

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



**REVELSTOKE**  
**CAPITAL PARTNERS**

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This brochure (“Brochure”) provides information about the qualifications and business practices of Revelstoke Capital Management, LLC (“Revelstoke” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (303) 953-7438 or [bbennett@revelstokecapital.com](mailto:bbennett@revelstokecapital.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

## **Item 2 – Material Changes**

Since Revelstoke's last annual Brochure amendment filed on March 31, 2023, the Firm has accepted a minority investor as noted in Items 4, 8 and 10.

Revelstoke routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. The following Items have been updated in this year's filing, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023 and
- Item 8: updated description of potential risks of loss and potential conflicts of interest.

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## Item 4 – Advisory Business

### Firm Description

Revelstoke Capital Management, LLC (together with its fund general partners, managers and relying adviser, unless the context otherwise requires, “Revelstoke” or the “Firm”) is a Denver, Colorado-based investment adviser founded in July 2013. Revelstoke focuses its investments in the healthcare and related business services sectors.

The Firm provides discretionary portfolio management services to private funds, including main funds (“Funds”), single asset funds (“EPIC Funds”), employee and affiliate funds, including employee and/or executive funds (“Affiliate Funds”) and co-investment funds (“Co-Investment Funds”, and together with the Funds, EPIC Funds and Affiliate Funds, “Clients”). In certain circumstances, as more fully described in Item 7 below, the Firm also permits certain investors and third parties to co-invest alongside a Client directly into a portfolio company. Unlike the Co-Investment Funds mentioned above, such direct co-investments are not considered Funds or Clients of Revelstoke.

Each Client is affiliated with a general partner (“General Partner”), manager (“Manager” and for purposes of this Brochure, General Partner and Manager are collectively referred to as “General Partners”) and/or relying adviser, Revelstoke Capital Advisors LLC, with authority to make investment decisions on behalf of the applicable Client. The General Partners, Managers and relying adviser are deemed to be registered under the Investment Advisers Act of 1940, as amended (“Advisers Act”), pursuant to Revelstoke’s registration in accordance with SEC guidance. The applicable General Partner, Manager and/or relying adviser of each Client retains investment discretion and investors in the Clients do not participate in the control or management of the Clients. While the General Partners, Managers and/or relying adviser maintain ultimate authority over the respective Clients, Revelstoke Capital Management, LLC has been designated the role of investment adviser. For more information about the Clients, General Partners, Managers, and relying adviser, please see Revelstoke’s Form ADV Part 1, Schedule D, Sections 7.A. and 7.B.(1) and Schedule R.

### Advisory Services

Revelstoke is a private equity firm with a primary focus on making control equity investments in U.S. middle market companies primarily in the healthcare and related business services sectors. The equity control investments are made in portfolio companies that have their own independent management team responsible for managing day-to-day operations, although the senior principals or other personnel and/or third parties appointed by Revelstoke will generally serve on such portfolio companies’ boards of directors or otherwise act to influence control over their management. For these portfolio companies, Revelstoke will often more directly influence the day-to-day management of the company by installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or other roles. Revelstoke also makes debt

investments in U.S. middle market companies primarily in the healthcare and related business services sectors.

Revelstoke's investment advisory services consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments.

Revelstoke does not tailor its advisory services to the individual needs of investors in the Clients, but rather provides investment management oversight to the investment objectives and investment strategy of each Client. These investment objectives are governed by and described in the applicable private placement memorandum, limited partnership agreements, limited liability company agreements, investment advisory agreements, subscription agreements, side letters and other governing documents of the Clients (collectively, "Governing Documents") and investors determine the suitability of an investment in a Client based on, among other things, the Governing Documents. Revelstoke does not require, nor does it seek, approval from its investors with respect to investment decisions for the Clients.

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

Revelstoke does not participate in wrap fee programs.

