

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

BLUE SEA CAPITAL LLC

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March 27, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Blue Sea Capital LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (561) 655-8400. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

Additional information regarding the Management Company is also available on the SEC’s website at www.adviserinfo.sec.gov.

MATERIAL CHANGES

Since the last version of this Brochure dated March 28, 2023, this annual amendment of the Brochure reflects an update to Blue Sea Capital LLC's assets under management and the description of the business practices of Blue Sea Capital LLC and its affiliates.

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ADVISORY BUSINESS

Blue Sea Capital LLC (the “**Management Company**” and together with its affiliated advisory entities, “**Blue Sea Capital**”), the registered investment adviser, is a Delaware limited liability company. The Management Company commenced operations in October 2012.

The following general partner entities are affiliated with the Management Company:

- Blue Sea Capital Management I LP, a Delaware limited partnership (“**General Partner I**”);
- Blue Sea Capital Management II LP, a Delaware limited partnership (“**General Partner II**”); and
- Blue Sea Capital Management III LP, a Delaware limited partnership (“**General Partner III**,” and collectively with General Partner I, General Partner II and any other future general partner of a Fund (as defined below), the “**General Partners**,” each a “**General Partner**,” and together with the Management Company, the “**Advisers**,” and each an “**Adviser**”).

Each of the General Partners is subject to the Advisers Act pursuant to the Management Company’s registration in accordance with SEC guidance. This Brochure describes the business practices of the Management Company and the General Partners, which together operate as a single advisory business. No General Partner has personnel other than those persons associated with the Management Company.

The Advisers’ clients include investment funds privately offered to qualified investors in the United States and elsewhere (each, a “**Fund**,” and collectively with any future private investment fund for which the Advisers provide investment advisory services, the “**Funds**”), including Blue Sea Capital Fund I LP, a Delaware limited partnership (“**Fund I**”), Blue Sea Capital Fund II LP, a Delaware limited partnership (“**Fund II**”) and Blue Sea Capital Fund III LP, a Delaware limited partnership (“**Fund III**”). The Funds are private equity funds and are expected to invest through negotiated transactions in operating companies, generally referred to herein as “portfolio companies.” The Advisers’ investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and ultimately achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted in certain instances. Where such investments consist of portfolio companies, the senior principals (the “**Principals**”) or other personnel of Blue Sea Capital generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested. The Advisers also manage Blue Sea Capital Executive Fund I LP, a Delaware limited partnership (“**Executive Fund I**”), Blue Sea Capital Executive Fund II LP, a Delaware limited partnership (“**Executive Fund II**”) and Blue Sea Capital Executive Fund III LP, a Delaware limited partnership (“**Executive Fund III**,” and together with Executive Fund I and Executive Fund II,

the “**Executive Funds**”), and may manage certain Co-Invest Funds (as defined below) (collectively with the Funds and the Executive Funds, the “**Private Investment Funds**”).

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

Additionally, as permitted by the Governing Documents, Blue Sea Capital expects to provide (or agree to provide) investment or co-investment opportunities in addition to the Executive Funds (including, without limitation, the opportunity to participate in co-investment vehicles designed to co-invest alongside certain other Private Investment Funds (each, a “**Co-Invest Fund**”)) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel Blue Sea Capital’s personnel and/or certain other persons associated with Blue Sea Capital and/or its affiliates (*e.g.*, a vehicle formed by the Principals to co-invest alongside one or more Private Investment Fund transactions).

With respect to co-investments offered outside of the Executive Funds, such co-investments typically involve investment and disposal of interests in the applicable portfolio company at substantially the same time and on substantially the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-invest vehicle (including a co-investing Fund or Co-Invest Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund’s completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund’s initial purchase. Where appropriate, and in Blue Sea Capital’s sole discretion, Blue Sea Capital reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As set forth in the Governing Documents, Executive Fund I, Executive Fund II and Executive Fund III are required to invest alongside Fund I, Fund II and Fund III, respectively, in each portfolio company, and the percentage of each Executive Fund's participation in each such investment is generally either pre-determined at the outset of each year, or is based on available capital commitments. Any such co-investment by the Executive Funds generally occurs on substantially the same terms and substantially the same time as the investment by the relevant Fund, and the Funds do not engage in post-closing sell-downs or transfers with respect to co-investments with the Executive Funds, except to the extent required under the Governing Documents in connection with the final closing of a Fund.

As of December 31, 2023, Blue Sea Capital had \$1,526,875,458 in assets under management. The Management Company is managed by a board whose members are James R. Davis, Jr. and Richard J. Wandoff. No member of the Management Company has the right to control 25% or more of the voting interests in the Management Company.

FEES AND COMPENSATION

In general, the Advisers receive a management fee (the "**Management Fee**") and a carried interest in connection with advisory services they provide to their clients. Blue Sea Capital or persons affiliated with it receive additional compensation in connection with management and other services performed for portfolio companies (*e.g.*, monitoring and other fees) of the Funds and such additional compensation will offset in whole or in part the Management Fees otherwise payable to Blue Sea Capital to the extent provided by the Governing Documents. In addition, in certain circumstances Blue Sea Capital receives compensation for management or other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in the Private Investment Funds also bear certain fund expenses, as described below. The following is a general description of fees, compensation, and expenses of the Private Investment Funds. The Private Investment Funds have varying fees, compensation and other expenses, and certain Private Investment Funds do not charge certain fees, compensation, or expenses that other Private Investment Funds charge. For example, as noted below, the Executive Funds do not pay a Management Fee or carried interest. Prospective and existing Private Investment Fund investors should review the Governing Documents for details regarding fees, compensation and expenses.

Management Fees

During a Fund's investment period, such Fund generally will pay the General Partner an annual Management Fee, payable quarterly in advance, equal to 2% of its aggregate commitments. Upon a date specified in the Governing Documents, (the "**Stepdown Date**"), the Management Fee will be reduced generally will be equal to 2% of the Fund's aggregate investment contributions (including, where applicable, a Fund borrowing component (*e.g.*, bridge financing contributions)) made by the relevant Fund relating to such Fund's aggregate investment(s) in its portfolio companies that have not been realized or permanently written down, subject to certain reductions as determined pursuant to the Governing Documents (such investments, "**Impaired Value Investments**").

Under the Governing Documents, where the fair market value of a Fund's aggregate investments in a portfolio company exceeds the total amount of investment contributions relating

to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown or decrease (including a significant decrease) in fair value, except in the case where the Fund's aggregate investment(s) in a portfolio company meet the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such Impaired Value Investment will be reduced solely based on the ratio of the fair market value of the aggregate remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant determination.

As a result, and as is generally the case for private equity funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments, aggregate investments in a portfolio company or of a Fund, including following the relevant investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of Impaired Value Investments. Except where the Governing Documents expressly provide to the contrary (*e.g.*, transactions resulting from a dividend recapitalization or similar transactions of a certain size) Management Fees will not be reduced (in whole or in part) in the case of partial distributions in circumstances that do not result in the complete disposition of the relevant Fund's interest therein, and even in cases where the value of the Fund's investment or the Fund's ownership percentage in such portfolio company has been reduced (including substantially reduced) as a result of such transaction.

