

**Form ADV Parts 2A: FIRM BROCHURE**



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This Brochure provides information about the qualifications and business practices of Turn/River Management, L.P. (“Turn/River”). If you have any questions about the contents of this Brochure, please call us at 415-858-0910. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Turn/River is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

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

## Item 2 – Material Changes

There have been no material changes since Turn/River's last Brochure filing on March 23, 2023.

While not material, we routinely make changes to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023 and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

Turn/River will ensure that all current clients and investors receive a summary of material changes to this and subsequent brochures within 120 days of the close of its fiscal year.

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## Item 4 – Advisory Business

### Firm Description

Turn/River Management, LP (“Turn/River” or the “Firm”), a Delaware limited partnership, is a private equity firm focused on investments in the software industry. Turn/River invests in companies which it believes have untapped potential and offers flexible capital, hands-on operational support and data-driven strategies tailored to each company’s unique needs. Turn/River is made up of a team of experienced leaders and operating professionals with decades of experience scaling sales, marketing, customer success and retention and talent for a diverse portfolio. The Turn/River operating playbook seeks to reliably and rapidly transform great software products into market leaders. Based in San Francisco, the Firm commenced operations in 2012.

Turn/River serves as the investment adviser for, and provides discretionary investment advisory services to, private funds (“Funds”) and special purpose funds established to invest alongside a fund in a single portfolio company (“Co-Investment Funds” and collectively with the Funds, the “Funds” unless the context otherwise requires).

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. The General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”), pursuant to Turn/River’s registration in accordance with SEC guidance. The applicable General Partner retains investment discretion and investors in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, Turn/River has been designated the role of investment adviser. This Brochure refers to the business practices of both Turn/River and the General Partners, unless otherwise noted. For more information about the Funds and General Partners, please see Turn/River’s Form ADV Part 1, Schedule D, Section 7.A. and Section 7.B.(1).

Turn/River provides investment advisory services as a private equity fund manager to its Funds. The Funds invest through privately negotiated transactions in operating companies, generally referred to as “portfolio companies”, in the software industry. Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although (i) members of Turn/River or representatives appointed by the Firm are expected to serve on the boards of, or otherwise act to influence control of the management of, such portfolio companies and will therefore have a significant impact on the long-term direction of the company, including the selection of management team members and (ii) in some cases, Turn/River will more directly influence the day-to-day management of a portfolio company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. Turn/River’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and

achieving dispositions of such investments. Investments are made predominantly in nonpublic companies, although investments in public companies are permitted in certain instances.

Turn/River's investment advice and authority for each Fund is tailored to the investment objectives of that Fund; Turn/River does not tailor its advisory services to the individual needs of investors in the Funds. The Fund investment objectives are described in and governed by, as applicable, the private placement memorandum, limited partnership agreement, subscription agreements, investment advisory agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents") and investors determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek nor require investor approval regarding each investment decision.

Fund investors generally cannot impose restrictions on investing in certain securities or types of securities, other than through side letter agreements. Investors in the Funds participate in the overall investment program for the applicable Fund and generally cannot be excused from a particular investment except in certain circumstances pursuant to the terms of the applicable Governing Documents. In accordance with industry common practice, Turn/River has entered into side letters or similar agreements with certain investors including those who make substantial commitments of capital or were early-stage investors in the Funds, or for other reasons in the sole discretion of Turn/River, in each case that have the effect of establishing rights under, or altering or supplementing, a Fund's Governing Documents. Examples of side letters entered into include provisions whereby investors have expressed an interest in participating in co-investment opportunities, limited partner advisory committee representation, notification provisions, reporting requirements and "most favored nations" provisions, among others. These rights, benefits or privileges are not always made available to all investors, consistent with the Governing Documents and general market practice. Commencing in September 2024, Turn/River will make required disclosure of certain side letters to all investors (and in certain cases, to prospective investors) in accordance with the new Private Fund Rule. Side letters are negotiated at the time of the relevant investor's capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more investors will not in certain cases disadvantage other investors.

Turn/River does not participate in wrap fee programs.

### **Principal Owners/Ownership Structure**

Turn/River is owned by Managing Partner Dominic Ang, and is controlled by Turn/River Group, LLC, the general partner of Turn/River, which is owned and controlled by Mr. Ang.

## **Assets Under Management**

As of December 31, 2023, Turn/River managed \$2.687 billion in regulatory assets under management, on managed on a discretionary basis. Turn/River does not manage any investments on a non-discretionary basis.

## Item 5 – Fees and Compensation

Turn/River and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Funds, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. Differences exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Investors should refer to the Governing Documents of the applicable Fund for a complete understanding of how Turn/River is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

### Management Fees

Turn/River charges each Fund a management fee (the “Management Fee”) of up to 2.5% per annum of non-affiliated investor’s commitments, depending on the Fund. Management Fees are initially charged based on a percentage of each non-affiliated investor’s committed capital for the period of time during which each Fund is making investments or the date Turn/River begins to accrue Management Fees from a successor fund with aggregate capital commitments not less than the most recently raised Fund. Thereafter, the Management Fee is reduced by an amount as specified in each Fund’s Governing Documents, and for more recent Funds, after the eighth anniversary of the Fund closing, the Management Fee will be reduced based on various stepdown percentages depending on the Fund’s aggregate investment cost of the remaining investments.

Prior to the eighth anniversary of a Fund’s closing, at which point the investment period ends and the stepdown period commences, the amount of Management Fees will not correspond with fluctuations in a Fund’s net asset value and will not be reduced in connection with any write downs. Except where the Governing Documents expressly provide to the contrary, prior to the eighth anniversary of a Fund’s closing, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (*e.g.*, those resulting from a dividend recapitalization) or partial sales of investments. In addition, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the post-year eight calculation period. Further, also during the post-year eight calculation period, where there has been a partial disposition or permanent write-down of a Fund’s investment and the fair market value of the investment following such event exceeds the total amount of the Fund’s investment contributions relating to the investment, the Governing Documents do not require Management Fees after the stepdown date to be reduced. Assessed quarterly in advance, the Management Fee charged to each Fund is described in full detail in the relevant Fund’s Governing Documents. Management Fees are collected through a capital call, through a draw-down on the line of credit or offset against a distribution to the investors. All Management Fees were negotiated with investors during the fundraising period of the

applicable Fund and are not subject to negotiation thereafter. Generally, investors participating in a subsequent closing after the initial closing of a Fund are responsible for paying the Management Fee as of the date of the initial closing of such Fund, plus interest, as applicable. In addition, Management Fees are payable during term extensions unless otherwise agreed to with investors.

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Management Fees differ from one Fund to another, and Management Fees are not charged on the General Partner's investment in a Fund, although the General Partners pay their pro rata share of Fund expenses. Similarly, investors in a Co-Investment Fund generally pay a reduced Management Fee on the co-investment portion of their investment.

As permitted under certain Fund Governing Documents, the relevant General Partner is permitted to reduce all or a portion of any capital contribution it is required to make in satisfaction of its commitment to the participating Fund. In such cases, the Management Fee that would otherwise be payable by investors in the applicable Fund is waived or reduced by an amount equal to the reduction in the General Partner's capital contribution to such Fund. Waived portions of the Management Fee are treated by the Governing Documents as deemed capital contributions by the relevant General Partner, which is effectively invested in the relevant Fund on such General Partner's behalf, and operates to reduce the amount of capital the applicable General Partner would otherwise be required to contribute to the Fund. Investors participating in a fee waiver program are required to make a pro rata capital contribution on the General Partners' behalf according to their respective commitments to the participating Fund in connection with any such waiver and, as a result, the exercise of a waiver has the potential to result in an acceleration of investors' capital contributions.

Management Fees will generally be reduced by a percentage of, as applicable: (i) for certain Funds, the amount of deemed contributions expected to be made during the term of the Fund; (ii) placement fees; (iii) costs incurred by Turn/River in connection with the organization of a Fund that exceed a limit as specified in such Fund's Governing Documents; (iv) the aggregate net amount of portfolio company remuneration, including any cash or other compensation paid as directors', commitment, break-up fees, monitoring, transaction or similar fees to Turn/River or any of its employees and affiliates (but not paid to third parties); (v) and excess Operating Fees (as described further below).

The receipt of portfolio company remuneration is offset against the Management Fee paid by a Fund as described below and in each Fund's Governing Documents, net of any expenses incurred in connection with any consummated or unconsummated transaction incurred in generating such fees. Any portfolio company remuneration received with respect to an investment or potential investment (including a transaction not consummated) is apportioned among the Funds, Co-Investment Funds and their respective co-investment entities pro rata based on respective ownership or anticipated ownership, for some Funds on a fully diluted basis. In the event a Fund or Co-Investment Fund does not pay a Management Fee or does not have an offset provision requiring the reduction of Management Fees, Turn/River will retain the credited offset portion of portfolio company remuneration allocable to these



Funds without reduction. Receiving an allocable amount of supplemental fees that do not offset the Management Fee gives Turn/River an incentive to maximize such amounts and to make and structure and potentially syndicate investments that could generate such amounts.

Turn/River generally has discretion over whether to charge portfolio company remuneration to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The amount of such portfolio company remuneration is paid by the Funds, or indirectly by the portfolio companies, and is determined by Turn/River on a transaction-by-transaction basis, subject to the terms set forth in each Fund's Governing Documents. In most circumstances, this compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of fees charged will be proportional to the amount of work performed on behalf of a portfolio company.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to investors that have not elected to waive such amount for tax or other reasons.

## **Fund Expenses**

Each Fund is governed by its own Governing Documents, which details a description of expenses for such Fund. While differences exist among Funds, the following is a description of expenses generally charged to each Fund.

Fund Expenses shall mean and include all fees, costs, expenses, liabilities and obligations relating to a Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations (referred to collectively in this definition as "costs") relating or attributable to: (a) any taxes, fees, interest, penalties or other governmental charges (except as provided below) levied against a Fund or an affiliate that are attributable to such Fund and all expenses incurred in connection with any tax audit (including similar services), third-party examination, investigation, settlement or review of a Fund or an affiliate that are attributable to the operation of the Fund (other than income taxes, assessed against either the Fund or its General Partner in respect of the Management Fee (*e.g.*, any sales tax on services, should such a tax become applicable)) and any costs and expenses of or related to the fund representative or designated individual; provided that the relevant General Partner shall bear any legal fees or expenses incurred in respect of a tax audit solely to the extent that such legal fees or expenses were incurred specifically to defend against a challenge to such General Partner's tax position with respect to its satisfaction of the General Partner commitment through the use of deemed capital contributions or a deferral or waiver by the General Partner of Carried Interest pursuant to the Governing Documents; (b) duties, fees or government charges of any kind which may