## **Ownership**

Revelstoke is controlled by Simon A. Bachleda (Founder and Managing Partner) and its day-to-day operations are managed by the Firm's Executive Committee, which consists of Mr. Bachleda, Russell J. Cassella (Managing Partner), Anthony Hayes (Partner) and Andrew Welch (Partner). Revelstoke is majority owned (directly and indirectly) by Mr. Bachleda. Mr. Cassella maintains a minority ownership interest in Revelstoke (directly and indirectly). A third party also maintains a passive, non-voting minority interest in Revelstoke, which is not large enough to warrant inclusion on the Form ADV Part 1, Schedules A or B. The third-party investor does not have any authority over the day-to-day operations or investment decisions of Revelstoke as they relate to the Clients, but does have certain customary minority protection rights. For more information about Revelstoke's owners and executive officers, see Revelstoke's Form ADV Part 1, Schedules A, B and R. For more information about the conflicts of interest inherent in third-party ownership of the management company, see Item 8, Conflicts of Interest.

## **Regulatory Assets Under Management**

As of December 31, 2023, Revelstoke managed \$5.493 billion of regulatory assets under management, all on a discretionary basis.

## **Item 5 – Fees and Compensation**

Revelstoke and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Clients, including management fees, carried interest, additional compensation in connection with management services performed for the portfolio companies of the Clients and reimbursements from portfolio companies for certain expenses advanced on their behalf. The following is a summary of the fees and expenses paid by Revelstoke's Clients; differences exist from Client to Client, and certain Clients do not charge certain fees, compensation or expenses that other Clients charge or charge them in different amounts. Principals or other employees of Revelstoke receive a portion of the management fee, carried interest allocation and other compensation received by Revelstoke and its affiliates. The fees, expenses and compensation structures described below are negotiated with the Client's investors during the fundraising period and once the Clients have commenced operations, such fees, compensation and expenses are generally not negotiable. Investors should refer to the Governing Documents of each Client for a complete understanding of how Revelstoke is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

## **Management Fees and Portfolio Company Fees**

As described in further detail in the respective Governing Documents, Revelstoke charges certain Clients a management fee of up to 2% per annum based on aggregate capital commitments during the investment period and thereafter based on actively invested capital, excluding amounts that have been written down below 50% of their original cost for a period of at least one year, and subject to certain

other factors and as specified in each Client's Governing Documents. The amount of management fees generally will not correspond with fluctuations in a Client's net asset value, including following the stepdown date, and will not be reduced in connection with any write downs, except in the case as noted above of write downs below 50% of an investment's original cost for a period of at least one year. Except in the case of the 50% threshold and where the Governing Documents expressly provide to the contrary, management fees will not be reduced (in whole or in part) in the case of partial distributions or partial sales of investments. Where there has been a partial disposition (*e.g.*, those resulting from a dividend recapitalization) or permanent write-down of a Client's investment and the fair market value of the investment following such event exceeds the total amount of such Client's investment contributions relating to such investment, the Governing Documents do not require management fees after the stepdown date to be reduced. Valuation determinations are made in the discretion of the valuation committee in accordance with the relevant Governing Documents and the Firm's valuation policy. The Affiliate Funds, EPIC Fund II and EPIC Fund III do not pay management fees and the Executive Fund pays a reduced management fee.

As per the provisions of the applicable Governing Documents, for some of the Clients Revelstoke is permitted to reduce a portion of the management fee payable by the relevant General Partner in partial satisfaction of any obligation of the General Partner and certain employees and affiliates of Revelstoke to invest in and alongside such Client, which could result in acceleration of investor capital contributions. Certain waived portions of the management fee are treated by the Governing Documents as deemed capital contributions by the relevant General Partner, which is effectively invested in the relevant Client on such General Partner's behalf and operates to reduce the amount of capital the applicable General Partner would otherwise be required to contribute to the Client. As a result of such reduced management fees and/or the timing of receipt of fees subject to offsets, investors could receive less than the full benefit of reductions or offsets. In addition, Revelstoke is permitted to (i) waive a portion of the management fee payable by a Client in respect of the applicable General Partner's interest in such Client or any investors who are employees, family members of employees, associates or affiliates of the relevant General Partner, Revelstoke, or their respective affiliates or related persons and (ii) agree with any investor to a reduction in the management fee payable by the applicable Client in respect of such investor. To the extent that Revelstoke agrees to any such reductions or waivers, the management fee calculations will be adjusted in accordance with the applicable Client's Governing Documents.