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

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

To the extent specified in a Fund's Governing Documents, Blue Sea Capital or another Blue Sea Capital entity will be permitted to receive certain supplemental fees and other amounts ("**Supplemental Fees**") consisting of all closing fees, investment banking fees, placement fees, commitment fees, breakup fees, topping fees, litigation proceeds from transactions not consummated, monitoring fees, consulting fees, directors' fees and other similar fees paid to Blue Sea Capital from any portfolio company with respect to a Fund's investment. A Fund's Governing Documents generally will provide that Supplemental Fees received by Blue Sea Capital and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to Blue Sea Capital in a specified percentage (*e.g.*, 80% for Fund I, Fund II and Fund III). The remaining amount of such Supplemental Fees will be retained by Blue Sea Capital. To the extent that such an offset credit would reduce the Management Fee for the relevant

period below zero, the credit will be carried forward for future application against payable Management Fees and if a credit remains upon liquidation, Blue Sea is expected to retain the benefit, except where the Governing Documents require payment to be made crediting limited partners unless a limited partner that have not elected to waive such amount (*e.g.*, where an adverse tax consequence potentially will result). For the avoidance of doubt, no Executive Fund, Co-Invest Fund or other investment vehicle managed or sponsored by Blue Sea Capital that does not bear Management Fees will receive the benefit of any Management Fee offsets with respect to their allocable portion of any Supplemental Fees and the partners in any such Private Investment Fund or other investment vehicle will not be entitled to receive any payment or credit relating to such Supplemental Fees upon the liquidation of such Private Investment Fund or other investment vehicle.

As a matter of practice, the Advisers are typically paid fees of the type referred to in the preceding paragraph from, on behalf of or with respect to co-investors in an investment, as well as other fees relating to the structuring and administration of co-investment arrangements. The receipt of such fees will not offset or reduce the Management Fee payable by any Fund(s) that have also invested in such investment. As a result, a Fund will, in most cases, only benefit with respect to its allocable portion on a fully diluted basis of any such fee and not the portion of any fee related to: (i) General Partner or affiliated partner commitments; (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by Blue Sea Capital, service providers, third parties, current or former portfolio company management or personnel, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others); and/or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant. Supplemental Fee offsets generally are performed on a net basis, after giving effect to certain taxes and other expenses in connection with the receipt of such fees or the provision of related services. To the extent Supplemental Fees are paid in kind (including through securities, option grants or other interests) and have not been sold or liquidated prior to the end of the life of the respective Fund to which they relate, such Supplemental Fees will be valued at that time. Unless otherwise agreed with investors, Supplemental Fees generally will be payable during term extensions, even if Management Fees are reduced or eliminated during the extended term, thus reducing the amounts of Management Fees actually offset. Supplemental Fees will be offset only to the extent they are paid during the holding period of the relevant Fund, and investors generally will not receive the benefit of Supplemental Fees paid prior to the Fund's acquisition, or following the Fund's disposition, of the relevant investment. Similarly, to the extent a former Blue Sea Capital personnel becomes a consultant to, or employed by, a portfolio company, no compensation earned by such former personnel will offset the Management Fee, whether or not such former personnel has a remaining interest in the relevant Fund's General Partner or affiliated entity. Conversely, in the event that Blue Sea Capital employs a person that previously received compensation from a portfolio company, limited partners will receive the benefit of any applicable offset beginning as of the relevant start date of the person's employment with Blue Sea Capital, and not with respect to any compensation paid prior to such date, including equity grants made prior to the date of employment that vest thereafter. In certain circumstances, the Advisers expect that co-investors, lenders, consultants or other parties will negotiate the right to share a portion of such fees from a particular investment, and, in such cases, the above-described offset percentage would be applied after excluding any amounts paid to such persons. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset

against Management Fees, resulting in a potential material benefit to Blue Sea Capital over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Blue Sea Capital to seek to increase such amounts.

As further described below and in the Governing Documents, it is the Advisers' practice to use or retain certain third party advisors and/or consultants ("**Third Party Consultants**"), including certain advisors and/or consultants that may be retained by Blue Sea Capital ("**Executive Advisors**"), to provide services to (or with respect to) certain portfolio companies in which one or more Private Investment Funds invest. Such Third Party Consultants and Executive Advisors generally receive compensation and other amounts described herein from the relevant portfolio companies or Funds to which they provide services, but no such amounts will offset or reduce the Management Fee. For the avoidance of doubt, Blue Sea Capital also will not offset against the Management Fee or any compensation received from outside sources, such as residual employee board seats at entities that are no longer Fund portfolio companies.

Certain Governing Documents permit a General Partner to waive all or a portion of any future installment of the Management Fee. Certain waived portions of a Management Fee installment are permitted to reduce the amount of capital contributions a General Partner and its affiliates would otherwise be required to contribute after the date such waived amount would otherwise be due in return for a profits interest in the applicable Fund. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by the General Partners and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed.

The Management Fee with respect to a Fund generally will commence as of the effective date of such Fund based on aggregate commitments, regardless of when a limited partner is actually admitted. The Management Fee will be paid out of current income and disposition proceeds of the Fund and, in the respective General Partner's discretion, from drawdowns that will reduce unfunded commitments. Installments of the Management Fee payable for any period other than a full quarterly period are adjusted on a *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during the term extensions unless otherwise agreed with investors in the relevant Fund.

Carried Interest

Each General Partner generally is entitled to receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to an 8% annually compounded preferred return and a related General Partner catch-up provision; provided that, to the extent provided in a Fund's Governing Documents, prior to limited partners receiving distributions in an amount equal to their aggregate capital contributions, if a limited partner's share of unrealized investments is not 25% greater than its total contributions for investments, a General Partner is not permitted to receive a carried interest distribution. The carried interest distributed to a General Partner is subject to a potential clawback or giveback at the end of a Fund's life if the respective General Partner has received excess cumulative distributions and at certain interim intervals as provided in the Governing Documents.

It is expected that any future Funds will have a similar compensation structure.

Other Information

Blue Sea Capital reserves the right to exempt certain “affiliated partner” investors in the Private Investment Funds (such as “friends and family” of Blue Sea Capital or other investors meeting certain qualification requirements based on commitment size or other strategic or relationship factors), including any Blue Sea Capital person, from payment of all or a portion of Management Fees and/or carried interest. The General Partners reserve the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, through the Executive Funds or a Co-Invest Fund or as otherwise permitted by the Governing Documents. Blue Sea Capital expects to provide (or agree to provide) certain investors or other persons, including Blue Sea Capital’s personnel, certain other persons associated with Blue Sea Capital and/or its affiliates and/or certain unaffiliated third parties (to the extent not prohibited by the Governing Documents) the opportunity to participate in co-investment opportunities through an Executive Fund or a Co-Invest Fund, which is not subject to Management Fees and/or carried interest. In instances where a Blue Sea Capital professional or its affiliate invests in a Private Investment Fund, such professional or its affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Private Investment Fund. Additionally, to the extent permitted by the relevant Governing Documents, certain Advisers have the right to permit investors, affiliated with such Adviser or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees and/or carried interest. In general, the Management Fee offsets described herein apply only with respect to the capital commitments of fee-paying investors.

Principals or other current or former personnel of Blue Sea Capital receive salaries and other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by Blue Sea Capital.

Each Fund generally invests on a long-term basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the relevant Governing Documents, over the relevant Fund’s term, and investors generally are not permitted to withdraw or redeem interests in the Funds.