be assessed against a Fund (except to the extent that a Fund is reimbursed therefor or such tax, fee or charge is treated as having been distributed to the partners); (c) all fees, costs, expenses (including travel (including, where appropriate as determined by Turn/River, the cost of using private aircraft or other private air travel at a cost not above the cost of non-refundable first class commercial airfare), lodging and meal expenses), liabilities and obligations incurred in the investigation, due diligence, negotiation, sourcing, organizing, structuring (including the fees, costs and expenses related to the organization or maintenance of any intermediary entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Fund's investment activities), monitoring, holding (including expenses of tracking facilities), acquiring, managing, operating, taking public or private, valuing, restructuring, winding up, liquidating, dissolving, sale, exchange or disposition of a Fund's investments (whether or not any transaction by a Fund is ultimately consummated) including, without limitation, any financing, legal, tax, accounting, advisory, consulting and other professional fees and expenses (including interest and fees on money borrowed by a Fund, Turn/River, or a General Partner on behalf of a Fund, expenses incurred in connection with registration fees and related expenses and commitment, real estate title, survey, brokerage, finders', custodial and other fees); (d) all expenses incurred in connection with securing financing, including but not limited to fees and expenses related to the negotiation and documentation of agreements with one or more lenders; (e) principal and interest on, and fees and expenses arising out of, all permitted borrowings or guarantees made by, a Fund, its General Partner or any affiliated partner on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (f) expenses incurred in connection with any restructuring or amendments to the constituent documents of a Fund and related entities, including any alternative investment vehicle of a Fund, and, solely with respect to any restructuring or amendments that are necessary or appropriate in the determination of Turn/River as a result of any of the foregoing, the constituent documents of a General Partner, Turn/River and any of their respective successors and assigns, including the preparation, distribution and implementation thereof; (g) all expenses incurred in connection with the formation, organization, management, operation and dissolution, liquidation and final winding up of any special purpose investment vehicles, including any alternative investment vehicles and parallel funds to the extent set forth in the Governing Documents; (h) expenses incurred in connection with attending meetings of portfolio companies and meetings with representatives thereof (including travel (including, where appropriate as determined by Turn/River, the cost of using private aircraft or other private air travel at a cost not above the cost of non-refundable first class commercial airfare), lodging and meal expenses and other related expenses) (to the extent not subject to any reimbursement of such costs and expenses by portfolio companies or other third parties or capitalized as part of the acquisition price of an acquisition); (i) fees and expenses incurred in connection with the default by any investor to pay any capital contribution; (j) all costs related to holding meetings of an advisory committee and/or Board of Strategic Advisors (as defined in Item 8 below), and all expenses of the advisory committee and/or Board of Strategic Advisors incurred pursuant to the Governing Documents (including set-up costs, travel (including, where appropriate as determined by Turn/River, the cost of using private aircraft or other private air travel at a cost not above the cost of non-refundable first class commercial airfare), lodging and meal expenses and other related

expenses); (k) all costs and expenses (including set-up costs, speaker fees, entertainment fees, travel (including, where appropriate as determined by Turn/River, the cost of using private aircraft or other private air travel at a cost not above the cost of non-refundable first class commercial airfare), lodging, meal expenses and other related expenses) of annual or special meetings of the partners or otherwise holding meetings or conferences with investors or their representatives, whether individually or in a group, including costs and expenses associated with the presence of a Fund's lawyers, accountants or advisers at such annual or special meetings or such other meetings or conferences; (l) commissions, brokerage fees, finders' fees or similar charges incurred in connection with the purchase and sale of securities (including, without limitation, any merger fees payable to third parties and whether or not any such purchase or sale is consummated); (m) fees and expenses attributable to consulting (including consulting and retainer fees and other compensation and expenses paid to members of the Board of Strategic Advisors and other consultants performing investment initiatives and other similar consultants), auditing, filing, printing, title, transfer, registration, advisory, professional services, accounting, fund administration and appraisal services (including, without limitation, the costs of any third-party valuation agents or pricing services or software); (n) fees, costs and expenses incurred in connection with developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative, monitoring or reporting tools (including subscription-based services) for the benefit of a Fund or the investors; (o) fees, costs and expenses incurred in connection with any activities with respect to protecting the confidential or non-public nature of any information or data; (p) unreimbursed costs and expenses incurred in connection with any actual or proposed sale, assignment, mortgage, pledge, hypothecation, gift or other disposal of interests in a Fund pursuant to the Governing Documents; (q) costs and expenses that are classified as extraordinary expenses under GAAP; (r) unreimbursed costs and expenses incurred in connection with any investor transfer of interest; (s) expenses incurred in connection with the preparation and distribution of financial statements, portfolio valuations, tax returns, tax estimates, Schedule K-1s and reports to the partners (including without limitation, expenses related to calculating valuation, accounting and financial metrics, expenses related to financial management software and software to track portfolio company financial metrics and other third-party expenses incurred in connection with portfolio company valuation and secure communications to partners); (t) advertising and public notice costs related to the Funds; (u) all expenses relating to anticipated, threatened and commenced litigation involving a Fund, including judgments, penalties, court costs and settlements, including any interest and taxes thereon, and the fees, costs and expenses related to the payment of or collection thereof; (v) indemnification costs and expenses; (w) expenses attributable to investment banking (including buy-side, sourcing and sell-side fees), commercial banking, registration, legal and custodial services provided to the Funds; (x) any and all costs related to ensuring registration, administration and ongoing compliance with applicable U.S. federal, state, local, non-U.S. or other laws and regulations of or related to a Fund; (y) premiums for insurance obtained by a Fund to protect the Funds, their General Partners, any manager of the General Partner, Turn/River, the partners of the General Partner or Turn/River, and/or the directors, officers, employees or agents of the General Partner or Turn/River in connection with the activities of the Funds (including directors and officers, errors and omissions and representation and warranty liability

insurance, and all premiums and charges in connection with the maintenance thereof; (z) compliance with the Foreign Account Reporting Requirements, and any fees, costs and expenses of any third-party service providers and professional related to the foregoing; (aa) expenses incurred in connection with the managed distribution of marketable securities; (bb) all expenses of dissolving a Fund and related liquidation costs and expenses; (cc) all broken deal expenses (including such amounts with respect to investment opportunities offered to Co-Investment Funds and/or co-investors; (dd) the Management Fee; (ee) all organizational expenses; (ff) all placement fees; and (gg) all other non-recurring or extraordinary expenses attributable to the activities of a Fund as determined by its General Partner in good faith.

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

Please refer to Item 12 of this Brochure for information regarding Turn/River’s brokerage practices.

### **Expense Reimbursement**

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

In addition, to the extent a Fund or Turn/River initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Fund, portfolio company or future fund or portfolio company, Turn/River will determine, subject to its ultimate discretion, whether to cause such other Fund or portfolio company to reimburse the initial Fund or Turn/River for such fees or expenses. Reimbursement by a portfolio company of out-of-pocket expenses incurred by Turn/River, a General Partner or their respective affiliates will not offset the Management Fee payable by the Funds.

## **Offering and Organizational Expenses**

Each investor will bear its pro rata share of a Fund's expenses incurred in connection with the organization of the Fund ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of such permitted limit are borne by Turn/River and offset dollar for dollar against Management Fees.

## **Operating Fees**

The portfolio companies bear an operating fee (collectively, "Operating Fees") in exchange for operational assistance provided to such portfolio company with respect to recruiting, sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership, general management, acquisition integration/rationalization, board of directors services and other similar services by certain of Turn/River personnel (the "Operating Team"). Operating Fees are subject to limitations in each Fund's Governing Documents, annually budgeted by Turn/River and presented to the relevant advisory committee each year. Any Operating Fees received in excess of amounts as specified in each Fund's Governing Documents and annually budgeted by Turn/River will reduce the Management Fee as set forth above.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) Turn/River determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of Operating Fees charged to a portfolio company. Turn/River endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and Turn/River will defer or forego charging such fees if too burdensome for the portfolio company. In the case of amounts deferred, such payments may be payable in the future, which could result in a single payment or installments of repayment amounts that are larger than if the fees had originally been paid in increments. Turn/River makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly situated portfolio companies.

## **Fee Receipt Allocation**

From time to time, Turn/River, a Fund or a portfolio company agrees to pay all or a portion of a transaction fee, Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, advisor, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments or incentive equity payments based on the applicable portfolio company meeting certain success hurdles. All such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on

a Fund's investment and indirectly reduces the proceeds available for distribution to portfolio company investors at the time of such portfolio company's exit. None of these fees or compensation allocations offset Management Fees payable by a Fund.

### **Co-Investment Fees and Expenses**

In certain circumstances, Turn/River permits certain investors and third parties to co-invest in investments alongside one or more Funds, subject to Turn/River's related policies and procedures, the relevant Governing Documents and/or side letter(s) or similar arrangements or agreements with lenders. Where a Co-Investment Fund is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Since co-investments are incremental to the investment activities of a main Fund, any compensation received in connection with, related to or allocable to such co-investment does not reduce the Management Fee payable by a Fund.

In the event a proposed transaction is not consummated, no co-investment vehicle generally will have been formed, and the full amount of any fees and expenses generated in the course of evaluating such investments, including out of pocket fees associated with due diligence, attorney fees, fees of other professionals and various other fees relating to such proposed but not consummated transaction ("broken deal expenses") will generally be borne by the Fund(s) selected as proposed investors for such proposed transaction and not by any prospective co-investors that were to have participated in such transaction. As a result, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's investors) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a portfolio company through a Co-Investment Fund in connection with such transaction (such as for a follow-on investment for the portfolio company for which the Co-Investment Fund was originally created) such Co-Investment Fund is expected to bear its share of such broken deal expenses (which will generally be recorded at the portfolio company).

### **Allocation of Expenses**

In good faith and in its fair and reasonable discretion, Turn/River determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, Turn/River will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or Turn/River. The aggregate cost of such expenses are allocated in a fair and reasonable manner and in Turn/River's sole discretion. Where one

or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by Turn/River.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

A Carried Interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. The relevant General Partner is entitled to receive a Carried Interest allocation on certain realized profits in the Funds equal to 20% of all cumulative net profits subject to various hurdles as described in more detail in each Fund's Governing Documents. For some Funds, the Carried Interest percentage is higher once a Fund satisfies certain investment return hurdles. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential after-tax clawback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each investor prior to investment in such Fund.

These performance fee arrangements have been structured subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Funds or investors in a Fund. While some Funds pay different Carried Interest, all investors within the same Fund pay the same Carried Interest.

The fact that a General Partner's Carried Interest allocations are based on the performance of each Fund can create an incentive for Turn/River to make investments that are more speculative than would be the case in the absence of such distributions or to allocate an investment to a Fund that earns a higher Carried Interest, if applicable. The Firm believes this incentive is sufficiently mitigated, however, due to the fact that: (i) the applicable Governing Documents create limitations on the ability of Turn/River to establish new investment funds; (ii) the Funds are subject to certain contractual provisions requiring parallel Funds to purchase and sell investments contemporaneously if they share an investment through a contemporaneous initial investment; (iii) any losses a Fund sustains will reduce the General Partner's Carried Interest distribution; (iv) Carried Interest is generally calculated only after investors have received as distribution 100% of their capital contributions (v) a General Partner often makes a substantial commitment to a Fund to invest its own capital alongside the investors; and (vi) Turn/River's ability to attract future investors is tied to the performance of its investments. Turn/River generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals.

Turn/River manages multiple Funds with similar investment strategies on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to Turn/River's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although Turn/River generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is



substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for the Firm or its personnel to favor a Fund in which Turn/River or an affiliate has a greater financial interest. To the extent that Turn/River manages Funds with varying Carried Interest terms (including amount, timing waterfall conditions or other terms) and/or Turn/River personnel are assigned different percentages of Carried Interest in different Funds, Turn/River and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher Carried Interest percentage.

To help minimize such conflicts of interest, Turn/River allocates investment opportunities which satisfy the investment parameters of more than one Fund in accordance with Turn/River's policies and procedures regarding investment allocation and the applicable Governing Documents and taking into consideration certain factors, as determined in the Firm's sole discretion, which include, but are not limited to: the amount of available capital commitments of the applicable Fund(s); anticipated future capital requirements of an investment opportunity; life-cycle of the applicable Fund(s); expected time to obtain liquidity; legal, tax and regulatory considerations; and any other factors deemed relevant by Turn/River. Turn/River's procedures are designed to ensure that all investment decisions are made in accordance with Turn/River's fiduciary duties to its Funds and without consideration of Turn/River's (or its affiliates' or employees') pecuniary interest. Turn/River will not allocate investment opportunities based in whole or in part on the relative fee structure or amount of fees paid by any Fund or the profitability of any Fund.