For those Clients paying management fees, such fees will generally be reduced in whole (100%) by: (i) placement agent fees and expenses paid in connection with the offer and sale of interests in a Client; (ii) organizational expenses that exceed a limit as specified in the Governing Documents; (iii) a Client's pro rata share of all directors' fees paid to Revelstoke, the relevant General Partner, and their respective partners, members, officers and employees and Revelstoke-owned entities (but, for the avoidance of doubt, not including directors' fees paid to an operating partner); (iv) deemed contributions on behalf of Revelstoke or any affiliate thereof (as described above); and (v) such Client's allocable share of transaction, closing, consulting, monitoring, financial-advisory, break-up, management, investment banking or other similar fees received from portfolio companies or

prospective portfolio companies, net of associated expenses, and for certain Clients, subject to a fee basket. To the extent that any other Client, entity or individual has invested alongside a Client in a portfolio company, any fees paid by, or on behalf of, such portfolio company as described herein will generally be allocated among such Client(s) in proportion to the cost of the investment or potential investment in the portfolio company held (or committed to be held) by each (and therefore on a fully diluted basis), and accordingly, a Client will, in most cases, only benefit from the management fee reduction described above with respect to its allocable portion of such fees and not the portion of any fee allocable to any other investor in such portfolio company. Similarly, to the extent a Client does not pay a management fee or does not have an offset provision requiring the reduction of management fees (such as certain Affiliate Funds, and EPIC Fund II and EPIC Fund III), Revelstoke will retain the credited offset portion of such supplemental fees allocable to these Clients without reduction. Receiving an allocable amount of supplemental fees that do not offset the management fee gives Revelstoke an incentive to maximize such amounts and to make and structure and potentially syndicate investments that could generate such amounts.

The following fees do not offset management fees, in each case as applicable: (i) reimbursements by an actual or prospective portfolio company of out-of-pocket costs and expenses (including costs, expenses and reimbursements of Portfolio Transformation Group employees incurred in connection with providing services to portfolio companies and fees, other compensation and reimbursements paid to operating partners) borne by such Client, its General Partner, Revelstoke or any of their affiliates in connection with an investment; (ii) any fees received by or on behalf of operating partners; (iii) fees or expenses borne by a Client; (iv) broken deal expenses; (v) profits interests or compensation to an affiliate (such as an operating partner or Portfolio Transformation Group employee) that was entered into prior to such person becoming an affiliate of Revelstoke, regardless of when the interests, compensation or amounts crystallize or vest; (vi) fees paid to third parties (and not Revelstoke or its employees) who Revelstoke appoints to the board of a portfolio company; and (vii) any portfolio company directors' or board fees paid by a former portfolio company to a Revelstoke employee (or former employee) who remains on the company's board of directors following the Client's disposition of its investment in the company.

Revelstoke generally has discretion over whether to charge portfolio company fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. The amount of such fees are based on a variety of factors, including but not limited to, the enterprise value and complexity of a transaction, operational metrics and performance of the portfolio company. In general, supplemental fees are not typically negotiated with portfolio companies on an arm's-length basis and such supplemental fees could adversely affect a portfolio company's financial performance. There can be no assurance that the amount of fees charged will be proportional to the amount of work performed on behalf of a portfolio company.



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

To the extent that a management fee offset credit would reduce a Client's management fee for a given quarter below zero, the credit will be carried forward for future application against payable management fees, and if a credit remains upon dissolution, a payment will be made to investors that have elected to receive such payment. The amount and manner of such reduction, if any, is set forth in the relevant Governing Documents of the applicable Client.

Management fees are paid quarterly in advance pursuant to a capital call to investors or deduction from investment proceeds. For some Clients paying other fees, such as the Affiliate Funds and certain Co-Investment Funds, such other fees are paid either pursuant to (i) a capital call to investors, (ii) in the form of direct fees paid by a portfolio company or (iii) through cash flows from the transactions of a portfolio company. All management fees were negotiated with investors during the fundraising period of the applicable Client and are not subject to negotiation thereafter. For certain Clients, investors participating in a subsequent closing after the initial closing of a Client are responsible for paying the management fee as of the date of the initial closing of such Client, plus interest, as applicable. In addition, management fees are payable during term extensions unless otherwise agreed to with investors. The Clients invest on a long-term basis; therefore, management fees are expected to be paid, except as described in the relevant Governing Documents, over the term of the Clients, and investors are not generally permitted to withdraw or redeem interests in the Clients.