In addition to the Management Fee and carried interest payable to the General Partners, if applicable, each Fund bears certain expenses, as set forth more fully in the Governing Documents. Typically, each Fund bears all organizational expenses, subject to any applicable limitations in its Governing Documents, and fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed by a portfolio company or applied to reduce Management Fees, including: all costs and expenses attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of Fund investments (including interest on money borrowed, registration expenses and brokerage, finders’, financing, appraisal, custodial and other fees and alternative investment vehicle costs and expenses) or relating to investment and disposition opportunities for the Fund not consummated (including break-up or topping fees or other liabilities or obligations), including such expenses relating to transactions that have been offered to co-investors (“**Broken Deal Expenses**”); legal, accounting, administration, auditing,

insurance, travel (including, where appropriate, meal and entertainment expenses and the cost of chartering private aircraft or other private air travel at a cost above the cost of first class commercial airfare, ground transportation (including car and ride-sharing services)) and other modes of transportation, litigation and indemnification costs and expenses, judgments and settlements, consulting, finders', financing, appraisal, filing, reporting, buy-side and sell-side finders' fees (as well as other similar deal sourcing payments), social and entertainment costs, closing dinners, mementos or limited partner gifts; travel meals, the costs of hosting or attending training programs, meetings or other events for portfolio companies and their executives and/or their personnel, limited partner transfer expenses (to the extent not borne by the relevant limited partner(s)), expenses relating to hiring consultants for portfolio companies or potential portfolio companies (e.g., headhunter fees, background checks or relocations expenses) and other fees and expenses (including extraordinary expenses, expenses associated with the Fund's financial statements, tax returns and Schedule K-1s or any other Fund-related reporting or filing); advisory committee expenses; out-of-pocket expenses incurred in connection with the annual limited partners' meeting and related meal and entertainment expenses and any other periodic meeting or conference with one or more limited partners; any taxes, fees and other governmental charges levied against the Fund; attendance of any member, manager, shareholder, partner, director, officer, personnel or affiliate of a General Partner at any trade conference, including any applicable registration fees and exhibition, sponsorship or other presentation fees, costs and expenses; costs of conferences (including related travel, lodging and/or meals) relating to specific investment opportunities and/or the relevant industries or strategies in which the Funds invest; software development costs or other technology-related expenses relating to any of the foregoing or otherwise; and any other fees, costs, expenses, liabilities or obligations approved by a Fund's advisory committee. Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Blue Sea Capital and/or its affiliates, the relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors (including a Co-Invest Fund), portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses and/or Supplemental Fees are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. The General Partners reserves the right to agree with Third Party Consultants, Executive Advisors, joint venture or similar partners, service providers, portfolio company management or other persons that all or a portion of certain expense reimbursements, payments or other amounts owed to such persons relating to one or more investments will be paid in the form of a profits, participation or equity interest granted in the relevant investments or related intermediate entities. While such an arrangement is more favorable to the relevant Fund in that it

does not involve an initial cash outlay for the payment of expenses, and could be further favorable to the relevant Fund if the investment does not increase in value, in the event of appreciation in the relevant investment any such profits, participation or equity interest generally would have a dilutive impact on the Fund's investment, as well as the potential to result in economic gains to the recipient greater than the original amount of compensation, which in either case could be substantial. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with maintaining and operating their respective offices, including salaries of personnel, rent, utilities and other similar expenses specified in the Governing Documents. Each Fund also generally will bear the costs of implementing, reporting (as applicable) monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. To the extent brokerage fees are incurred, they will be incurred in accordance with the practices set forth in "Brokerage Practices." Investors should refer to the Governing Documents for a full list of expenses that will be borne by the Funds.

As described above, in certain circumstances Blue Sea Capital is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to Blue Sea Capital's related policies and practices and the Governing Documents and/or Side Letter(s). Where a Co-Invest Fund or other co-invest vehicle is formed or for the Executive Funds, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors, that were to have participated in such transaction. However, to the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses and expenses related to closed transactions. The Advisers' practice of allocating Broken Deal Expenses among investing Funds is discussed under "Conflicts of Interest," below. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

Blue Sea Capital and/or its affiliates generally have discretion over whether to charge Supplemental Fees to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Supplemental Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Blue Sea Capital and/or its affiliates on the other hand.

Additionally, as further described herein and in the Governing Documents, it is the Advisers' practice to employ, use or retain certain Third Party Consultants and Executive Advisors (including entities formed for the benefit of such persons and/or to facilitate the provision of their

services) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest. Such Third Party Consultants and Executive Advisors generally provide services in relation to the identification, acquisition, holding, integration, management, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management, board or policy-making positions for portfolio companies. Third Party Consultants and Executive Advisors receive compensation, including, but not limited, to board fees, committee fees, service fees, including with respect to integration services, transaction fees, cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), a profits, participation or equity interest in a portfolio company or holding company, incentive equity and stock awards, profits or equity interests in one or more Funds or General Partners, remuneration from the Advisers and/or the Funds or affiliates, guaranteed minimums or other compensation, the amount of which typically is determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) of such Third Party Consultants and/or Executive Advisors, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the relevant Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, and the relevant Fund typically will bear the costs of all Third Party Consultant and/or Executive Advisor compensation as well as fees, costs and expenses of structuring Third Party Consultant and/or Executive Advisors arrangement. Third Party Consultants and Executive Advisors also generally will be reimbursed for certain travel and other costs in connection with their services. Executive Advisors are permitted to enter into an agreement for services with Blue Sea Capital or directly with the Funds and/or portfolio companies. As described above, no amounts received by Third Party Consultants or Executive Advisors will offset or reduce the Management Fee. The use of Third Party Consultants and Executive Advisors subjects the Advisers to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," each General Partner typically receives a carried interest allocation on certain realized profits in the relevant Fund. A carried interest allocation represents an investment adviser's compensation based on a percentage of net profits of the funds it manages. The Executive Funds are not charged a carried interest and Blue Sea Capital reserves the right in the future to also advise certain other Co-Invest Funds that are not charged a carried interest. While this practice could present a conflict of interest, Blue Sea Capital does not believe it creates an actual conflict of interest since the Executive Funds and Co-Invest Funds are designed to invest alongside, not compete with, other Funds, and are typically subject to various limitations set forth in the applicable Governing Documents.

Additionally, to the extent that Blue Sea Capital advises Private Investment Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Blue Sea Capital personnel are assigned varying percentages of carried interest from the Funds, Blue Sea Capital and such personnel are subject to potential conflicts of interest to the

extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Blue Sea Capital seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by Blue Sea Capital or any personnel.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement, although Blue Sea Capital 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.

TYPES OF CLIENTS

Blue Sea Capital provides investment advice solely to its Private Investment Funds, and references throughout this Brochure to "clients" and to Blue Sea Capital's related duties to and practices on behalf of its clients and/or investors should be construed accordingly. Private Investment Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "**Investment Company Act**"). The investors participating in the Private Investment Funds generally include insurance companies, corporations, pension and profit-sharing plans, trusts or estates, charitable organizations or other investment or business entities, university endowments, sovereign wealth funds, family offices, Third Party Consultants, Executive Advisors, other service providers retained by Blue Sea Capital or a Private Investment Fund, executives of portfolio companies, directly or indirectly, Blue Sea Capital's Principals or other personnel or their family members or other individuals or institutional investors.

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

The Funds typically have a minimum investment amount of \$5 million for third-party investors. Generally, investors are (i) "accredited investors" as defined under Regulation D of the Securities Act of 1933, as amended, and (ii) for certain Funds, either "qualified purchasers" or "knowledgeable employees" as defined under the Investment Company Act. Blue Sea Capital reserves the right to waive such minimum investment amounts and qualification requirements.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment and Operating Strategy

The following is a summary of the investment strategies and methods of analysis generally employed by Blue Sea Capital on behalf of the Funds. More detailed descriptions of each Fund's investment strategies and methods of analysis are included in the Governing Documents.

Blue Sea Capital intends to act primarily as the lead sponsor in making equity and equity-related investments in lower middle market companies headquartered in the United States, with a specific focus on acquiring businesses in sectors in which its team has deep collective prior experience: aerospace & defense, healthcare and industrial growth. Blue Sea Capital's investment strategy includes:

- Targeting differentiated but under-developed, entrepreneurial, lower middle market companies Blue Sea Capital believes are positioned to benefit from Blue Sea Capital's strong sector and hands-on operating experience;
- Pursuing attractive, fragmented, defensive growth verticals where its investment professionals maintain deep domain experience, close relationships with transaction sources and established networks of industry executives; and
- Creating fundamental value through an execution-oriented process based upon building better companies through organizational enhancements, growth initiatives and operational improvements that are implemented in partnership with management.