## Item 7 – Types of Clients

Turn/River provides investment advisory services to the Funds, which are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Investment Company Act”). The Funds limit their respective investors to: (i) “accredited investors” as defined in the Securities Act of 1933, and (ii) “qualified purchasers” or “knowledgeable employees,” each as defined in the Investment Company Act, or (iii) if applicable, “qualified clients,” as defined in the Advisers Act. Investors in the Funds must also meet certain other suitability qualifications prior to making an investment in a Fund. The Funds are not registered or required to be registered under the Investment Company Act, are not made available to the general public, their securities are not registered or required to be registered under the Securities Act of 1933 and Fund interests are privately placed to qualified investors. Qualified investors include individuals or entities to which Fund interests are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Turn/River and/or the Funds. The Funds typically require capital commitments from each investor of at least \$5 million, depending on the Fund, although the applicable Fund’s General Partner has, in its sole discretion, accepted lesser amounts.

The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and from time to time include, directly or indirectly, principals or other employees of Turn/River and its affiliates and members of their families, service providers retained by Turn/River, as well as executives of portfolio companies.

On occasion, Turn/River offers co-investment opportunities for certain investors to invest alongside a Fund in certain Fund portfolio companies. Opportunities to participate in co-investment transactions arise when Turn/River has the opportunity for an investment in an existing or prospective portfolio company and Turn/River determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund’s Governing Documents or otherwise or (iv) Turn/River believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Governing Documents (which for some Funds include a minimum investor capital commitment to be considered for co-invest), side letter agreements, agreements with lenders and such other factors as Turn/River will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-investment opportunity. Turn/River’s exercise of discretion

in allocating co-investment opportunities will not always result in proportional allocations among co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to the Fund will be less than it would otherwise have been without the inclusion of such co-investors.

Turn/River will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those detailed in its Governing Documents and as outlined in its internal policies and procedures. While one or more investors in the Funds are on occasion invited to co-invest in a Fund's portfolio companies, Turn/River is authorized in its sole discretion to offer any or all of a co-investment opportunity to investors that are not investors in the Funds. Co-investment opportunities are made available to select Fund investors and third parties, including, without limitation, management or founders of the applicable portfolio company, co-sponsors, strategic investors, lenders, investment bankers, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), service providers, sector experts, strategic advisors, other persons or entities affiliated, associated or otherwise known to Turn/River or its personnel. Certain service providers, including lenders and individuals who source transactions, have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation in connection with the services provided.

Turn/River can cause some co-investors to bear a Management Fee and/or Carried Interest while not imposing a Management Fee and/or Carried Interest (or imposing a different Management Fee or Carried Interest) on other co-investors. Some co-investors can be provided a board seat or observer rights at a Turn/River portfolio company. Such positions provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors.

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

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

### Investment Strategies

Turn/River believes that innovation in technology infrastructure and the subsequent dramatic drop in the cost of operating web businesses, coupled with the emergence of recurring revenue models, have led to an explosion of new, smaller-scale technology businesses as small teams leverage low-cost development, new distribution technologies and high velocity sales to attack new and incumbent markets. This new kind of company has grown while largely outside of the traditional capital markets—too capital efficient for venture capital, too small for private equity, too messy for strategic investors—and, because of that, missing out on traditional executive leadership, capital partners and the operational institutionalization that comes with both.

Turn/River was purpose-built for these companies: combining investment talent with a core and comprehensive operational team. Turn/River believes it can generate meaningful returns by investing in and looking to transform these businesses with its operations-led investment strategy into at-scale, faster growing, profitable, professionally managed companies attractive to mainstream acquirers.

Turn/River generally finds companies in the following three categories: bootstrapped, corporate spin out and venture buyout, and aims to invest multi-purpose capital that can fully transition the company from one phase to the next. Turn/River applies its proprietary software go-to market playbook for growth and seeks to use industry-specific tools to surface and engage prospects with revenue acceleration opportunities specific to the Turn/River playbook.

### Risk Factors

An investment in the Funds involves a high degree of risk, including the risk of a partial or total loss of capital, and investors must be prepared to bear capital losses which might result from investments. An investment in the Funds is speculative, illiquid and long-term in nature, and is suitable only for those investors who have the financial sophistication and expertise to evaluate the merits and risks of an investment in the Funds. Investors should also refer to a Fund's Governing Documents for a description of the risk factors specific to their Fund. Different or new risks not addressed below will likely arise in the future and, therefore, the following list is not intended to be exhaustive. While the following discusses risks as they relate to the Funds, Co-Investment Funds will also be subject to some or all of the following risks, depending on the risks associated with the applicable transaction or investment strategy. Risks and potential conflicts of interest include, but are not limited to, the following:

*Business Risks.* The Funds' investment portfolio are expected to consist primarily of securities issued by privately held companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses.

*Uncertainty of Targeted or Projected Returns.* The Funds will normally make investments based on estimates or projections of internal rates of return and current returns prepared by the target portfolio company's management (with adjustments to such projections and Fund estimates made by Turn/River in its discretion), which in turn are based on, among other considerations, assumptions regarding the performance of the portfolio companies and the manner and timing of dispositions, all of which are subject to significant uncertainty. In addition, events or conditions that have not been anticipated can occur, which can have a significant effect on such projections and estimates and accordingly, the actual rate of return received upon a Fund's investments. The Funds will make investments that may have different degrees of associated risk.

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

*Reliance on the General Partner.* Each General Partner will have exclusive responsibility for its Fund's activities, and other than as expressly set forth in the Governing Documents and as described briefly throughout this Brochure, investors will not be able to make decisions with respect to the acquisition, management, disposition or other realization of any investment, or other decisions regarding the conduct of a Fund's business and affairs. The investors will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by Turn/River in its selection of investments, nor to receive the detailed financial information issued by portfolio companies that is available to Turn/River. Investors must rely on Turn/River to conduct and manage the affairs of the Funds. Turn/River will be solely responsible for making all investment decisions on behalf of the Funds and the Funds' future profitability will depend largely upon the business and investment acumen of Turn/River and the principals. There is an ever-increasing competition among alternative asset firms, financial institutions, private equity firms, investment managers and other industry participants for hiring and retaining qualified investment professionals. There can be no assurance that Dominic Ang or any other person designated as a "Principal" as defined in the Governing Documents (collectively, the "Principals") will remain with Turn/River. There can be no assurance that the Principals will not be solicited by and join competitors or other firms or that Turn/River will be able to hire and retain any new personnel or add to their roster of investment professionals. The loss of the services of one or more of the Principals could have an adverse impact on the Funds' ability to realize their investment objectives. In addition, certain changes at Turn/River can have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

*Other Activities.* The Principals and other employees of Turn/River will devote that portion of their time to the affairs of the Funds necessary for the proper performance of their duties. However, other investment activities of Turn/River are likely to require those individuals to devote substantial amounts of their time to matters unrelated to the business of the Funds, including Turn/River's existing or future portfolio of investments, which has the potential to pose conflicts in the allocation of management resources. The Funds will have no interest in these other activities.

*Competition for Investments.* The activity of identifying, buying and selling private equity investments is highly competitive, involves a high degree of uncertainty, and is subject in some cases to the prevailing capital market, regulatory or political environment. The Funds will encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, governments, individuals, financial institutions, family offices, strategic industry acquirers and other financial investors, including hedge funds, investing directly or through affiliates. Further, over the past several years, an ever-increasing number of private equity funds have been or are being formed (and many existing funds have grown in size). Additional funds with similar investment objectives are expected to be formed in the future by other unrelated parties. Some of these competitors may have more relevant experience, greater financial resources, a greater willingness to take on risk, and more personnel than Turn/River. Turn/River expects that competition for appropriate investment opportunities may increase, which may also require a Fund to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of investment opportunities available to a Fund and/or adversely affecting the terms upon which portfolio investments can be made. Participating in auctions will also increase the pressure on a Fund with respect to pricing a transaction.

*Risks Relating to Due Diligence and Conduct of Portfolio Companies.* Before making investments, Turn/River will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence will generally entail evaluation of a combination of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties are often involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants can present a number of risks primarily relating to Turn/River's reduced control of the functions that are outsourced. In addition, if Turn/River is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Turn/River will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Turn/River carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Funds as being speculative and having a high degree of risk. There can be no assurance that the Funds will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during their efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by the Funds will be adequate. In the event of fraud by any portfolio company, any of its affiliates or their employees, a Fund has the potential to suffer a partial or total loss of capital invested in that portfolio company. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such

inaccuracy or incompleteness also has the potential to adversely affect the value of the Funds' investment in portfolio companies. The Funds will rely upon the accuracy and completeness of representations made by portfolio companies and in certain instances their former owners in the due diligence process when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Fund may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. In addition, conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on such Fund.

*Misconduct of Employees, Independent Contractors and Third-Party Service Providers.* Misconduct or misrepresentations by employees and independent contractors of Turn/River or a portfolio company, or by third-party service providers, could cause significant losses to a Fund. Employee or independent contractor misconduct can include binding a Fund or a portfolio company to transactions that exceed authorized limits or present unacceptable risks and unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, can result in unknown and unmanaged risks or losses) or making misrepresentations regarding any of the foregoing. Losses could also result from actions by third-party service providers, including, without limitation, failing to recognize transactions and misappropriating assets. In addition, employees, independent contractors and third-party service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future marketing activities. Despite Turn/River's due diligence efforts, misconduct and intentional misrepresentations can go undetected or not fully comprehended, thereby potentially undermining such due diligence efforts. As a result, no assurances can be given that the due diligence performed by Turn/River will identify or prevent any such misconduct.

*Expedited Transactions.* Investment analyses and decisions by Turn/River are often undertaken on an expedited basis in order for a Fund to take advantage of investment opportunities. In such cases, information available to Turn/River at the time of an investment decision can be limited, and it is possible that Turn/River will not have access to the detailed information necessary for a full evaluation of the investment opportunity.

*Risk of Investment Concentration.* The Funds will participate in a limited number of portfolio investments and, as a consequence, the aggregate return of a Fund can be substantially adversely affected by the unfavorable performance of any single investment. Moreover, since all of a Fund's investments cannot reasonably be expected to perform well or even return capital, for a Fund to achieve above-average returns, one or a few of its investments must perform very well. There can be no assurance that this will be the case. In addition, other than as set forth in the Governing Documents, investors have no assurance as to the degree of diversification of a Fund's portfolio investments, either by geographic region, asset type or sector. To the extent a Fund concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic, political, regulatory and business conditions with respect

thereto. If a Fund co-invests with other private equity funds, an investor with an investment in such other private equity fund will have exposure to portfolio investments through more than one fund. In circumstances where Turn/River intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing will not be completed, which could lead to increased risk as a result of the Fund having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

The Funds are permitted to provide bridge financing to facilitate portfolio company investments. It is possible that all or a portion of a bridge financing will not be recouped within the time period specified in the Governing Documents, in which case the investment would be treated as a permanent investment of the Fund. As a result, a Fund's portfolio could become more concentrated with respect to such investment than initially expected or otherwise provided for under the Fund's investment limitations, which exclude bridge financing investments.

In addition, an investor's participation in the investments may be limited by virtue of Turn/River's right to exclude an investor from, or an investor's right to be excused from, participating in certain investments as set forth in the Governing Documents, thereby increasing the participation of other investors. As a consequence of one or more investors being excused or excluded or other factors limiting their participation in investments, the aggregate returns realized by the participating investors could be adversely affected in a material manner by the unfavorable performance of even one investment by a Fund. The performance of one or more substantial investments can therefore have a significant impact on the overall performance of such Fund.