## **Other Fees**

For some Clients, in lieu of a management fee, Revelstoke charges the Client and/or the portfolio companies of such Client one or more of the following fees: a one-time transaction fee upon closing a new investment; a transaction fee upon closing a follow-on or add-on investment; ongoing quarterly investment monitoring fees; exit fees payable upon the sale of an investment; carried interest fees after a pre-determined preferred return; or an annual fixed annual administrative fee related to the relevant General Partner's reporting, accounting and related administrative work with respect to such Client.

For Clients that do not pay any management fees, the receipt of the fees described above will not reduce the management fee payable by other Clients that have invested in the same portfolio company,

and as a result, such other Clients will not benefit from the receipt of any such fees. For the avoidance of doubt, Revelstoke will retain the allocable portion of the above fees attributable to Clients that do not pay management fees.

### **Fee Receipt Allocation**

From time to time, Revelstoke, a Client or a portfolio company agrees to pay all of a portion of a transaction fee, management fee, carried interest, equity grant or other fee to a third party, such as a consultant, adviser, co-sponsor, operating partner, finder, placement agent, broker-dealer and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments based on the applicable portfolio company meeting certain success hurdles. All such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Client's investment and indirectly reduces the proceeds available for distribution to the relevant Client at the time of such portfolio company's exit. None of these fees or compensation allocations offset management fees payable by a Client.

### **Operating Partners**

Revelstoke and its affiliates engage and retain operating partners who are not employees or affiliates of Revelstoke to assist the Firm in managing the portfolio companies, source investments, conduct due diligence, provide industry expertise, assist with the transaction documentation process, execute on strategic initiatives and execute on and integrate add-on acquisitions. The nature of the relationship with each operating partner and the amount of time devoted or required to be devoted by them varies. In certain instances, Revelstoke has a formal agreement with an operating partner (which in some cases are terminable upon notice by any party) and such operating partner is denominated an operating partner. In other cases, the relationship is more informal and Revelstoke does not have a formal agreement with the operating partner.

From time to time, operating partners receive, without limitation, payments from, or allocations with respect to, portfolio companies, including retainer payments, reimbursements, finder's fees, success-based fees, co-invest rights (including in Clients and/or investments in which they are not involved), profits interests, options in a portfolio company, a carried interest allocation in either a specific portfolio company or in a Revelstoke Client, a one-time fee in connection with the closing of an investment or follow-on investment, equity incentives (including stock) or board fees. Operating partners are permitted to perform work directly for a portfolio company in addition to board service, and in such capacity earn fees as negotiated and paid by the relevant portfolio company.

Certain fees payable to operating partners are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. Other fees, such as board fees, are paid directly by a portfolio company. Over time, certain existing and former employees of Revelstoke (including senior personnel) may transition to an operating partner or other role, which would shift the burden of compensating such persons from Revelstoke to the Clients and/or their

portfolio companies. The determination of the appropriate form and amount of compensation for such services takes into account a variety of factors but will ultimately be at the discretion of Revelstoke and/or the portfolio company, as applicable.

Operating partners also incur expenses while working with Revelstoke portfolio companies and potential portfolio companies, including but not limited to, the cost of travel to portfolio companies and other out-of-pocket costs, and such expenses are paid by the relevant portfolio company or the relevant Client. Operating partners will be reimbursed for the cost of their travel and other expenses related to portfolio company business and such expenses are generally borne by the relevant portfolio company which the operating partner is advising (except in the case of transactions not consummated, in which case the allocable share of the expense would be borne by the relevant Client(s)). Some operating partners are investors in the Revelstoke Clients and participate as direct investors in portfolio companies in which they are involved.

None of the fees, bonuses, profit interests, other compensation or reimbursements received by operating partners are subject to the management fee offset arrangements described above.

### **Portfolio Transformation Group**

Revelstoke has established an internal Portfolio Transformation Group (“PTG”) of Revelstoke employees to provide services to portfolio companies which would otherwise be performed by third parties and that Revelstoke believes will enhance the value of such portfolio companies. As Revelstoke determines applicable, such services include, but are not limited to, consulting services, portfolio monitoring, playbook development, financial enhancements, debt placement, environment, social and governance consulting and other initiatives.