Risks of Investment

The Funds and their investors bear the risk of loss that Blue Sea Capital's investment strategy entails. There can be no assurance that the Advisers will meet any Fund's investment objectives or otherwise be able to successfully carry out its investment program or that there will be any return of capital. A prospective investor should only invest in a Fund as part of an overall investment strategy and only if such investor is able to withstand a total loss of its investment. Investors should not construe the performance of earlier investments by the Advisers or their affiliates as providing any assurances regarding the future performance of any Fund. The risks typically involved with Blue Sea Capital's investment strategy and an investment in each Fund are generally described below. However, investors should review the applicable Fund's Memorandum for information regarding risks specific to that Fund.

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

Future and Past Performance. The performance of the Principals' prior investments is not necessarily indicative of a Fund's future results. While the Advisers intend for the Funds to make investments that have estimated returns commensurate with the risks undertaken, there can be no

assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

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

Concentration of Investments. Each Fund will participate in a limited number of investments and may seek to make several investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such 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 such 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 such Fund's investment limitations, certain of which may exclude bridge financing investments.

Lack of Sufficient Investment Opportunities. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, regardless of the extent to which commitments of the limited partners are invested (or drawn down to be invested), limited partners will be required to bear Management Fees through such Fund during the investment period based on the entire amount of the limited partners' commitments to such Fund, and other expenses as set forth in the applicable Governing Documents.

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner reserves the right to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner reserves the right to pursue investments outside of the industries and sectors in which Blue Sea Capital has previously made investments or has internal operational experience.

General Risks of Investments in Healthcare Companies. Investments in healthcare companies involve a high degree of business and financial risk and can result in substantial losses. Healthcare companies may face intense competition, including competition from companies with greater financial resources, more extensive research and development, sales and marketing, customer services and support and other capabilities and a larger number of qualified managerial and technical personnel. Companies in which a Fund invests could deteriorate for a variety of

reasons, including an adverse development in their business, a change in the competitive environment, or an economic downturn.

Healthcare Regulation. Reimbursement and Reform. Various segments of the healthcare industry are (or may become) (i) highly regulated at both the federal and state levels in the United States and internationally, (ii) subject to frequent regulatory change and (iii) dependent upon various government or private insurance reimbursement programs. While each Fund intends to make investments in companies that seek to comply with applicable laws and regulations, the laws and regulations relating to certain industries, including, in particular, the healthcare industry, are complex, may be ambiguous or may lack clear judicial or regulatory interpretive guidance. An adverse review or determination by any applicable judicial or regulatory authority of any such law or regulation, or an adverse change in applicable regulatory requirements or reimbursement programs, could have a material adverse effect on the operations and/or financial performance of the companies in which a Fund invests.

By way of example, in recent years, both local and national governmental budgets have come under pressure to reduce spending and control healthcare costs, which could both adversely affect regulatory processes and public funding available for healthcare products, services and facilities. In March 2010, comprehensive healthcare reform legislation was enacted in the United States through the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, or PPACA (collectively, the “**Health Care Reform Act**”). These laws are intended to increase health insurance coverage through individual and employer mandates, subsidies offered to lower income individuals, tax credits available to smaller employers and broadening of Medicaid eligibility. While one intent of healthcare reform is to expand health insurance coverage to more individuals, it may also involve additional regulatory mandates and other measures designed to constrain medical costs, including coverage and reimbursement for healthcare services. The Health Care Reform Act has had a significant impact on the healthcare sector in the U.S. and consequently has the ability to affect the companies within the healthcare industry. There currently is uncertainty surrounding the future of the Health Care Reform Act and whether it will be repealed and replaced or otherwise modified, and any decisions with respect to the Healthcare Reform Act likely will have a significant impact on the healthcare industry and the companies in which the Fund invests. The ultimate effects of federal healthcare reform or any future legislation or regulation, or healthcare initiatives, if any, on the healthcare sector, including the modification or repeal of the Healthcare Reform Act (whether in whole or in part), whether implemented at the federal, state or local level, or internationally, cannot be predicted with certainty and such reform, legislation, regulation or initiatives, including the Health Care Reform Act, may adversely affect the performance of the Funds’ investments.

Governmental and Third Party Payors. In both the U.S. and foreign markets, sales of a healthcare company’s products and its success will depend in part on the availability of reimbursement from third party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of healthcare companies may be affected by the continuing efforts of governmental and third party payors to contain or reduce the costs of healthcare. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. There can be no assurance that a healthcare company’s proposed products will be considered cost effective or that adequate third

party reimbursement will be available to enable a healthcare company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Impact of Government Regulation and Reform. The SEC has proposed and enacted significant rules that will impact the business of Blue Sea Capital and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Blue Sea Capital and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. In addition, following the applicable compliance date, such regulations will require the General Partners to disclose to prospective investors and/or limited partners certain preferential terms negotiated by limited partners in connection with their investment in a Fund, which could result in the relevant General Partner being less willing to agree to any such preferential terms with any potential investor. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

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

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

to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. 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, such Fund may 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. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise become liable therefor, and in such situations, it is not expected that the Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. While Fund-level borrowings generally will be subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by Blue Sea Capital or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by the Fund's investors and the investors' contributions may be required to be made directly to the lenders instead of the Fund.

Subscription Lines. A Fund generally is permitted to enter into a subscription line with one or more lenders in order to finance its operations including the acquisition, financing or refinancing of the Fund's investments, as well as to consolidate or make less frequent capital calls to limited partners. Fund-level borrowing subjects limited partners to certain risks and costs. For example, because amounts borrowed under a subscription line typically are secured by pledges of the relevant General Partner's right to call capital from the limited partners, limited partners may be obligated to contribute capital on an accelerated basis if the Fund fails to repay the amounts borrowed under a subscription line or experiences an event of default thereunder. Moreover, any limited partner claim against the Fund would likely be subordinate to the Fund's obligations to a subscription line's creditors.

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited

partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's internal rate of return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller

amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. The General Partners are authorized to use Fund-level borrowing to pay Management Fees and reimburse Blue Sea Capital for expenses incurred on behalf of the Funds. A Fund is also permitted to also utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

In borrowing on behalf of a Fund, Blue Sea Capital is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when a Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

Investment- and Intermediate Entity-Level Borrowing. Under the Governing Documents, a Fund is generally permitted to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted, directly or indirectly, through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit

support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is generally permitted to be incurred for any purpose relating to the activities of a Fund, including, without limitation, to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

Limited Transferability of Fund Interests. There is no public market for the Funds' interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund interests under the Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests generally are not redeemable.

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

Reliance on the Advisers and Portfolio Company Management. Control over the operation of the Funds will be vested with the Advisers, and the Funds' future profitability will depend largely upon the business and investment acumen of the Principals. The loss or reduction of service of one or more of the Principals could have an adverse effect on the Funds' ability to realize their investment objectives. In addition, the Principals expect to, in the future, manage other investment funds besides the Funds and the Principals are expected to need to devote substantial amounts of their time to the investment activities of such other funds, which will pose conflicts of interest in the allocation of the time of the Principals. Limited partners generally have no right or power to take part in the management of a Fund, and as a result, the investment performance of the Fund will depend on the actions of the Advisers. In addition, certain changes in the Advisers or circumstances relating to the Advisers may have an adverse effect on a Fund or one or more of its portfolio companies including potential acceleration of debt facilities.

Although the Advisers will monitor the performance of each Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day to day basis. Although the Funds generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with the Funds' objectives.

Limited Operating History. While the Principals have previous experience making and managing investments similar to those contemplated by the Funds, there can be no assurance that a Fund's investments will achieve results similar to those attained by previous investments of the Principals. In addition, a Fund's investments may differ from previous investments made by the Principals in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by each company's management, with adjustments to such projections by Blue Sea Capital in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

Conflicting Investor Interests. Limited partners are expected to have conflicting investment, tax, and other interests with respect to their investments in a Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts may arise in connection with decisions made by the Advisers regarding an investment that may be more beneficial to one limited partner than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Advisers generally will consider the investment and tax objectives of the relevant Fund and its partners as a whole, not the investment, tax, or other objectives of any limited partner individually.