*Concentration of Investments in Certain Industries.* The Funds' portfolio investments will be concentrated in the information technology, software, e-commerce and internet products and services industries, including investments in equity or equity-related securities (including convertible securities) of private companies and occasionally in public companies. Concentration in a limited number of industries involves risks greater than those generally associated with diversified investment funds, including significant fluctuations in returns. Software companies serve virtually every vertical market. The vertical market focus of such companies is a core reason for their stability and longevity, as these businesses offer their customers differentiated, industry specific capabilities typically not available from general purpose software vendors or new technology startups. The software sector as a whole is highly cyclical. The Funds' portfolio companies will compete in this potentially volatile environment. In addition, certain countries in which the Funds invest may have less-developed laws regarding the protection of intellectual property rights. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Moreover, competition can result in significant downward pressure on pricing. Instability, fluctuation or an overall decline within the software industry will likely not be balanced by investments in other industries not so affected. In the event that the software sector as a whole declines, returns to investors will likely decrease.



*Illiquidity; Lack of Current Distributions.* An investment in the Funds should be viewed as illiquid. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments can be realized before gains on successful investments are realized. A Fund's ability to dispose of investments can be limited for several reasons. Illiquidity can result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by a Fund. Dispositions of investments can be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. In view of these limitations on liquidity, the return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition of an investment. While an investment can be sold at any time, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there is not likely to be a return on the investment. Furthermore, the expenses of operating the Funds (including the Management Fee) may exceed their income, thereby requiring that the difference be paid from a Fund's capital, including unfunded commitments.

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

*Investing in Emerging Growth Software Companies.* The Funds are permitted to invest in emerging growth software companies. These companies are often characterized by short operating histories, new technologies and products, evolving markets, intense competition and management teams that may have limited experience working together. It is possible that some of the products of emerging growth software companies, and of other companies in which a Fund invests, will be unproven at commercial scale. A portfolio company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing technologies and markets. Such a portfolio company will need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. In addition, emerging growth companies can be more susceptible to macroeconomic effects and industry downturns, including those resulting from acts of terrorism and war.

*Competition in the Technology Sector.* Competitors of the Funds and their portfolio companies range in size from diversified global companies with significant research and development resources to small,

specialized firms whose narrower product lines can result in them being more effective in deploying technical, marketing and/or financial resources. Barriers to entry in the software and technology industries are low and software products can be distributed broadly and quickly at relatively low cost. Many of the areas in which the Funds and their portfolio companies participate evolve rapidly with changing and disruptive technologies, shifting user needs, and frequent introductions of new products and services.

*Cyber Security Breaches and Identity Theft.* Cyber-attacks and other malicious Internet-based activity continue to increase in frequency and magnitude. Techniques used to sabotage, or to obtain unauthorized access to, systems or networks change frequently and generally are not recognized until launched against a target. Therefore, it is possible that companies, as well as their third-party partners, will be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. Turn/River and the Funds' service providers and their portfolio companies' information and technology systems can be vulnerable to actual or perceived damage or interruption from computer viruses; infiltration by unauthorized persons and security breaches; and other disruptive behavior including denial-of-service attacks. Furthermore, Turn/River and the Funds' service providers and their portfolio companies may be vulnerable to actual or perceived usage errors by their respective professionals, network failures, computer and telecommunication failures, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

Turn/River, the Funds' portfolio companies, the Funds' service providers, and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Funds and the investors, despite efforts to adopt technologies, processes, and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, and other technology assets, as well as the confidentiality, integrity, and availability of information belonging to a Fund and the investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of Turn/River, the Funds' portfolio companies, the Funds' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers, or other users of Turn/River's systems to disclose sensitive information in order to gain access to Turn/River's data or that of Turn/River or the investors. To the extent that a portfolio company is subject to cyber-attack or other unauthorized access is gained to a portfolio company's systems, such portfolio company would be subject to substantial losses in the form of stolen, lost, or corrupted (i) customer data or payment information; (ii) customer or portfolio company financial information; (iii) portfolio company software, contact lists, or other databases; (iv) portfolio company proprietary information or trade secrets; or (v) other items. In certain events, a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks can be the subject of civil litigation or regulatory or other action. Any of such circumstances could subject a portfolio company, or a Fund, to substantial losses. In addition, in the event that such a cyber-attack or other unauthorized access is

directed at Turn/River or one of their respective affiliates or service providers holding its financial or investor data, Turn/River or its affiliates (including the Funds) could also be at risk of loss, despite efforts to prevent and mitigate such risks.

Although Turn/River has implemented certain measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Turn/River, the Funds and/or a portfolio company can incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Turn/River's, the Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Turn/River's, the Funds' and/or a portfolio company's reputation, subject any such entity and its respective affiliates to legal claims (from an individual or a governmental body) or otherwise affect their business and financial performance. In addition, Turn/River's, the Funds' and/or a portfolio company's insurance coverage may be insufficient to compensate any such entity and its respective affiliates for incurred liabilities.

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

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

Any Distress Event has a potentially adverse effect on the ability of Turn/River to manage the Funds

and their investments, and on the ability of Turn/River, any Fund and/or portfolio companies to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include a Fund to pay fees and expenses in the event the Fund is not able to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of investors to make capital contributions or otherwise), as well the inability of a Fund to acquire or dispose of investments at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of Turn/River and/or the portfolio companies to make payroll, fulfill obligations and maintain operations. Although Turn/River expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. In addition, in the event Turn/River determines to change Financial Institutions, there is a risk that the transfer of cash or other assets, especially if done in an expedited manner, will result in a technical violation of Advisers Act Rule 206(4)-2 (the “Custody Rule”), even if performed in the Firm’s best judgment of its efforts to fulfill its obligations and maintain operations, including its ability to close transactions, make payroll or otherwise.

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

*Proprietary Rights.* Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company’s technologies or allege patent infringement by a portfolio company. Piracy or any such allegations can adversely affect portfolio company revenue, particularly outside the U.S. in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights could adversely affect portfolio companies.

*Unspecified Investments.* A purchaser of an interest in a Fund must rely upon the ability of Turn/River to identify, structure and implement portfolio investments consistent with the Fund’s investment objectives and policies. It is possible a Fund will be unable to find a sufficient number of attractive opportunities that meet its investment objectives. It is also possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, investors generally

will be required to pay Management Fees based on the entire amount of the investors' capital commitments.

*Reliance on Portfolio Company Management Teams.* Each portfolio company's day-to-day operations will be the responsibility of such company's management team. Although Turn/River will be responsible for monitoring the performance of each portfolio investment and the Funds seeks to invest in companies operated by strong management, there can be no assurance that the existing management team, or any successor, will be able to operate the portfolio company successfully. The success of many of the Funds' portfolio companies is heavily dependent on the management of such companies. There can be no assurance that the management team of a portfolio company on the date a portfolio investment is made will remain the same or continue to be affiliated with the company throughout the period the portfolio investment is held. Further, the business and operations of software, data and technology companies in which the Funds invest often experience rapid organizational change that have the potential to strain the performance of the portfolio companies' management teams. In addition, Turn/River will generally establish the capital structure of companies in which the Funds invest on the basis of financial projections for such companies. Projected operating results will normally be based primarily on the judgment of the management team of the portfolio company, with adjustments to such projections made by Turn/River in its sole discretion. 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 can vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

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

*Restricted Securities.* A portion of a Fund's investments can consist of securities that are subject to restrictions on resale by such Fund because they were acquired in a "private placement" transaction or because the Fund is deemed to be an affiliate of the issuer of such securities. Generally, a Fund will be able to sell such securities only under Rule 144 under the Securities Act, which permits limited sales under specified conditions, or pursuant to a registration statement under the Securities Act. When restricted securities are sold to the public, a Fund may be deemed to be an "underwriter," or possibly a controlling person, with respect thereto for the purposes of the Securities Act and be subject to liability as such under that Act. In addition, there can be no assurance that a Fund can sell restricted securities at the same trading price as the equivalent securities that are not restricted.

*Limitations on Ability to Exit Investments.* The Funds will generally exit investments through private sales

(including mergers with or acquisitions of its portfolio companies) and initial and secondary public offerings. At any particular time, one or both of these avenues may not be available to a Fund, or timing with respect to these exit mechanisms may be inopportune. As such, the ability to exit from and liquidate portfolio companies can be constrained at any particular time.

*Public Company Holdings.* A Fund's investment portfolio on occasion contains securities issued by publicly held companies, which are generally sensitive to movements in the stock market and trends in the overall economy. Such investments can subject the Funds to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Funds to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including the Principals and/or other representatives of associates of Turn/River or the Funds, and increased costs associated with each of the aforementioned risks.

*Non-U.S. Investments.* The Funds are permitted to invest a portion of their aggregate commitments in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Non-U.S. securities involve certain factors not typically associated with investing in U.S. securities, including risks relating to: (i) currency exchange matters, including fluctuations in the rate of exchange between the U.S. dollar and the various foreign currencies in which a Fund's foreign investments are denominated, and costs associated with conversion of investment principal and income from one currency into another; (ii) differences between the U.S. and foreign securities markets, including potential price volatility in and relative liquidity of some foreign securities markets, the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (iii) certain economic, social and political risks, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital (as such regulations and restrictions may be given effect during the entire term of a Fund), the risks of political, economic or social instability and the possibility of expropriation or confiscatory taxation or other changes in law; (iv) differences between U.S. and foreign market contract terms (*e.g.*, foreign contracts do not typically include many of the closing conditions that are commonly found in U.S. contracts); (v) the application of complex U.S. and non-U.S. tax rules to cross-border investments, including the possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to a Fund's income, and possible non-U.S. tax return filing requirements for a Fund and/or the partners; (vi) less developed corporate laws regarding fiduciary duties, the protection investors and intellectual property; and (vii) foreign investment controls limiting or precluding foreign investment above certain ownership levels or in certain sectors of the country's economy. Additionally, certain countries in which the Funds invest, have in the past and may in the future, experience political and social instability that could adversely affect a Fund's investments in such countries. Such instability could result from, among other things, popular unrest associated with demands for improved political, economic and social conditions and popular unrest in opposition to

government policies that facilitate direct foreign investment. Governments of certain countries have exercised and continue to exercise substantial influence over many aspects of the private sector in such countries. The Funds generally do not intend to obtain political risk insurance. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the return from investment. Exchange control regulations, expropriations, confiscatory taxation, nationalization, restrictions on repatriation of capital, denunciation of foreign debt, political, economic or social instability, or other economic or political developments could adversely affect the assets of a Fund held in a particular country.

*Control Position Risk.* Although non-control investments are permitted to be made, the Funds intend to make investments that allow it to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a company imposes additional risks of liability for environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may be ignored. The exercise of control over an investment could expose the assets of the Funds to claims by such portfolio company, its shareholders and its creditors. While Turn/River intend to manage the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

*Need for Follow-On Investments/Additional Capital.* Following its initial investment in a given portfolio company, a Fund often decides to provide additional funds to such portfolio company and/or its subsidiaries or will have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that the Funds will make follow-on investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow-on investments or its inability to make such investments can have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents). Additionally, such failure to make such investments can result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of the Fund's ownership in a portfolio company if a third party invests in such portfolio company and, in circumstances where the follow-on investment is offered at a discount to market value, can result in a loss of value for the Fund. In addition, certain of the Funds' portfolio investments, particularly those in "platform" phase, will, from time to time, need additional capital to sustain their working capital needs and/or acquisition strategies. The amount of such additional capital needed will depend upon the maturity and objectives of the particular portfolio company. Each such round of financing (whether from the Funds or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major corporate milestone. If the funds provided by a Fund is not sufficient, or if a Funds is unable to provide additional capital, a portfolio company will potentially have to raise further capital at a price unfavorable to existing investors, including such Fund. To the extent a portfolio company in which a Fund invested receives additional funding in subsequent

financings and the Fund does not participate in such additional financing rounds, the interests of the Fund in such portfolio company will be diluted. In the event that a Fund does not make a potential follow-on investment, such follow-on investment can be made by one or more of the parallel funds, whether or not such fund has participated in the initial investment in such portfolio company. Alternatively, a Fund can decide to sell, either directly or through such portfolio company, developed or undeveloped technologies of such portfolio companies to existing companies. No assurance can be made that buyers for such technologies can be located or that the terms of any such sales will be advantageous.