Costs and expenses of PTG employees incurred in connection with services provided to portfolio companies (including overhead, travel and accommodations) are paid by Revelstoke and reimbursed by the relevant portfolio companies according to the terms of an engagement letter; the rates of services charged depend on the nature of the services, subject to certain restrictions. Costs and expenses incurred in connection with other activities, such as internal Revelstoke initiatives, are not billable to portfolio companies. Each Fund has negotiated a cap on the amount of expenses permitted to be incurred by PTG employees, which is memorialized in such Fund’s Governing Documents. Additionally, on an annual basis, Revelstoke presents to each advisory committee a detailed billing of PTG services for such Fund and its portfolio companies.

PTG employees are only permitted to provide consulting or other services for a fee to a portfolio company within the scope of each engagement letter. Further, with limited grandfathered exceptions, if a PTG employee receives directors fees or other compensation for service from a portfolio company, such amounts offset the relevant Client’s management fee to the extent required by the applicable Governing Documents.

Only PTG employee services, costs or expenses for consummated transactions are billable to a

portfolio company (subject to an engagement letter); services, costs or expenses in connection with a prospective portfolio company not ultimately consummated (*i.e.*, broken deal expenses associated with PTG employees) are borne by Revelstoke. As noted above, none of the fees, costs and expenses of PTG incurred in connection with providing services to portfolio companies will offset management fees paid by the Clients, other than in the event of a PTG employee who receives directors' fees.

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

In certain circumstances, Revelstoke permits certain investors and third parties to co-invest in investments alongside one or more Clients, subject to Revelstoke's related policies and procedures, the relevant Governing Documents and/or side letters or similar agreements or agreements with lenders. Expenses incurred for direct co-investments are borne directly at the portfolio company. When a Co-Investment Fund is formed, such entity will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Clients. Compensation received in connection with a Co-Investment Fund which pays management fees will offset the management fee for such Co-Investment Fund based on the Co-Investment Fund's allocable ownership share of the portfolio company; for those Co-Investment Fund Clients which do not pay management fees, Revelstoke retains the allocable portion of any such fees received on behalf of such Co-Investment Fund.

### **Broken Deal Expenses**

In the event a proposed transaction is not consummated, all out-of-pocket fees, costs and expenses, if any, incurred in developing, negotiating and structuring prospective portfolio investments ("broken deal expenses") will generally be borne by the Client(s) selected as proposed investors for such proposed transaction and, if applicable, not by any prospective co-investors that were to have participated in such transaction. However, to the extent that such co-investors have a binding commitment to invest in a co-investment or other vehicle in connection with such transaction, Revelstoke will generally seek to have any such vehicle and/or co-investor bear its pro rata portion of such broken deal expenses (based on the relative prospective investments of the Client and any such committed co-investor). More commonly, Client(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Client signs a definitive purchase agreement will lower the risk of broken deal expenses or similar expenses a Client investor may incur based on the timing of when a co-investor becomes contractually obligated to invest. To the extent that co-investors have already invested in a portfolio company through a Co-Investment Fund or co-investment vehicle in connection with such transaction (such as for a follow-on investment for the portfolio company for which the co-investment vehicle was originally created), such vehicle and/or co-investor is expected to bear its pro rata share of broken deal expenses (which for follow-on investments will generally be recorded at the portfolio company). As mentioned above, Revelstoke, and not a Client, bears the cost of broken deal expenses associated with PTG.

The full amount (100%) of any break-up fees paid to Revelstoke or its affiliates in connection with unconsummated transactions will be credited against the management fees for those Clients which pay management fees based on such Client's allocable share of the investment. For those Clients which do not pay management fees, Revelstoke will retain such Clients' allocable share of break-up fees.

### **Organizational Expenses**

Each investor bears its pro rata share of the Client's organizational expenses incurred in connection with the offer and sale of interests, but not including placement agent fees or expenses) ("Organizational Expenses"). The amount of Organizational Expenses varies by Client and is further detailed in the Governing Documents of such Client. Any amounts in excess of such specified amounts and any placement agent fees and expenses are borne by the Clients, but subject to a 100% offset against management fees for those Clients which pay management fees.

