that contain only funds and securities owned by the Falcon Funds under Onex Falcon’s name, as agent or trustee for the Falcon Fund or Falcon Funds. Custodians will generally be banks, trust companies or broker-dealers unaffiliated with Onex Falcon.

It is Onex Falcon’s general policy to cause each Falcon Fund with assets over which Onex Falcon is deemed to have “custody” to distribute audited financial statements, prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and audited by an accountant subject to regular inspection by the Public Company Accounting Oversight Board, to investors annually and no later than 90 days after the end of each fiscal year.

Item 16. Investment Discretion

Subject to the investment objectives, policies and restrictions of each Falcon Fund as set forth in the Fund Agreement of such Falcon Fund, Onex Falcon has discretionary authority to determine the type, amount and price of securities and investments to be bought and sold on behalf of each Falcon Fund, including the selection of, and commissions paid to, broker-dealers. As a general policy, Onex Falcon does not allow clients to place limitations on this discretionary authority. Pursuant to the terms of the Fund Agreements, however, the General Partners may enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s Falcon Fund investment may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Investment advice is provided directly to each Falcon Fund and not individually to the limited partners of any Falcon Fund.

Item 17. Voting Client Securities

Because Onex Falcon has, or will accept, authority to vote securities held by a Falcon Fund, Onex Falcon has adopted policies and procedures (the “Proxy Voting Policies and Procedures”) which have been designed to ensure that Onex Falcon complies with the requirements of Rule 206(4)-6 and Rule 204-2(c)(2) under the Advisers Act, and reflect Onex Falcon’s commitment to vote all client securities for which it exercises voting authority in a manner consistent with the best interest of its clients.

Onex Falcon generally believes its interests are aligned with those of the Falcon Funds’ investors through the principals’ beneficial ownership interests in the Falcon Funds and therefore generally do not expect to seek investor approval or direction when voting proxies.

If a material conflict exists, Onex Falcon takes the necessary steps to ensure that its voting decision is based on the best interests of the client and is not a product of the conflict. Prior to exercising its voting authority, Onex Falcon, in consultation with Onex Falcon’s investment committee, the CCO and outside counsel, as appropriate, reviews the relevant facts and determines whether or not a material conflict of interest exists or could arise. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Voting Policies and Procedures provide that Onex Falcon may address the conflict using several alternatives. Onex Falcon does not consider service on portfolio company boards by Onex Falcon personnel or Onex Falcon’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.

Onex Falcon will deliver to each limited partner of a Falcon Fund, upon written request, a complete copy of its Proxy Voting Policies and Procedures and/or information on how it voted proxies for the applicable Falcon Fund. Investors should contact Onex Falcon’s CCO at zdrozdz@onex.com for Onex Falcon’s complete Proxy Voting Policies and Procedures or information regarding how Onex Falcon voted proxies for particular portfolio companies.

Item 18. Financial Information

Onex Falcon 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.