*Use of Leverage.* The Funds make use of leverage by incurring (*e.g.*, through a credit facility or subscription line of credit) or having a portfolio company incur debt to finance a portion of its investment in a given portfolio company and/or to finance a portfolio company's operations. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment. The Funds' portfolio investments can involve varying degrees of leverage, as a result of which recessions, operating problems and other general business and economic risks (as well as particular risks associated with investing in software companies described above) can have a more pronounced effect on the profitability or survival of such companies. Moreover, any rise in interest rates can significantly increase a portfolio company's interest expense, causing losses and/or the inability to service debt levels. 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 will be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that will potentially not be covered by distributions made to a Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet its debt obligations, a Fund can suffer a partial or total loss of capital invested in the portfolio company, which would adversely affect the returns of a Fund. Additionally, lenders would typically have a claim that has priority over any claim by a Fund to the assets of such portfolio company in an insolvency event or proceeding. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, a Fund will not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. While Fund-level borrowings generally will be 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. The Funds can also borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt) or otherwise be liable therefor, and in such situations, it is not expected that the Funds will be compensated for providing such guarantee or exposure to such liability. The Funds can incur leverage on a joint and several basis with one or more other investment Funds or any of their affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts will potentially be secured by capital commitments made by a Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of a Fund.

In addition, to the extent the Funds use borrowed funds in advance or in lieu of capital contributions or a portfolio company borrows funds directly through a Fund's facility, the investors generally make correspondingly later capital contributions. While a Fund will bear the expense of borrowed funds, such borrowings can also increase the percentage of distributions in respect of the investors (other than investors designated by Turn/River as "affiliated partners") that Turn/River is entitled to receive as carried interest by increasing the multiple on contributed capital with respect to the amount of distributions from the Funds that are required to be made to such investors and causing all or a portion of such distribution to be made according to the premium carry rate. Turn/River therefore has a conflict of interest in deciding whether to borrow funds because it could receive benefits from such borrowings. Borrowing by a Fund can also have certain tax implications for tax-exempt investors.

*Subscription Lines.* As indicated above, a Fund expects to enter into a subscription line with one or more lenders in order to finance its operations (including the acquisition of a Fund's investments and the payment of expenses). Fund-level borrowing subjects investors to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of Turn/River's right to call capital from the investors, investors may be obligated to contribute capital on an accelerated basis if a Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any investor claim against a Fund will likely be subordinate to a Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in incremental expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the subscription line, as well as expenses relating to the maintenance, renegotiating, amending, extending or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's investors and the terms of the Governing Documents, it may be higher than the interest rate an investor could obtain individually. Conflicts of interest can arise in that the use of such facilities may, and likely would, delay the need for investors to make certain contributions to a Fund, which generally would enhance the Fund's performance figures and thereby benefit Turn/River and its affiliates as noted above. To

the extent a particular investor's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact an investor's overall individual financial returns even if it increases a Fund's reported net returns in certain methods of calculation.

A credit agreement frequently will contain other terms that restrict the activities of the Funds and the investors or impose additional obligations on them. For example, a subscription line may impose restrictions on Turn/River's ability to consent to the transfer of an investor's interest in a Fund or impose concentration or other limited on a Fund's investments. In addition, in order to secure a subscription line, Turn/River can request certain financial information and other documentation from investors to share with lenders. Turn/River will have significant discretion in negotiating the terms of any subscription line and can agree to terms that are not the most favorable to one or more investors.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows Turn/River to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. To the extent provided in the Governing Documents, any such borrowing can remain outstanding for such time as Turn/River deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line can cause short-term liquidity concerns for investors that will not arise had the Firm called smaller amounts of capital incrementally over time as needed by such Fund. This risk would be heightened for an investor with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the investor to meet the accumulated, larger capital calls at the same time. The Firm is permitted to use Fund-level borrowing to pay Management Fees and to reimburse for expenses it has incurred on behalf of a Fund. A Fund is also permitted to utilize Fund-level borrowing when Turn/River expects to repay the amount outstanding through means other than investor capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, investors would end up with increased exposure to the underlying investment, which can result in greater losses.

If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds will be applied to repay the borrowing (and related interest and expenses), and the net proceeds will be distributed to the investors at a higher multiple of contributed capital than would otherwise be the case (due to the absence of invested capital funded by investors) prior to the determination of carried interest distributions. Accordingly, borrowings by a Fund can support the distribution of proceeds to investors and increase the percentage of carried interest for the Firm; however, the interest incurred by a Fund due to such borrowing will reduce the total amount of proceeds with respect to which Turn/River is entitled to distributions of Carried Interest. Subject to the limitations in the Governing Documents, if any, this conflict of interest may incentivize the Firm to permanently fund the acquisition and ongoing capital needs of investments of a Fund and related

expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings can be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including third-party investors), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses. Co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the Funds nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

*Bridge Financings.* A Fund is permitted to provide interim financing, including in connection with any co-investment opportunities allocated to investors or third-party co-investors, to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans will typically be convertible into a more permanent, long-term security; however, for reasons not always within a Fund's control, such long-term securities will not be issued, or such co-investment will not occur, and such bridge loans can remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments will sometimes not adequately reflect the risk associated with the unsecured position taken by a Fund.

*General Economic and Market Conditions.* The private equity industry generally and the success of a Fund's investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund's investments), trade barriers, currency exchange controls, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). Consumer, corporate and financial confidence can be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence can lead to or extend a localized or global economic downturn. A climate of uncertainty can reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Turn/River's financial condition can be adversely affected by a significant general economic downturn and it may be subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on Turn/River's business and operations and thereby could impact a Fund. Moreover, a renewed downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets can adversely affect a Fund's profitability, impede the ability of a Fund's portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit investments on favorable terms. Any of the foregoing events can result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the

presence of leverage in a particular portfolio company's capital structure. Turn/River can also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry. Similarly, Turn/River's affiliated portfolio companies historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, can have an adverse impact on the availability of credit to businesses generally, which in turn can adversely affect or restrict the ability of a Fund to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of a Fund, restrict a Fund's investment activities and/or impede a Fund's ability to effectively achieve its investment objective.

In addition, there can be no assurance that substantial volatility in stock markets will not have an adverse effect on a Fund.

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, Turn/River will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values can differ from values that would have been determined had an active market existed for such securities and can differ from the prices at which such securities ultimately will be sold. The exercise of discretion in valuation by Turn/River can give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of Management Fees. In particular, where the Management Fee is calculated based on the valuation of an investment, or a determination after the eight year of a Fund's life of whether an investment has been written-off or otherwise permanently impaired, Turn/River will have an incentive to make determinations that result in the continued payment of the, or a higher, Management Fee. Absent bad faith or manifest error, valuation determinations in accordance with Turn/River's valuation policy will be conclusive and binding. Moreover, because Turn/River will determine in its discretion the value of any such assets, Turn/River will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Fund's performance results.

*Advisory Committee.* Turn/River will appoint one or more investor representatives to a Fund's advisory committee. The Governing Documents provide that, to the fullest extent permitted by applicable law, none of the advisory committee members shall owe any fiduciary duties to a Fund or any other investor. In addition, it is possible that representatives of the advisory committee have various business and other relationships with Turn/River and its partners, employees and affiliates. These relationships have the potential to influence their decisions as members of the advisory committee.

To the extent members of an advisory committee vote regarding conflicts or otherwise participate in matters involving a vote or action, such members may not vote solely in accordance with their interests

related to one Fund vis a vis another Fund, including for example, if such a member is required to vote on issues regarding conflicts between the Funds. Such members are unrestricted from voting and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other investors. Finally, advisory committee members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of advisory committee members.

*Indemnification.* The Funds are required to indemnify Turn/River, their respective owners, members, managers, shareholders, partners, directors, officers, employees, agents, advisors, assigns, representatives and affiliates, and all of their respective successors, heirs and assigns and the advisory committee members, for liabilities incurred in connection with the affairs of the Funds and otherwise as provided in the Governing Documents. Such liabilities will sometimes be material and have an adverse effect on the returns to the investors. For example, in their capacity as directors of portfolio companies, the partners or affiliates of Turn/River may be subject to fraudulent transfer, derivative or other similar claims brought by shareholders or creditors of such companies. The indemnification obligation of the Funds would be payable from the assets of the Funds, including the unfunded commitments of the investors. If the assets of the Funds are insufficient to pay any such indemnification obligations, Turn/River can recall distributions previously made to the investors to pay such obligations (subject to certain limitations set forth in the Governing Documents). Such liabilities of the Funds will potentially not be resolved prior to the date that the Funds are terminated, either by expiration of the Funds' term or otherwise. Furthermore, as a result of the provisions contained in the Governing Documents, the investors can have a more limited right of action in certain cases than they would in the absence of such limitations. It should be noted that Turn/River may cause the Funds to purchase insurance for the Funds, Turn/River and their employees, agents and representatives.

*Director Liability.* The Funds will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately a Fund, to potential liability. Not all portfolio companies can obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. The Funds will indemnify its representatives for liabilities incurred in connection with the operation of the Funds, including liabilities arising from such suits, and such indemnification obligations could be substantial. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

*Litigation and Investigations.* In the ordinary course of its business, Turn/River, a Fund, or a Fund's portfolio companies will be subject to litigation, or the threat of litigation, from time to time. The Funds intend to make investments that include control of the management of a portfolio company, which creates additional risks of liability in case the customary limited liability characteristic of business operations is disregarded. Litigation proceedings or investigations associated with litigation or

threatened litigation can be costly and time consuming, without certainty of the outcome or the scope of adverse effects of such outcomes. The outcome of such proceedings can materially adversely affect the value of a Fund and can continue without resolution for long periods of time. Any litigation can consume substantial amounts of Turn/River's and/or the Principals' time and attention, and that time and the devotion of these resources to litigation will, at times, be disproportionate to the amounts at stake in the litigation. Turn/River has received subpoenas for documents and testimony in connection with litigations where Turn/River is not a party but such litigation pertains to a portfolio company or a company that was diligenced as a potential investment. Costs in responding to these subpoenas for documents and/or testimony can be substantial and are also expected to be borne by the relevant Fund to which the subpoena pertains, in addition to any costs relating to any settlement or adverse finding.

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact Turn/River, the Funds and/or the investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on the Funds' activities, including the ability of the Funds to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. In particular, a Fund can be required to incur additional costs and expenses in implementing structural changes in the conduct of a Fund's business, including to establish greater presence in certain jurisdictions in which a Fund invests or proposes to invest, and a Fund can also become directly or indirectly subject to additional tax liabilities (for example, through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing can make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny can divert Turn/River's time, attention and resources from portfolio management activities.

In perhaps the most sweeping of rulemaking changes, on August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rule") to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rule is expected to have a significant effect on Turn/River, the Funds and

their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rule.

In addition, in recent years, the Antitrust Division of the Department of Justice and the Federal Trade Commission have been more aggressive in evaluating potential anti-competition concerns with respect to certain strategies of private equity sponsors, including “roll-up” strategies where a sponsor ultimately acquires a significant share of an industry through a series of smaller transactions. Such regulatory focus (including enforcement activity) could result in additional costs in connection with acquisitions and dispositions and other adverse impacts to a Fund’s investments.

*Recycling; Reinvestment.* During the Investment Period, Turn/River is permitted to generally recall certain capital returned or distributed to the investors. Accordingly, during the term of the Funds, an investor may be required to make capital contributions in excess of its commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, an investor will remain subject to investment and other risks associated with such investments.