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

Non-U.S. Investments. A Fund is generally permitted to invest in portfolio companies that are organized, headquartered and/or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of a Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to the Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or the partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

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

Dilution. Limited partners admitted or that increase their respective commitments to a Fund at subsequent closings generally will participate in then-existing investments of the Fund, thereby diluting the interest of existing limited partners in such investments. Although any such new limited partner will be required to contribute its *pro rata* share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the Fund's existing investments at the time of such contributions.

Public Company Holdings. Subject to any limitation in the relevant Governing Documents, a Fund generally permitted to make investments in public companies. In addition, a Fund may hold public company investments as a result of a sale of all or a part of such Fund's investment in a portfolio company, such as when a portfolio company goes public or is sold to a public company for stock. As a result, a Fund's investment portfolio generally is permitted to contain debt and/or equity securities issued by publicly held companies. Such investments subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund 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 increased costs associated with each of the aforementioned risks.

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors or is subject to terms

and conditions imposed by portfolio company lenders, the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of the relevant Fund or its limited partners. Such third parties may be in a position to take action contrary to the Fund's business, tax or other interests, and the Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or Blue Sea Capital generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partners and their affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Blue Sea Capital's control. Decisions by Blue Sea Capital or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Blue Sea Capital and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory committee generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Blue Sea Capital reserves the right to withhold certain information from investors subject to such laws for reasons relating to Blue Sea Capital's public reputation, business strategy or other reasons.

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

Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Blue Sea Capital or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the U.S. Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain

circumstances, antitrust restrictions relating to one Fund's acquisition of a portfolio company may preclude other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

As a result of any of the foregoing, a Fund may be adversely affected because of Blue Sea Capital's inability or unwillingness to participate in transactions that may violate such laws or regulations, or by remedies imposed by any regulators or governmental bodies. Any such laws or regulations may make it difficult or may prevent a Fund from pursuing investment opportunities, require the sale of part or all of certain portfolio companies on a timeline or in a manner deemed undesirable by Blue Sea Capital or may limit the ability of one or more portfolio companies from conducting their intended business in whole or in part. Consequently, there can be no assurance that any Fund will be able to participate in all potential investment opportunities that fall within its investment objectives.

Sanctioned Investors. If after subscribing to a Fund a limited partner is included on a list of prohibited persons maintained by a relevant regulatory or governmental authority (including OFAC or equivalent non-U.S. authorities) (a "**Sanctions List**"), the relevant General Partner will have the sole discretion to determine the resolution, remedy and manner of compliance of the Fund with applicable laws, including, without limitation, a "freeze" on distributions and/or capital calls from the relevant limited partner and reporting to the relevant authorities. Adverse actions by any such authorities, including temporary or permanent stays or holds on the Funds' activities, could materially and adversely affect the Funds.

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

Hedging Arrangements; Related Regulations. A General Partner is authorized (but not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available

and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter (“OTC”) contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty’s inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the “CFTC”) or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

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

Director Liability. A Fund 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 the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Funds’ investment activities.

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises, virus or disease epidemics or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling

market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

Market Conditions. Any material change in the economic environment, including a slowdown in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of a Fund's portfolio companies. A Fund's performance can be affected by deterioration in public markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. The value of publicly traded securities may be volatile and difficult to sell as a block, even following a realization through listing. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective and also the level of profitability achieved on realizations of investments.

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 COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds. The extent of the impact on the Funds' and their portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include significant reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future, and governmental mitigation actions may constrain or alter existing financial, legal and regulatory frameworks in ways that are adverse to the investment strategy the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill their investment objectives. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences. In addition, the operations of the Funds, their portfolio companies, the General Partners and Blue Sea Capital may be significantly impacted, or even temporarily or permanently halted, as a result of any such health emergencies, or any measures, restrictions, remote-working requirements and other factors related thereto,

including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, hampering the performance of administrative functions such as processing payments and invoices, and diminishing their ability to make accurate and timely projections of financial performance.

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

Ability to Finance and Consummate Investments. A Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that marketplace events affect the ability to obtain favorable financing for its investments, such events may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Funds to realize their investments at favorable times or for favorable prices.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes. There continues to be significant discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. 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 a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives, or on the Principals, personnel or other individuals associated with the Funds or the Advisers, which could make it more difficult for Blue Sea Capital to incentivize, attract and retain individuals to perform services for the Funds.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent the Funds efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, the Funds may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than they otherwise would have.

Additional Fees and Compensation. The Advisers and their affiliates likely will perform management, financial advisory and other services for, and receive fees, including monitoring, director and transaction fees, from, portfolio companies, which fees will be in addition to Management Fees and carried interest paid by the Funds. The Advisers may determine or strongly influence the amount of such fees that they or their affiliates receive, and the amount of such fees may be substantial. Such fees received by the Advisers and their affiliates have the potential to create a conflict with respect to a Fund's interests if such fees are not sufficiently supported by

benefits received by the Fund. Certain decisions made by the Advisers may be influenced by this conflict of interest, including decisions with respect to the amount of such fees. In addressing such conflicts, the Advisers seek to act in a fair and equitable manner consistent with their fiduciary duties to the Funds. In addition, the Advisers believe that the offset of such fees against the Management Fee will tend to reduce such conflicts.

Valuation of Investments. Generally, the relevant General Partner will determine the value of all the related Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. Each General Partner will determine the value of all the relevant Fund's investments that are not readily marketable based on ASC 820 guidelines as promulgated by the Financial Accounting Standards Board and any subsequent valuation guidelines required of an investment fund reporting under generally accepted accounting principles as promulgated in the United States. There can be no assurance that the relevant General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a General Partner with respect to an investment will represent the value realized by the relevant Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation.

Cybersecurity Risks. Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company, Fund, General Partner, Blue Sea Capital or one or more of their respective service providers is subject to cyber-attack or other unauthorized access is gained to their systems, substantial losses may occur in the form of stolen, lost or corrupted: (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; or (v) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Blue Sea Capital, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Blue Sea Capital's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict

harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at Blue Sea Capital or one of its service providers holding its financial or investor data, Blue Sea Capital, its affiliates or the Funds may also be at risk of loss.

Privacy and Data Protection Law Compliance Risk. The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, “**Privacy Laws**”) could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, destruction, retention and safeguarding of personal data and current and planned business activities of Blue Sea Capital, the General Partners, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for Blue Sea Capital, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

Certain jurisdictions, including U.S. states, have proposed, adopted or are considering similar Privacy Laws, which if enacted could impose significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Blue Sea Capital, the General Partners, the Funds and/or their portfolio companies.

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

As a result of the onshoring of EU legislation in the UK, UK firms are currently subject to many of the same rules and regulations as prior to Brexit. However, the UK Government has stated its intention to recast onshored EU legislation as part of UK legislation and regulation, which could result in substantive changes to regulatory requirements in the UK. It remains to be seen to what extent the UK may elect to implement or mirror future changes in the EU regulatory regime, or to diverge from the current EU-influenced regime over time. It is possible that the EU may respond to UK initiatives by restricting third-country access to EU markets. If the regulatory regimes for EU and UK financial services change or diverge further, this could have an adverse impact on any Fund and its investments, including the ability of a Fund to achieve its investment objectives in

whole or in part (for example, owing to increased costs and complexity and/or new restrictions in relation to cross-border access between the EU and non-EU jurisdictions).

There can be no assurance that any renegotiated laws or regulations will not have an adverse impact on a Fund and its investments, including the ability of a Fund to achieve its investment objectives.

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

As a general matter, co-investors, including those that participate through an Executive Fund or a Co-Invest Fund, will be subject to the same types of risks as investors in the other Private Investment Funds.