### **Client Expenses**

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

Investors in the Clients pay or reimburse the applicable General Partner for all expenses relating to the Clients, to the extent not borne by their portfolio companies as follows (in each case as applicable and detailed in such Client's Governing Documents):

(i) activities with respect to the origination, discovery, identification and sourcing of investment opportunities for a Client, including buy-side and sell-side finders' fees and other similar deal sourcing payments and subscriptions (including retainers), meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing and maintaining an investment pipeline, to the extent such costs and expenses are not reimbursed by portfolio companies or other third parties or capitalized as part of the acquisition price of a portfolio investment; (ii) fees, costs and expenses directly related to the purchase and sale of securities; (iii) the costs and expenses of travel (which can include private air transportation charged at first-class equivalent rates) allocated to a Client in accordance with Revelstoke's expense allocation policies and procedures; (iv) fees, costs and expenses of tax advisers, legal counsel, auditors, environmental, social, and governance ("ESG") consultants and other consultants (including, but not limited to, consulting fees incurred by a Client for the benefit of its portfolio companies), expert network, third-party diligence, investment and other bankers and other professionals and service providers (including any third-party fund administrators), including placement agent syndication costs and costs of locally licensed intermediaries or distributors that a Client and any parallel Client are required to engage in order to offer interests in such Client and any parallel Clients in particular jurisdictions (and, for the avoidance of doubt, the Client shall bear such costs irrespective of whether such locally licensed intermediary or distributor is appointed with respect to the Client); (v) all out-of-pocket fees, costs and expenses, if any, incurred in developing,

negotiating, structuring, marketing and disposing of actual portfolio companies, including without limitation (a) any legal, accounting, advisory, market research, consulting, prime brokerage, banking and other third-party expenses in connection therewith and any travel and accommodation expenses, (b) all fees (including commitment fees), costs and expenses of lenders, investment banks and other financing sources and (c) any deposits or down payments of cash or other property in connection with an actual portfolio investment, to the extent not subject to any reimbursement of such costs and expenses by entities in which a Client invests or other third parties, and including, in certain cases, reimbursement of fees or other compensation of any nature paid by a portfolio company to operating partners, consultants and independent directors); (vi) certain broken deal expenses (as defined and described further above and in the relevant Governing Documents); (vii) out-of-pocket expenses incurred in connection with such Client's legal, administrative, and regulatory compliance with U.S. federal, state, local, non-U.S. or other laws and regulations (including, without limitation, expenses relating to regulatory filings of Revelstoke and its affiliates relating to the Clients and their activities, including reports, disclosures, filings and notifications prepared in connection with the laws and/or regulations of jurisdictions in which a Client engages in activities); (viii) brokerage commissions, prime brokerage fees, agent bank and other bank services fees, issue and transfer taxes (to the extent payable by a Client), custodial expenses, costs and expenses arising from any foreign exchange or other currency transactions and other investment costs actually incurred in connection with actual portfolio companies; (ix) principal of, interest on and fees and expenses arising out of all Client indebtedness, including, but not limited to, the arranging thereof; (x) the costs of any actual, threatened or otherwise anticipated governmental inquiry or investigation, litigation, mediation or arbitration, D&O liability insurance, errors and omissions, cybersecurity or other insurance, (each of which will benefit the General Partner, Revelstoke and their respective members, officers, employees and agents) and allocated to a Client in accordance with Revelstoke's expense allocation policies and procedures, and any indemnification or extraordinary expense or liability relating to the affairs of a Client; (xi) expenses of liquidating a Client; (xii) any taxes, fees or other governmental charges levied against a Client and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Client; (xiii) expenses relating to the limited partner advisory committee, including travel, meals, accommodations and meeting expenses (except, in each case, with respect to Clients which do not have such an advisory committee); (xiv) all expenses and costs relating to reporting to and meetings, video conferences or webcasts of investor(s) and the advisory committee, including travel, meals and accommodations; (xv) research and software expenses, publications, subscription fees, Bloomberg fees, license fees and other expenses incurred in connection with data services providing market data, valuation, news feeds, securities, company information, company fundamental data and ESG data management allocated to a Client in accordance with Revelstoke's expense allocation policies and procedures; (xvi) legal, custodial and accounting expenses associated with the procurement and operation of accounting systems and related maintenance and licensing fees, the third-party administrator, costs associated with the data room and investor reporting portal, the preparation of financial statements, tax returns, Schedule K-1s and various other U.S. and non-U.S. tax withholding and treaty forms, annual reports, investor reporting (including ESG reporting), investor communications, costs of membership of healthcare industry trade group associations and costs and