*Know-How.* In connection with its services to a Fund and its investments, Turn/River, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of Turn/River’s operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Turn/River’s and its personnel expect to receive and benefit from information, “know-how,” experience, analysis and data relating to a Fund or a portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, “Turn/River Information”). In many cases, Turn/River Information will include tools, procedures and resources developed by Turn/River to organize or systematize Turn/River Information for ongoing or future use. Although Turn/River expects the Fund and its portfolio companies generally to benefit from Turn/River’s possession of Turn/River Information, it is possible that any benefits will be experienced solely by other or future funds or portfolio companies and not by the Fund or its portfolio companies from which Turn/River Information was originally received. Turn/River Information will be the sole intellectual property of Turn/River and solely for the use of Turn/River. Turn/River reserves the right to use, share, license, sell or monetize Turn/River Information, without offset to Management Fees, and the Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization.

*Operating Team and Board of Strategic Advisors; Certain Consultants.* Turn/River is permitted to retain, employ or engage on behalf of the Funds and/or the portfolio companies, as applicable, industry advisors, former executives, and other third-party consultants including members of the Board of Strategic Advisors, “strategic partners,” “executive partners,” senior advisors and similar consultants, which will at times include affiliates of Turn/River and/or employees or former employees of such affiliates or portfolio companies. The Board of Strategic Advisors is expected to offer advice upon

request of Turn/River on a Fund's investment objectives, strategies, activities and related matters, including venture management, portfolio development and technology developments. The Board of Strategic Advisors can have certain indicia of employment at Turn/River (*e.g.*, business cards, email addresses and inclusion in the marketing materials or on the website of Turn/River and/or its affiliates), but are consultants. The Board of Strategic Advisors and other consultants also are expected to provide services to the Funds and/or its portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies, including the operational aspects of such companies and service as portfolio company board members (together with the services described above, the "Services"). Such Services include services of the type generally provided by the Operating Team.

Fees and expenses associated with the Services provided by the Board of Strategic Advisors and other consultants (collectively, "Consulting Fees"), are expected to be paid and/or reimbursed by applicable portfolio companies and/or a Fund, and Consulting Fees do not offset the Management Fee, and are not otherwise covered by the Management Fee. Consulting Fees are expected to include fees, bonuses, retainers, guaranteed minimums, incentive equity, equity grants or other stock awards in portfolio companies, a share of proceeds upon sale of a portfolio company and/or other incentive-based compensation (including a profits interest in portfolio companies), which can be determined according to one or more methods, including the value of time (including an allocation for overhead and other fixed costs) of members of the Board of Strategic Advisors or other consultants, hours worked by a consultant, experience and time commitment of the member of the Board of Strategic Advisors or other consultant, a percentage of the value of the portfolio company, or the invested capital exposed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Consulting Fees also include expenses including travel, meals, lodging and other out-of-pocket expenses. Additionally, Turn/River or portfolio companies can provide opportunities for the Board of Strategic Advisors and other consultants to invest in such portfolio company. The Board of Strategic Advisors and other consultants are expected to separately receive equity grants from portfolio companies and reimbursement of costs and expenses from a Fund and/or portfolio companies. The Board of Strategic Advisors and other consultants also can receive remuneration from Turn/River and/or a Fund or affiliates and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to the Board of Strategic Advisors and other consultants will not offset the Management Fee. The Board of Strategic Advisors and other consultants also can have a limited partnership or profit interest in a Fund, the Firm, one or more other investment funds sponsored by it or in an affiliate of Turn/River.

Turn/River separately has created the Operating Team comprised of persons that are employees of Turn/River or an affiliate primarily to provide assistance to portfolio companies with respect to recruiting, sales, marketing, finance and accounting, product management, engineering, technology development, technology implementation, customer success, operations, human resources, leadership,



general management, acquisition integration/rationalization, board of directors services and other similar services.

In connection with the acquisition of a portfolio company, Turn/River intends to charge each portfolio company an operating fee (the “Operating Fee”) in exchange for services provided to such portfolio companies by the Operating Team. Operating Fees are subject to limitations in each Fund’s Governing Documents, annually budgeted by Turn/River and presented to the relevant advisory committee each year. Any Operating Fees received in excess of amounts as specified in each Fund’s Governing Documents and annually budgeted by Turn/River will reduce the Management Fee as set forth above. Expenses incurred by the Operating Team in connection with providing services to the portfolio companies will be reimbursed by such portfolio companies and such reimbursements do not reduce the Management Fee.

While Turn/River expects portfolio companies initially will utilize the Operating Team to drive changes in an effort to produce future value, in subsequent years the Operating Team is generally expected to provide fewer services. The Operating Team also has a limited number of personnel and resources, and there can be no assurance that the Operating Team will provide all of the services or expertise required to drive value for a portfolio company. While the Operating Fee is generally based on, among other considerations, the anticipated level of services that Turn/River believes at the time are likely to be provided to a portfolio company during the relevant time period, there can be no assurance that the amount of the fee will not be greater than the value or amount of the services rendered. Further, certain Operating Team members also serve in other roles for Turn/River; accordingly, such persons will dedicate only a portion of their time to Operating Team matters. Turn/River is permitted to determine in its sole discretion that a portfolio company would benefit from the expertise of one or more members of the Board of Strategic Advisors or other consultants to provide a particular service that otherwise would be provided by the Operating Team, including because such members of the Board of Strategic Advisors or other consultants have expertise relevant to the needs of a portfolio company that the Operating Team does not have, surpasses the expertise of the Operating Team with respect to the applicable subject matter or because the Operating Team does not have the capacity to provide for an appropriate length of time for the reasons set forth above. Turn/River will face potential conflicts of interest in determining when and how to utilize the Operating Team and Board of Strategic Advisors and other consultants. The Firm has an incentive to utilize the Board of Strategic Advisors or other consultants rather than the Operating Team because the Management Fee shall not be reduced by any fees or compensation paid to any member of the Board of Strategic Advisors or other consultants and because certain Operating Team members separately provide services to Turn/River. In addition, the Firm has an incentive to retain the Board of Strategic Advisors or other consultants to provide services that can otherwise be provided by the Operating Team so that compensation in respect of such services does not cause the Operating Fees to exceed (or further exceed) the retained amounts.

As a general matter, there can be no assurance that the initiatives of the Operating Team, or the services rendered by the Board of Strategic Advisors or other consultants (or any combination thereof), will be

effective and result in improved portfolio company performance as compared to what could be achieved by the use of other third parties. Turn/River and/or its affiliates anticipate employing Operating Team members or recommending Board of Strategic Advisors and other consultants that they believe provide services that will create value for the portfolio companies (and, ultimately, the Funds). However, there can be no assurance that there is no other person or service provider more qualified to provide the applicable services and/or able to provide them at lesser cost.

In addition, services provided by the Operating Team and Board of Strategic Advisors and other consultants paid for by a Fund and/or its portfolio companies have the potential to result in direct or indirect benefits to Turn/River, its affiliates and/or portfolio companies. Consequently, Turn/River, its affiliates and/or portfolio companies can receive benefits without bearing any of the associated costs. The Firm will face potential conflicts of interest in determining the allocation of consulting fees. For example, the Firm, generally will not be allocated consulting fees that relate to services performed by the Operating Team, Board of Strategic Advisors and other consultants for a Fund and/or portfolio companies or prospective portfolio companies. However, these services also have the potential to provide a direct or indirect benefit to Turn/River. Therefore, the Firm has an incentive to classify a particular service as being for the Funds and/or a portfolio company or prospective portfolio company, even though it will sometimes directly or indirectly benefit Turn/River and/or its affiliates, in whole or in part.

In the event that a member of the Board of Strategic Advisors or Operating Team member serves on the board of directors or similar governing body of a portfolio company, such person can have fiduciary duties to such company. Such duties can result in conflicts of interest that limit or impact such person with respect to the services such person can provide to the company and such conflicts can result in such person taking actions or not taking actions that are contrary to a Fund achieving its investment objectives with respect to such company.

*Side Letters and Investor Relationships.* Turn/River and/or a Fund has, without any further act, approval or vote of any investor, entered into side letters or other similar agreements with certain investors that have the effect of establishing rights (including economic terms) under, or altering or supplementing the terms of, the Governing Documents with respect to certain investors. As a result of such side letters, certain investors will receive additional benefits that other investors do not receive, and such benefits may be significant. Further, Turn/River is likely to have its own economic and/or other business incentives to provide certain terms to certain investors (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of the investor to provide sourcing or other services to the Firm, a Fund or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm or the Funds).

The other investors will generally have no recourse against a Fund, Turn/River and/or any of their affiliates in the event that certain investors receive additional and/or different rights and/or terms as a result of such side letters. The General Partner will be required to notify the other investors of any

such side letters or other similar agreements or any of the rights and/or terms or provisions thereof, and to offer such additional rights and/or terms to other investors, to the extent dictated by the Private Fund Rule and as effective September 2024.

As a consequence of one or more investors being excused or excluded from, or from regulatory or other factors limiting their participation in, certain investments, the aggregate returns realized by participating investors can be adversely affected in a material manner by the unfavorable performance of particular investments. If Turn/River and/or the Funds enter into a side letter entitling an investor to opt out of a particular investment or withdraw from the Funds, any election to opt out or withdraw by such investor can increase any other investors' pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal).

Turn/River and/or a Fund are permitted to enter into side letters with certain investors that have investment arrangements with respect to Turn/River, and such side letters can contain differing economic, governance or related arrangements to those offered and/or disclosed to other investors. In addition, certain investors (including investors designated by the Firm as "affiliated partners" in its discretion) can be strategic investors who have entered into a strategic relationship or co-sponsorship relationship with Turn/River, and Turn/River provides such strategic investors rights that it does not provide to all investors, which can include preferential economic or investment opportunity rights, as well as access to portfolio company management teams in exchange for which an investor agrees to make capital commitments to multiple Funds managed by Turn/River. In addition to these conflicts of interest for Turn/River, Turn/River's relationship with strategic investors or co-sponsors can lead to conflicts of interests for the strategic investors or co-sponsors because those parties may have conflicting interests from other investors as a result of their broader relationship with Turn/River.

*Fund Expenses.* In addition to the Management Fee and Carried Interest, a Fund will pay and bear all expenses related to its operations that are not reimbursed by portfolio companies. Investors will indirectly bear these expenses based on their pro rata commitment to a Fund. The amount of these partnership expenses will be substantial and will reduce the actual returns realized by investors on their investment in a Fund (and may, in certain circumstances, reduce the amount of capital available to be deployed by the Fund in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses for which it can be hard to budget or forecast.

*Material Non-Public Information.* As a result of the operations of Turn/River and its affiliates, Turn/River will at times come into possession of confidential or material, non-public information. Therefore, Turn/River and its affiliates will have access to material, non-public information that will be relevant to an investment decision to be made by a Fund. Consequently, a Fund will potentially be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, can have been undertaken on account of applicable securities laws or Turn/River's internal policies. Due to these restrictions, a Fund will potentially not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

*Positions with Portfolio Companies.* As a result of a Fund's controlling interests in portfolio companies, Turn/River typically have the right to appoint board members to such portfolio companies, to influence their appointment, or to sit as an observer on a portfolio company board. While conflicts of interest arise where such personnel have fiduciary duties as a director conflict with those of the Funds, it is expected that generally the interests will be aligned. For instance, such positions can impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which can have an adverse effect on a Fund. Furthermore, Turn/River personnel serving as a director to a portfolio company owe a fiduciary duty to the portfolio company, on the one hand, and a Fund, on the other hand, and such Turn/River personnel may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company. Turn/River personnel serving as directors can make decisions for a portfolio company that negatively impact returns received by a Fund investing in a portfolio company. In addition, to the extent Turn/River personnel serve as a director on the board of more than one portfolio company, such Turn/River personnel's fiduciary duties among the two or more portfolio companies can create a conflict of interest.