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

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

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its

General Partner, or Blue Sea Capital who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for Blue Sea Capital to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate ("LIBOR"), Secured Overnight Financing Rate (SOFR) or other rates (each, a "**Benchmark Rate**"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

Secondaries and other General Partner-Led Transactions. There continues to be a significant market for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions and Blue Sea Capital reserves the right to dispose of (or seek additional capital for) Fund investments through such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by Blue Sea Capital following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where Blue Sea Capital believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by Blue Sea Capital and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (*i.e.*, a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of Blue Sea Capital or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where Blue Sea Capital or an

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

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, Blue Sea Capital, any General Partner, the Funds and/or any of their portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently

are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the 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 Blue Sea Capital to manage the Funds and their investments, and on the ability of Blue Sea Capital, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds, an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability a Fund to access capital contributions or otherwise), the inability of a Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments and/or the inability of Blue Sea Capital or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that Blue Sea Capital will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that Blue Sea Capital will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

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

Artificial Intelligence and Machine Learning Developments. Recent technological advances in artificial intelligence and other machine learning technology (collectively, “**Machine Learning Technology**”), including OpenAI’s release of its ChatGPT application, pose risks to Blue Sea Capital, the Private Investment Funds and the Private Investment Funds’ portfolio investments. Blue Sea Capital personnel, Third Party Consultants, Executive Advisors and other associated persons of Blue Sea Capital or any affiliates of Blue Sea Capital could, unbeknownst to Blue Sea Capital, utilize Machine Learning Technology in a manner that could expose Blue Sea Capital, the Private Investment Funds and/or their portfolio investments to risk. Blue Sea Capital, the Private Investment Funds and the Private Investment Funds’ portfolio investments could be further exposed to the risks of Machine Learning Technology if third-party service providers or any counterparties, whether or not known to Blue Sea Capital, also use Machine Learning Technology in their business activities. Blue Sea Capital will not be in a position to control the use of Machine Learning Technology in third-party products or services.

Use of Machine Learning Technology by any of the parties described in the previous paragraph could include the input of confidential information (including material, non-public information) – either in contravention of non-disclosure agreements, in contravention of Blue Sea Capital’s policies, contractual or other obligations or restrictions to which any of the foregoing or any of their affiliates or representatives are subject, or otherwise in violation of applicable laws, rules or regulations relating to treatment of confidential and/or personally identifiable information (including material, non-public information) – into Machine Learning Technology applications, resulting in such confidential information becoming part of a dataset that is accessible by other third-party Machine Learning Technology applications and users.

Independent of its context of use, Machine Learning Technology is generally highly reliant on the collection and analysis of large amounts of data, and it is not possible or practicable to incorporate all relevant data into the model that Machine Learning Technology utilizes to operate. Certain data in such models will inevitably contain a degree of inaccuracy and error – potentially materially so – and could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of Machine Learning Technology. To the extent that Blue Sea Capital, the Private Investment Funds or the Private Investment Funds’ portfolio investments are exposed to the risks of Machine Learning Technology use, any such inaccuracies or errors could have adverse impacts on Blue Sea Capital, the Private Investment Funds or the Private Investment Funds’ portfolio investments. Conversely, to the extent competitors of Blue Sea Capital and its portfolio companies utilize Machine Learning Technology more extensively than Blue Sea Capital and its portfolio investments, there is a possibility that such competitors will gain a competitive advantage.

Machine Learning Technology and its applications, including in the private investment and financial sectors, continue to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Conflicts of Interest

Blue Sea Capital and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Private Investment Funds, and providing transaction-related, investment advisory,

management and other services to Private Investment Funds and portfolio companies. Blue Sea Capital will devote such time, personnel and internal resources as it determines are necessary to conduct the business affairs of the Private Investment Funds in an appropriate manner, taking into account the requirements of the Governing Documents, although the Private Investment Funds and their respective investments will place varying levels of demand on Blue Sea Capital's resources over time. In the ordinary course of Blue Sea Capital conducting its activities, the interests of a Private Investment Fund likely will conflict with the interests of Blue Sea Capital, one or more other Private Investment Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, Blue Sea Capital will determine all matters relating to structuring transactions and Private Investment Fund operations using its judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory committees of the participating Funds.

During the investment period of the most recently formed Fund, Blue Sea Capital will pursue all appropriate investment opportunities exclusively through such Fund, as described and subject to any exceptions in the Governing Documents. However, Blue Sea Capital currently manages and expects in the future to manage other investment funds and investments similar to those in which the Funds invest, and expects to direct certain relevant investment opportunities or resources to those investment funds and investments. Blue Sea Capital personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. Blue Sea Capital's investment staff will continue to manage and monitor such investment funds and investments. Blue Sea Capital believes that the significant investment of Blue Sea Capital and the Principals in a Fund, as well as their interest in the carried interest with respect to such Fund, operate to align, to some extent, the interest of Blue Sea Capital with the interest of the partners of such Fund, although Blue Sea Capital and the Principals are expected to have economic interests in such other investment funds and investments as well and expect to receive management fees and carried interests relating to these interests. Such other investment funds and investments that Blue Sea Capital and the Principals expect to control or manage generally have the potential to compete with a Fund or companies acquired by a Fund. Following the investment period for a particular Fund, Blue Sea Capital and the Principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in Blue Sea Capital's sole discretion, Blue Sea Capital and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, Blue Sea Capital personnel are permitted to serve on boards or act in other roles unaffiliated with Blue Sea Capital, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles and no such compensation will offset or otherwise reduce any Management Fees.

Blue Sea Capital expects to be presented with certain investment opportunities that would be suitable for more than one of the Funds and/or other investment vehicles operated by advisory affiliates of Blue Sea Capital. In determining which investment vehicles should participate in such investment opportunities, Blue Sea Capital and its affiliates are subject to conflicts of interest

among the investors in such investment vehicles. Except as required by the Governing Documents, Blue Sea Capital is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of Blue Sea Capital in a portfolio company also have the potential to raise the risk of using assets of a client of Blue Sea Capital to support positions taken by other clients of Blue Sea Capital.

Blue Sea Capital generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, investment objectives, strategies, life cycle, structure and other relevant factors. Blue Sea Capital will determine if the amount of an investment opportunity in which a particular Fund will invest exceeds the amount that would be appropriate for such Fund and Blue Sea Capital reserves the right to offer co-investment opportunities to one or more potential co-investors, including vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and Blue Sea Capital's procedures regarding allocation. Blue Sea Capital's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (*e.g.*, qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; Blue Sea Capital's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Blue Sea Capital's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund and whether Blue Sea Capital believes that allocating investment opportunities to an investor or other person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the Fund(s) or Blue Sea Capital. Although Blue Sea Capital reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by Blue Sea Capital in identifying co-investors. Blue Sea Capital reserves the right to grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

Furthermore, Blue Sea Capital or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Blue Sea Capital expects to be subject to potential

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

Blue Sea Capital reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more limited partners of a Fund and/or other persons. Co-Invest Funds are permitted to be established in order to invest alongside one or more other Funds, and Blue Sea Capital will have limited discretion to invest the assets of these Co-Invest Funds independent of the limitations set forth in the Governing Documents of such Co-Invest Funds and the relevant Fund. Participation in co-investment opportunities or Co-Invest Funds may be limited, including as may be set forth in a Fund's Governing Documents.

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

In certain cases, Blue Sea Capital will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, Blue Sea Capital will use its discretion to select such transferees based on suitability and other factors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Where multiple 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 may 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, may 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, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Blue Sea Capital in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, Blue Sea Capital expects to face a potential conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, one 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). If a Fund enters into any indebtedness with another Fund on a joint and several basis, the relevant General Partner is expected to enter into one or more agreements that provide each Fund with a right of contribution, subrogation or reimbursement. In administering, or seeking to reinforce, these agreements, Blue Sea Capital expects to be subject to potential conflicts of interest, for example between a Fund with a reimbursement obligation and a Fund seeking reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Blue Sea Capital may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. Blue Sea Capital intends to mitigate any potential conflicts by structuring such agreement in a manner intended to cause each Fund to bear its proportionate share of the applicable indebtedness.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of Broken Deal Expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Investments by more than one client of Blue Sea Capital in a portfolio company also have the potential to raise the risk of using assets of one client of Blue Sea Capital

to support positions taken by other clients. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Blue Sea Capital and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

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

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

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

Additionally, a portfolio company typically will reimburse Blue Sea Capital or service providers retained at Blue Sea Capital's discretion for expenses (including, without limitation, travel expenses) incurred by Blue Sea Capital or such service providers in connection with their

performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Blue Sea Capital personnel. This subjects Blue Sea Capital and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Blue Sea Capital determines the amount of these reimbursements for such services in its own discretion, subject to the Governing Documents and Blue Sea Capital's internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to Blue Sea Capital or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, Blue Sea Capital, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits, including, without limitation, information, "know-how," experience, analysis and data relating to Funds or portfolio companies, third-party rewards programs resulting from the use of credit cards in connection with Blue Sea Capital business 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 and, in each case, any such benefits will not be shared with the Funds offset or otherwise reduce any Management Fees.

Blue Sea Capital generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) Blue Sea Capital or a related person of Blue Sea Capital (which is permitted to include a portfolio company of such Fund); (ii) an entity with which Blue Sea Capital or its affiliates or current or former personnel has a relationship or from which Blue Sea Capital or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where Blue Sea Capital personnel are seconded, or from which Blue Sea Capital receives secondees; or (iii) certain limited partners or their affiliates. For example, Blue Sea Capital expects to be presented with opportunities to receive financing and/or other services in connection with a Fund's investments from certain limited partners or their affiliates that are engaged in lending or related business. This subjects Blue Sea Capital to conflicts of interest, because, although Blue Sea Capital intends to select service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, Blue Sea Capital has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that Blue Sea Capital, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or Blue Sea Capital), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. Blue Sea Capital will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although Blue Sea Capital generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector

competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, Blue Sea Capital expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to Blue Sea Capital or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not Blue Sea Capital has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Blue Sea Capital reserves the right to cause a Fund to enter into a transaction whereby the Fund (i) purchases securities from, or sells securities to, other Funds managed by Blue Sea Capital, co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. Such transactions have the potential to arise in the context of automatic or other re-balancing of an investment among parallel investing entities, including co-investors, or in contexts where a portfolio company owned by a Fund and its parallel investing entities is acquired by a portfolio company acquired by another Fund. In some cases a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund or (ii) the transaction allows Blue Sea Capital or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. 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. Blue Sea Capital intends that any such transactions be conducted in a manner that it believes to be fair and equitable to each client under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances Blue Sea Capital generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents.

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

their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or Blue Sea Capital affiliate, whether or not related to the Fund in which such limited partners have invested.

Blue Sea Capital and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests or who were employed by in portfolio companies owned by the Funds or other investment vehicles advised by Blue Sea Capital and/or its affiliates; conversely, former personnel or executives of Blue Sea Capital and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by Blue Sea Capital. Similarly, Blue Sea Capital, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, Blue Sea Capital and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Blue Sea Capital entities) to Blue Sea Capital entities, whether or not relating to financing Blue Sea Capital personnel obligations to fund General Partner commitment obligations, to Blue Sea Capital personnel and their estate planning vehicles. Blue Sea Capital expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide Blue Sea Capital information about markets and industries in which Blue Sea Capital operates (or is contemplating operations) or will provide other services that are beneficial to Blue Sea Capital or one or more other Funds. For example, Blue Sea Capital reserves the right to cause a Fund to make payments to investment banks and/or other intermediaries, all or a portion of which is for the purpose of generating future deal flow for such Fund; however, there can be no assurance that such payments will result in future deal flow, and in certain cases, future deal flow may inure to the benefit of another or a successor Fund rather than the Fund making the payment. Blue Sea Capital expects to be subject to a potential conflict of interest in making such recommendations, in that Blue Sea Capital has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Blue Sea Capital, its affiliates, and equity holders, officers, principals and personnel of Blue Sea Capital and its affiliates reserve the right to buy or sell securities or other instruments that Blue Sea Capital has recommended to a Fund. In addition, officers, principals and personnel reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in Blue Sea Capital's Code of Ethics. The investment policies, fee arrangements and other

circumstances of these investments generally vary from those of any Fund. Personnel and related persons of Blue Sea Capital have, and are expected to continue to have, capital investments in or alongside certain Private Investment Funds, or in prospective portfolio companies directly or indirectly, in each case subject to limitations set forth in the Governing Documents, as well as in investment vehicles (including private funds) sponsored by competitors, and therefore expects to have additional potential conflicting interests in connection with these investments.

In addition, as described above, Blue Sea Capital and the portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to, and reimburse expenses of, Third Party Consultants and Executive Advisors (including consultants introduced or arranged by Blue Sea Capital and/or its affiliates that may regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the Management Fee as described herein. Executive Advisors generally make use of Blue Sea Capital resources or otherwise are associated with Blue Sea Capital. In certain circumstances, Blue Sea Capital or its affiliates reserve the right to agree to compensate certain of such persons to the extent portfolio company-related compensation falls below certain specified levels on an aggregate annualized basis, or to pay Executive Advisors and/or reimburse Executive Advisors' expenses to the extent that fixed retainers, expenses and other compensation is not paid and/or reimbursed by the Funds and/or portfolio companies. Executive Advisors are expected to include former personnel of Blue Sea Capital or certain portfolio companies, and in some circumstances former Executive Advisors are expected to become Blue Sea Capital personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are Executive Advisors is expected to vary and/or be revisited, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Blue Sea Capital otherwise would be required to bear. Executive Advisors generally receive investment opportunities, reimbursements and other compensation that do not offset or reduce the Management Fee of any Fund, as described herein, and the use of Executive Advisors is expected to fluctuate and/or expand over time. To the extent that Executive Advisors are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Executive Advisor's services at a time when fewer portfolio companies or Funds make use of such Executive Advisor. Under many of these arrangements, including where Executive Advisors are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Executive Advisors. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Executive Advisors. In such cases, where the relevant General Partner believes the services of the Executive Advisors will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Executive Advisors services. Although the use of such persons and the allocation of compensation paid to them by Blue Sea Capital, its affiliates and/or the portfolio companies subjects Blue Sea Capital and/or its affiliates to potential conflicts of interest, Blue Sea Capital believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Executive Advisors is lower than market rates for the services provided and/or if the

quality of the services of the Executive Advisors aligns with Blue Sea Capital's model for the portfolio company and improve portfolio company performance. Additionally, portfolio companies are expected to provide opportunities for Executive Advisors to invest in such portfolio companies and reimburse costs and expenses incurred by Executive Advisors. Executive Advisors also are expected to receive remuneration from Blue Sea Capital and/or the Funds or their respective affiliates and/or be entitled to other forms of compensation, including equity, a profits interest, options and warrants in portfolio companies. Such investment opportunities, reimbursement and other compensation paid to an Executive Advisors will not offset or otherwise reduce any Management Fee. Executive Advisors are permitted to have a limited partnership or profits interests in one or more Funds, General Partners and/or one or more other vehicles sponsored or managed by Blue Sea Capital. Although Blue Sea Capital seeks to retain Executive Advisors with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Blue Sea Capital also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Blue Sea Capital believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only service providers that it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

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

Because the General Partners' carried interest is based on a percentage of net realized profits, it creates an incentive for Blue Sea Capital to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund generally is only permitted to be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the Advisers would not otherwise have done so in the absence of such conflicts of interest.