From time to time, portfolio company board members (including such members who are Turn/River personnel, including senior advisors or consultants) approve compensation and other amounts payable to Turn/River or its affiliates. Decisions made by a director can potentially subject Turn/River, its affiliates or the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. From time to time employees of Turn/River can also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest. Such companies are not portfolio companies of a Fund and as a result, any compensation received by such Turn/River personnel are not subject to the Management Fee offset described above, or otherwise shared with a Fund and/or investors.

Further, Turn/River personnel or consultants including the Board of Strategic Advisors, also are permitted to serve as directors or interim executives of, or otherwise be associated with, companies that are competitors of portfolio companies of the Funds. In such cases, such personnel can be subject to fiduciary and other obligations to make decisions that they believe to be in the best interests of the relevant companies. Although, in most cases involving a Fund's portfolio companies, the interests of the Fund and its portfolio companies would be expected to be aligned, this will not always be the case, particularly if portfolio companies are likely to be in financial difficulty. It will also be expected that the interests of a competitor company will not be aligned with those of a Fund or the Fund's portfolio companies. This can result in a conflict between the relevant individual's obligations to a portfolio company or competing company and the interests of the Funds. In some circumstances, having Turn/River personnel serve as directors or interim executives of a portfolio company of a Fund can restrict the ability of a Fund to invest directly in an investment opportunity that also constitutes an investment opportunity for such company.

## Conflicts of Interest

The material conflicts of interest that a Fund encounters include those discussed below and elsewhere in this Brochure. The following summary is not intended to be an exhaustive list of all conflicts or their potential consequences. Identifying potential conflicts of interest is complex and fact intensive and it is not possible to foresee every conflict of interest that will arise during a Fund's life. Investors should be aware that Turn/River, its personnel and its affiliates will likely in the future engage in further activities that can result in additional conflicts of interest not addressed below. In particular, Turn/River expects in the future to identify additional conflicts of interest that currently are not apparent to the Firm or to the broader alternative investments industry, as well as conflicts of interest that arise or increase in materiality as the Firm develops new investment platforms or business lines and otherwise adapts to dynamic markets and an evolving regulatory environment. There can be no assurance that Turn/River will identify or resolve all conflicts of interest and, if resolved, that such conflicts will be resolved in a manner that is favorable to the Funds. To the extent that Turn/River identifies conflicts of interest in the future, the Firm may, but is under no obligation, to disclose these conflicts and their implications to investors through a variety of channels, including in subsequent Brochures or in other written or oral communications to the advisory committees or to investors more generally. However, investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts nor do investors have any right to consent to conflicts as they arise except as otherwise required by law or in the Governing Documents.

*Time and Attention.* The Principals expect to spend a portion of their business time and attention pursuing investment opportunities for multiple Funds and future funds. Turn/River believes that the significant investment of the Principals in the Funds, as well as the Principals' interest in the Carried Interest, operate to align, to some extent, the interest of the Principals with the interest of the investors. At such time as Turn/River is permitted to raise a successor investment fund, the Principals will continue to manage the Funds' investments, but also can and likely will focus investment activities on other opportunities and areas unrelated to a Fund's investments. Certain investments will be allocated between the Funds and any successor or predecessor fund in a manner as set forth in the Governing Documents.

*Investment Allocation.* Until such time as Turn/River is permitted under the Governing Documents to raise a successor investment fund, the Principals generally will pursue substantially all appropriate investment opportunities that meet the investment criteria of the current Funds for the benefit of such Funds, subject to certain exceptions set forth in the Governing Documents. However, the Principals currently, and can in the future, manage investment funds besides the Funds and can direct certain relevant investment opportunities to those investment funds. Over time, certain investment opportunities suitable for one Fund can also be suitable for other Fund. In determining which Fund should participate in an investment opportunity, subject to the Governing Documents, Turn/River, the Principals and its affiliates are subject to potential conflicts of interest among the investors in the Funds. To determine which Fund will participate in the relevant investment opportunity, Turn/River

generally assesses whether an investment opportunity is appropriate for the each relevant Fund in a manner that it considers fair and equitable to each Fund, taking into account all relevant facts and circumstances, including but not limited to: investment restrictions and conflicts of interest provisions in the relevant Fund's Governing Documents (including side letters), investment strategy and objective, investment and operating guidelines, diversification limitations, tax and regulatory considerations, risk, time horizon, asset composition, life cycle, structure and other relevant factors. The Funds are permitted to invest with each other Funds in the manner set forth in the relevant Governing Documents.

Turn/River's allocation of investment opportunities among the Funds may not always, and often will not, be proportional. Therefore, such allocations can be more advantageous to one Fund relative to another Fund. While Turn/River will allocate investment opportunities in a way that it believes in good faith is fair and equitable to all Funds, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or terms on which the allocation is made, will be as favorable as they can be if the conflicts of interest to which Turn/River can be subject did not exist.

From time to time, Turn/River may consider and reject an investment opportunity on behalf of a Fund. Turn/River or an affiliate thereof may subsequently determine to have another Fund make an investment in the same company. A potential conflict of interest can arise in such circumstances if such other Fund benefits from the initial evaluation, investigation, and due diligence undertaken by Turn/River on behalf of the Fund undertraining the evaluation.

Additionally, conflicts of interest can arise if a Fund makes an investment in a portfolio company in conjunction with an investment made by another Fund. For instance, a Fund will potentially not invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as such other Fund. This may result in differences in price, investment terms, leverage and associated costs between participating Funds. There can be no assurance that the participating Funds will exit the investment at the same time or on the same terms, and there can be no assurance that a Fund's return on such an investment will be the same as the returns achieved by any other Fund participating in the transactions. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to all Funds.

*Cross Transactions.* Turn/River reserve the right to enter into cross transactions on behalf of a Fund or co-investors or co-investment vehicles, in which a Fund buys securities from, or sells securities to, or co-invests with, another Fund, vehicles or persons. In some cases, a portfolio company of a Fund can be merged with or into a portfolio company owned by another Fund. Investments in a portfolio company by more than one Fund raises potential conflicts of interest, including where the assets of one Fund are used to support positions taken by another Fund. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the relevant Fund's

Governing Documents or otherwise in the sole discretion of Turn/River, the Firm will seek to obtain the consent of each Fund's advisory committee to such transactions, or will seek the opinion of an unaffiliated third-party (including a consultant or investment banker) as to the fairness of a purchase or sale price. Turn/River can also determine with willingness of a third-party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction to a Fund under then-current market conditions. Whether or not such consent or opinion is obtained or a third-party invests, Turn/River intends to conduct such transactions in a manner that it believes in good faith to be fair and equitable to each Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to all Funds.

*Investments Across Funds.* Where Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. Questions can arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any work-out or restructuring can raise conflicts of interest, particularly with respect to Funds that have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, a Fund can, on occasion provide such additional capital, and if provided, each such Fund generally will supply such additional capital in such amounts, if any, as determined by such Turn/River in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Turn/River can face a conflict of interest in respect of the advice given to, and the actions taken on behalf of, a Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies).

*Expense Allocations.* Subject to any relevant restrictions or other limitations contained in the Governing Documents of each Fund, Turn/River will allocate fees and expenses in a manner that it believes in good faith is fair and equitable under the circumstances and considering such factors as it in its sole discretion, deems relevant. In exercising such discretion, Turn/River can be faced with a variety of potential conflicts of interest. As a general matter, expenses incurred on behalf of multiple Funds will be allocated among such Funds. The allocations of such expenses are not always proportional. Investors in a Fund are typically allocated (or otherwise bear) their pro rata share of such fees and expenses, which are calculated based on capital commitments, invested capital, available capital, or other metrics as determined by Turn/River in its sole discretion and in accordance with its policies and procedures regarding expense allocation.

Turn/River and its affiliates will from time to time incur fees, costs and expenses, including in connection with transactions not consummated, on behalf of the Funds. To the extent practicable, any fees, costs and expenses that are incurred in connection with a consummated investment will be charged

to the applicable portfolio company. To the extent such fees, costs and expenses are not charged to a portfolio company, they will be paid by each Fund that participated or was expected to participate in such investment. The Funds will typically bear a portion of any such fees, costs, and expenses in proportion to the size of its actual or proposed investment, or in such other manner as Turn/River considers, in good faith, to be fair and equitable. Investors bear their pro rata share of fees and expenses for transactions that are terminated, including those terminated before the investor's admission into a Fund.

There are occasions when one Fund (the "Payor Fund") pays an expense common to multiple Funds (the "Allocated Funds"). On such occasions, each Allocated Fund will reimburse the Payor Fund for its share of such expense, without interest, promptly after the payment is made by the Payor Fund. There are also occasions where the Firm or a Payor Fund pays an expense on behalf of a portfolio company. On such occasions, the portfolio company will reimburse the Firm or Payor Fund for the expense, without interest, and such reimbursement will not be subject to the Management Fee offset provision. Further, as noted herein and in Item 5 above, portfolio companies reimburse Turn/River for various fees and expenses.

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

A conflict of interest could arise in Turn/River's determination of whether certain costs or expenses that are incurred in connection with the operation of the Funds meet the definition of Fund operational expenses for which the Funds are responsible, whether such expenses should be borne by Turn/River or the manner in which Turn/River allocates expenses. The Funds will be reliant on the determinations of Turn/River in this regard. Because the allocation process can be subjective, from time to time, it is possible that subsequent review of allocations could result in an identification of expenses that should have been allocated in a different manner, in which case measures will be undertaken to correct such circumstance, which might include a reversal of the original expense allocation, if possible, or such other equitable adjustment believed by Turn/River to be the most appropriate corrective measure to ensure allocations are equitable on an overall basis in Turn/River's good faith judgment.

*Intangible Benefits.* In addition, expenses relating to a Fund 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 terms are expected to vary from time to time, and any such rewards whether or not *de minimis* or difficult to value generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or investors; no such rewards will offset the



## Management Fee.

*Service Providers.* A portfolio company typically will reimburse the Firm or service providers retained at Turn/River's discretion for expenses (including, without limitation, expenses related to training meetings and other events (to the extent that such programs, meetings or events are attended by portfolio company personnel)), certain entertainment expenses (to the extent that such expenses are attributable to portfolio company usage and travel and travel related expenses) incurred by Turn/River or such service providers in connection with the performance of services for such portfolio company, as well as consulting fees (and other cash and non-cash compensation) incurred. As a result, this can subject Turn/River to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Subject to the Governing Documents and its internal reimbursement policies and practices, Turn/River determines the amount of these reimbursements for such services in its own discretion.

Over the life of the Funds, Turn/River generally expects to exercise its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with various service providers, potentially including, among others: (i) Turn/River or a related person of their affiliates, which is likely to include other portfolio companies and at rates determined or substantively influenced by it; (ii) an entity with which Turn/River or its affiliates or current or former members of their personnel has a relationship or from which such persons derive a financial or other benefit; (iii) an investor; and/or (iv) the Operating Team or the Board of Strategic Advisors. For example, Turn/River reserves the right to initiate transactions or service agreements from time to time between two or more portfolio companies and reserves the right to engage certain investors or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Fund's investments. There can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties and in many cases portfolio companies are expected to provide services to a Fund at discounted rates. In particular, such transactions can result in the provision of services to a portfolio company at a rate higher than could be obtained by such portfolio company on the open market. The foregoing subjects Turn/River to potential conflicts of interest, because although it intends to select service providers that it believes are aligned with its operational strategies and that will enhance portfolio company performance, Turn/River can have an incentive to recommend the related or other person because of its financial or other business interest. Additionally, there is a possibility that Turn/River, because of such incentive or for other reasons (including whether the use of such persons could establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the Firm or the Funds), would favor such retention or continuation even if a better price and/or quality of service provider can be obtained from another person. Turn/River will not necessarily seek out the lowest cost options when incurring (or causing the Funds or their portfolio companies to incur) the foregoing expenses. Although Turn/River generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed or other

factors in retaining or recommending service providers. Whether or not Turn/River has a relationship with or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other transaction would be more beneficial or that no other service provider is more qualified to provide the applicable services or can provide such services at lesser cost.

*Industry Relationships.* Turn/River and/or its affiliates may, from time to time, employ personnel (including members of the Operating Team or Board of Strategic Advisors) with pre-existing ownership interests in or who were employed by portfolio companies owned by a Fund; conversely, former personnel or executives of Turn/River (including members of the Operating Team or the Board of Strategic Advisors) may at times serve in significant management roles at portfolio companies or service providers recommended by Turn/River. Similarly, Turn/River and/or its personnel maintain relationships with (or reserve the right to invest in) financial institutions, service providers and other market participants, including managers of private funds, bank, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, the Firm, the Funds and/or portfolio companies. Turn/River potentially will have a conflict of interest with the Funds in recommending the retention or continuation of a third-party service provider to a Fund or a portfolio company owned by a Fund if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds the Firm advises, will provide the Firm information about markets and industries in which the Firm operates (or is contemplating operations) or will provide other services that are beneficial to the it. Turn/River also expects to be subject to a conflict of interest in making such recommendations, in that the Firm has an incentive to maintain goodwill between it and such persons and the existing and prospective portfolio companies for the Funds and other investment vehicles that Turn/River or its affiliates advise, while the products or services recommended will not necessarily be the best available to a Funds or their portfolio companies.

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

consultation with external legal counsel), the interpretations Turn/River adopts will not necessarily be, and need not be, the interpretations that are the most favorable to the Funds or their investors.

### **Item 9 – Disciplinary Information**

Turn/River and its management persons have not been the subject of any material legal or disciplinary proceedings required to be disclosed in response to this item.

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

Turn/River does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser or financial planner, futures commission merchant, commodity pool operator, commodity trading adviser, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business or to its Funds or its investors. Turn/River has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, fund administration, banking, investment banking, placement agent services, tax preparation, insurance brokerage, compliance, information technology and other services. Some of these professionals provide services to the principals, the Funds or their portfolio companies. Additionally, some of these professionals are investors in the Turn/River Funds, either personally or through their company.

As described above in Item 4, Turn/River is affiliated with the Funds' General Partners which are deemed registered with the SEC under the Advisers Act pursuant to Turn/River's registration. These General Partners together with Turn/River operate as a single advisory business and serve as the General Partner, affiliate or managing members of private investment funds and other pooled vehicles and share common owners, officers, partners, employees, consultants or persons occupying similar positions. These General Partners do not have employees of their own.

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

### **Code of Ethics and Personal Trading**

Pursuant to Rule 204A-1 of the Advisers Act, Turn/River has adopted a written code of ethics (“Code of Ethics”) that sets forth standards of conduct expected of supervised persons and addresses personal trading and reporting of personal securities transactions, gifts and entertainment and outside business activities, among other topics. The Code of Ethics requires all supervised persons to place Fund interests ahead of the Firm’s interests and to maintain full compliance with the federal securities laws.

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

Supervised persons are required to certify their compliance with the Code of Ethics upon hire and on an annual basis. Supervised persons who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, censure, fines, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

Turn/River will provide a copy of its Code of Ethics to any existing or prospective investor upon request to Turn/River’s Chief Compliance Officer, at 415-858-0910 or [compliance@turnriver.com](mailto:compliance@turnriver.com).

The personal trading policy for Turn/River supervised persons is set forth in Turn/River’s Code of Ethics and is acknowledged as received and understood by each supervised person. Turn/River’s personal trading policies are designed to ensure that no Fund is disadvantaged by the transactions executed by a supervised person and that supervised persons do not misappropriate any benefit properly belonging to a Fund.

Because Turn/River’s business focuses primarily on private market investments, Turn/River expects that instances of supervised persons having access to material nonpublic information regarding publicly-traded securities will be relatively infrequent. Turn/River’s supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. The Code of Ethics establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Turn/River maintains a restricted list of issuers about which it has or may have material nonpublic information. Supervised persons are permitted to make securities transactions in their personal accounts, subject to certain limitations. Pre-clearance is required by supervised persons and their covered family

members for certain personal securities transactions, including trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and link certain brokerage accounts to Turn/River's compliance software to enable monitoring of supervised persons' personal trading by the Chief Compliance Officer or his designee.

The principals and employees of Turn/River will occasionally carry on investment activities for their own account and for family members, and in connection therewith, can potentially give advice and recommend securities which differs from advice given to, or securities recommended or bought for, the Funds, even if their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. For example, in an effort to build relationships with founders and companies, supervised persons at times are expected to make personal investments that are not at that time appropriate for a Fund, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, and further develop their networks and relationships with the founders, CEOs and boards of such endeavors. Turn/River has found such activity to be fruitful to both its business development efforts and the talent development of its investing professionals. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

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

Certain Turn/River employees and their family members have invested in the Funds either through the General Partner and/or as Fund investors. As mentioned in Item 5 and Item 6 above, Turn/River generally reduces all or a portion of the Management Fee and Carried Interest related to investments held by such persons. Turn/River does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. Turn/River will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This applies to any affiliates or controlling persons of the adviser (*i.e.*, an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of Turn/River's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or Turn/River or a Fund General Partner purchasing the interest of an existing investor. Cross transactions can occur when an adviser or an affiliate arranges a transaction (*i.e.*, acts as broker) between two or more funds

or accounts that are managed by that same adviser or an affiliate. An adviser is not “acting as a broker” if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of Turn/River’s business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to Turn/River.

In the event Turn/River were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

### **Conflicts of Interest**

If any matter arises that Turn/River determines in its good faith constitutes an actual conflict of interest, Turn/River will take such actions as are necessary or appropriate, and as permitted by any applicable Fund’s Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what Turn/River believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.



## Item 12 – Brokerage Practices

While Turn/River generally focuses on securities transactions in private companies and purchases and sells such companies through privately negotiated transactions, the Funds are permitted to engage broker-dealers and investment bankers to perform various services for the Funds and portfolio companies, such as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of securities of a public portfolio company or purchasing or selling publicly traded securities. Turn/River has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, Turn/River will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, Turn/River selects a broker-dealer or investment banker based on Turn/River's judgment regarding a variety of factors, including but not limited to: Turn/River's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services providers; and the commission rates, among other factors.

Although Turn/River generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

## Item 13 – Review of Accounts

### Account Review

The investment portfolios of the Funds are generally private, illiquid and long-term in nature and accordingly Turn/River's review of them is not directed toward a short-term decision to dispose of securities. Turn/River investment professionals closely monitor the portfolio companies of the Funds and maintain an ongoing oversight position in such portfolio companies. Turn/River holds board seats for most of the investments it makes or otherwise acts to influence control of the management of the investments. Moreover, a team of investment professionals monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed. The team includes principals and other investment professionals of Turn/River at differing levels of seniority.

### Investor Reporting

Turn/River provides to investors on behalf of its Funds (i) annual audited financial statements prepared in accordance with United States generally accepted accounting principles ("GAAP") as promulgated by the Financial Accounting Standards Board ("FASB"), accompanied by the report of the independent certified public accountant within 120 days of fiscal year end (or earlier as agreed to in the relevant Governing Documents) and (ii) annual tax information necessary for the completion of tax returns (K-1). Turn/River sends to investors additional reports as agreed to with each Fund, on either a quarterly or semi-annual basis. The Firm also has contact with investors (*e.g.*, personal visits, video conference, telephone and email) throughout the year as requested and/or as conditions warrant.

In the course of conducting due diligence, investors periodically request information pertaining to Turn/River's investments and track record. Turn/River responds to these requests, and in answering such requests, provides information that is not always made available to other investors who have not requested such information. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations, certain investors receive additional information and reporting that other investors do not receive. As a result, certain investors will have more information about a Fund than other investors. Turn/River will ensure that the disclosure of preferential information rights complies with the Private Fund Rule commencing with its effective date in September 2024.

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

As described in Item 5 above, Turn/River receives Operating Fees from the portfolio companies held by the Funds. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that Turn/River believes will ultimately enhance the value of the companies and benefit the Funds and their investors.

These types of fee arrangements present potential conflicts of interest and provide Turn/River with an incentive to recommend investments based on compensation received rather than the best interests of the Funds. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by Turn/River or its employees in connection with services rendered to portfolio companies or transactions of the Funds are offset against Management Fees payable by the Funds, to the extent described above in Item 5 and as detailed in each Fund's Governing Documents.

To date, Turn/River has not engaged a placement agent to assist in its fundraising efforts.

## Item 15 – Custody

Turn/River is deemed to have custody of the Funds' assets because the General Partners are not operationally independent from Turn/River: each Fund's General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), Turn/River has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective investors within 120 days of fiscal year end (or earlier as agreed to in the relevant Governing Documents). In addition, upon the final liquidation of a Fund, Turn/River will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying investors promptly upon completion of the audit. Investors are encouraged to carefully review such financial statement and should compare these statements to any account information provided by Turn/River.

Turn/River does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund's bank account maintained with a qualified custodian and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. Turn/River receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

## **Item 16 – Investment Discretion**

Turn/River generally receives and exercises complete discretionary authority to manage investments on behalf of the Funds as per the Governing Documents of each Fund. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with a Fund. Such documents generally contain a power of attorney that grants Turn/River or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Fund. Once an investor executes these documents, with limited exceptions discussed elsewhere in this Brochure, Turn/River is not required to contact such investor prior to transacting business in a Fund.

Generally, Turn/River's only restrictions with respect to managing a Fund, such as, but not limited to, the type of securities in which a Fund invests, will be contained in the relevant Fund's Governing Documents. However, an investor can seek to impose limitations on Turn/River's authority through a side letter agreement, and the Firm and/or the relevant General Partner can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon Turn/River's investment authority with respect to an investor's investment must be presented to Turn/River and the relevant Fund's General Partner in writing and agreed to by all applicable parties. No investors have limited Turn/River's discretionary authority to provide investment advice to a Fund.

## Item 17 – Voting Client Securities

By virtue of the applicable Governing Documents, Turn/River has the authority to vote proxy statements on behalf of the Funds. Given the nature of Turn/River's advisory business, the Funds do not frequently hold public securities; the majority of "proxies" received by Turn/River are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request Turn/River (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, Turn/River considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

Turn/River has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6. Turn/River's proxy voting policy seeks to ensure that it votes proxies in the best interest of the Funds with a goal towards maximizing overall value. Pursuant to its policy, for both public and private proxies and shareholder consents, Turn/River will generally vote in accordance with management's recommendations unless Turn/River determines that voting in such a manner is in conflict with the best interests of the Fund's investors. Turn/River generally believe its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds. However, in the event that there is a conflict of interest in voting proxies, Turn/River's proxy voting policy provides that the Firm can address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives as set forth in Turn/River's proxy voting policy. Investors in the Funds cannot direct how Turn/River votes proxies or shareholder consents, nor is Turn/River required to seek investor approval or direction when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by Turn/River sit on the boards of portfolio companies to which Turn/River provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. Turn/River does not consider service on portfolio company boards by the aforementioned persons or their receipt of nominal board fees, if any, to create a material conflict of interest in voting proxies with respect to such companies.

Turn/River will provide a copy of its proxy voting policy to investors upon request to Turn/River's Chief Compliance Officer, at 415-858-0910 or [compliance@turnriver.com](mailto:compliance@turnriver.com). Investors can also obtain information from the Firm, free of charge, about how Turn/River voted any previous proxies, if any.

## **Item 18 – Financial Information**

Turn/River does not require or solicit prepayment of more than \$1,200 in fees per Fund, six months or more in advance; has no financial condition reasonably likely to impair its ability to meet contractual commitments to Funds or investors; and has not been the subject of a bankruptcy proceeding.