The Governing Documents provide the General Partners with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the General Partners' compensation. In making such determinations, the General Partners are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the General Partners or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The General Partners expect to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case if such investments had not been made or held (or if such determination had not been made), including because of the possibility that the investments' values will appreciate in the future.

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

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

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

Since Blue Sea Capital is permitted to retain certain Supplemental Fees (as described under “Fees and Compensation”) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, Blue Sea Capital, its personnel, affiliates or others designated by Blue Sea Capital expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied (typically based on the then-present value of such securities), Blue Sea Capital and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or Blue Sea Capital) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund’s relative ownership of the portfolio company awarding such compensation.

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

Blue Sea Capital is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners (*e.g.*, based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to Blue Sea Capital, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to Blue Sea Capital, its affiliates and personnel, or the Funds). Further, Side Letters are also expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by the Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject Blue Sea Capital to

potential conflicts of interest, including in circumstances where an investor's right to serve on the relevant Fund's advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded from, or for regulatory, tax or other factors altering or limiting their participation in, investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments, similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although Blue Sea Capital believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposure to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner's voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners' voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, *e.g.*, based on tax savings or ownership of alternative investment vehicle, "blocker" or other structures used to facilitate their investments in, through or below a Fund.

Blue Sea Capital has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Blue Sea Capital has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Blue Sea Capital, its affiliates and personnel and persons selected by them expect to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because its portfolio companies offer such discounts to customers other than Blue Sea Capital and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, Blue Sea Capital believes that the potential for conflicts of interest relating to such discounts is mitigated. Blue Sea Capital, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course. Discounted prices or better terms offered by a portfolio company to Blue Sea Capital, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

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

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

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described under "Advisory Business" above, the Management Company is affiliated with other Blue Sea Capital investment advisers, including Blue Sea Capital Management I LP, Blue Sea Capital Management II LP and Blue Sea Capital Management III LP and, in the future, may be affiliated with additional General Partners and equivalent entities formed and subject to the Advisers Act pursuant to the Management Company's registration in accordance with SEC guidance. The Advisers operate as a single advisory business and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

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

Blue Sea Capital has adopted a Code of Ethics and Securities Trading Policy (the "**Code**"), which sets forth standards of conduct that are expected of the Principals and Blue Sea Capital's other personnel and addresses conflicts that arise from personal securities trading. The Code requires Blue Sea Capital personnel to:

- report their personal securities holdings and transactions;
- pre-clear any proposed purchase in an initial public offering or limited offering;
- pre-clear any securities transaction involving a security on the restricted list; and
- comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material, non-public information.

A copy of the Code will be provided to any investor or prospective investor upon request to Blue Sea Capital's Chief Compliance Officer at (561) 655-8400. Personal securities transactions by Blue Sea Capital personnel are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

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

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

Principals and other personnel of Blue Sea Capital and its affiliates generally are expected to directly or indirectly own an interest in one or more Private Investment Funds, including certain co-invest vehicles. To the extent that Co-Invest Funds exist, such vehicles are expected to invest in one or more of the same portfolio companies as the Funds.

The Funds are permitted to invest together with other private investment funds advised by an affiliated adviser of Blue Sea Capital in the manner set forth in the applicable Governing Documents. Blue Sea Capital will allocate investment opportunities or advisory recommendations on a fair and equitable basis, consistent with its fiduciary obligations, the underlying documents for the relevant Fund and its investment allocation policy.

Blue Sea Capital and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or personnel investment vehicles and, potentially, for family members, friends or others who do not invest in the Funds, as well as give advice and recommend securities to vehicles or other persons that may differ from advice given to, or

securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar.

BROKERAGE PRACTICES

Blue Sea Capital focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, Blue Sea Capital reserves the right to distribute securities to investors in the Funds or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Blue Sea Capital does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

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

Blue Sea Capital has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or “posted” commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although Blue Sea Capital generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with Blue Sea Capital seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Blue Sea Capital generally does not make use of such services at the current time and has not made use of such services since its inception. As a general matter, research provided by these brokers would be used to service all of Blue Sea Capital’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by Blue Sea Capital, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund.

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

Blue Sea Capital does not anticipate engaging in significant public securities transactions; however, to the extent that Blue Sea Capital engages in any such transactions, orders for the

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

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

In Blue Sea Capital’s private company securities transactions on behalf of the Funds, Blue Sea Capital reserves the right to retain one or more broker-dealers or investment banks, the costs of which will be borne by the relevant Fund and/or its portfolio companies. In determining to retain such parties, Blue Sea Capital reserves the right to consider a variety of factors, including: (i) capabilities with respect to the type of transaction being contemplated; (ii) commissions or fees charged; (iii) reputation of Blue Sea Capital being considered; and (iv) responsiveness to requests for information. As a result, although Blue Sea Capital generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

REVIEW OF ACCOUNTS

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

Blue Sea Capital generally will provide to Fund limited partners (i) audited financial statements annually, (ii) unaudited financial statements for the first three quarters of each fiscal year, (iii) annual tax information necessary for each partner’s U.S. tax returns, and (iv) descriptive investment information for each portfolio company quarterly.

CLIENT REFERRALS AND OTHER COMPENSATION

Blue Sea Capital and/or its affiliates intend to provide certain business or consulting services to companies in a Fund’s portfolio and expect to receive compensation from these

companies in connection with such services. As described in the Governing Documents, while certain compensation may, in many circumstances, offset a portion of the Management Fees paid by a Fund, amounts received by Blue Sea Capital or a Blue Sea Capital person from a portfolio company as reimbursement for expenses, as payment for services provided in the ordinary course of business to such portfolio company or as compensation for services provided by such person as a member of the personnel or in a similar capacity for such portfolio company or any of its subsidiaries generally do not offset or reduce a Fund's Management Fee.

Blue Sea Capital reserves the right to enter into solicitation arrangements pursuant to which the Advisers compensate third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees and expenses payable to any such placement agents generally will be borne by the Advisers directly or indirectly through an offset against the applicable Fund's Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). The Advisers have retained Lazard Frères & Co. LLC ("**Lazard**"), a U.S. registered broker-dealer, to solicit investors for certain of their Funds. As compensation for its efforts, Lazard is generally entitled to a fee based on a percentage of such Fund's commitments.

CUSTODY

Blue Sea Capital generally expects that it will be deemed to have "custody" (within the meaning of Rule 206(4)-2 of the Advisers Act (the "**Custody Rule**")) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such assets with the following qualified custodians: JPMorgan Chase Bank, NA and BMO Bank NA.

INVESTMENT DISCRETION

Blue Sea Capital has discretionary authority to manage investments on behalf of the Funds. As a general policy, Blue Sea Capital does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, Blue Sea Capital and/or its affiliates generally have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other agreed upon reasons. Blue Sea Capital assumes this discretionary authority pursuant to the terms of the Governing Documents.

VOTING CLIENT SECURITIES

Blue Sea Capital has adopted Proxy Voting Policies and Procedures (the "**Proxy Policy**") to address how it will vote proxies, as applicable, for a Fund's portfolio companies. The Proxy Policy seeks to ensure that Blue Sea Capital votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. Blue Sea Capital generally believes its interests are aligned with those of a Fund's investors, for example, through the principals' beneficial ownership interests in the Funds and therefore will not

seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that Blue Sea Capital may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory committee on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory committee is authorized to approve Blue Sea Capital's vote in a particular solicitation. Blue Sea Capital does not consider service on portfolio company boards by Blue Sea Capital personnel or Blue Sea Capital's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Blue Sea Capital when voting proxies on behalf of a Fund. A client or prospective client that would like a copy of Blue Sea Capital's complete Proxy Policy or information regarding how Blue Sea Capital voted proxies for particular portfolio companies should contact Blue Sea Capital's Chief Compliance Officer at (561) 655-8400, and it will be provided at no charge.

FINANCIAL INFORMATION

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