expenses relating to attendance at meetings of such associations (including travel and accommodations), and the representation of the limited partner advisory committee or the investors and a General Partner by the “partnership representative”, in each case, allocated to a Client in accordance with Revelstoke’s expense allocation policies and procedures; (xvii) expenses related to organizing entities through or in which investments can be made, including any alternative investment vehicles and any subsidiaries of a Client; (xviii) expenses (including travel and accommodations) related to attending industry trade association meetings, industry conferences or similar meetings in connection with the evaluation of investment opportunities or business sector opportunities (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated), in each case, allocated to a Client in accordance with Revelstoke’s expense allocation policies and procedures; and (xix) expenses relating to the potential transfer or actual transfer of an investor’s interest (to the extent not paid by the transferor or transferee).

Out-of-pocket expenses associated with completed transactions are either billed directly to a Client, reimbursed by portfolio companies or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions (such as broken deal expenses) are paid by the relevant Client(s) selected as proposed investors in such transaction, including those terminated before the investor’s admission into a Client.

### **Expense Reimbursement**

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

In addition, to the extent a Client or Revelstoke initially bears the cost of certain fees or expenses but the benefit of the related services or expense is also received by another Client, portfolio company or future client or portfolio company, Revelstoke will determine, subject to its ultimate discretion, whether to cause such other Client or portfolio company to reimburse the initial Client or Revelstoke for such fees or expenses. Any reimbursement by a portfolio company of out-of-pocket expenses

incurred by a Client, Revelstoke, a General Partner, a Manager, PTG employee or their respective affiliates will not be offset against the management fee payable by the Clients.

### **Allocation of Fees and Expenses**

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

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

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the clients it manages. Calculated based on cumulative realized gains and income only, carried interest is payable as portfolio holdings are liquidated or otherwise monetized. Each Client's carried interest calculation is further described in the relevant Governing Documents received by each investor prior to investment in such Client. The following is a general description of carried interest arrangements for Revelstoke Clients.

Generally, the General Partners are entitled to receive a carried interest allocation of up to 20% of all realized profits of such Clients, subject to an annually compounded preferred return to investors and a related General Partner catch-up provision. The carried interest allocated to the General Partners is subject to a potential giveback on an interim basis as well as at the end of the life of each Client if the respective General Partner has received excess cumulative distributions. Some Clients are not subject to a preferred return or a catch up provision. More information about the carried interest calculation methodology is described in each Client's Governing Documents.

All carried interest arrangements have been structured in accordance with Section 205(a)(1) of the Advisers Act and the available exemptions thereunder, including the exemption set forth in Rule 205-3. As noted above, each General Partner has, in its sole discretion, waived or reduced the amount of carried interest for certain Clients and certain investors in the Clients. Specifically, some Clients do not pay carried interest. Similarly, if principals and employees and their respective family members and/or operating partners are investors in the Clients they will generally pay reduced carried interest or none at all.



A carried interest allocation arrangement can create an incentive for riskier or more speculative investments by Revelstoke than might be the case in the absence of such an arrangement because it could allow Revelstoke to collect larger incentive-based compensation than if there were no incentive compensation or to allocate an investment to a Client that earns a higher carried interest. The Firm believes this incentive is sufficiently mitigated, however, because: (i) Revelstoke's principals are investors in the Clients and thus the Firm's incentive for profit is aligned with those of its investors; (ii) the applicable Governing Documents create limitations on the ability of Revelstoke to establish new investment funds; (iii) any losses a Client sustains will reduce the General Partner's carried interest distributions (if any); (iv) carried interest is generally calculated only after investors have received as distributions 100% of their capital contributions plus a preferred return; and (v) Revelstoke's ability to attract future investors is tied to the performance of its investments. Revelstoke 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 Client's life or at certain interim intervals.

Revelstoke manages multiple Clients on a side-by-side basis. Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to Revelstoke's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. These conflicts of interest can create an incentive for the Firm or its personnel to favor a Client or other investment vehicle in which Revelstoke or an affiliate has a greater financial interest. To the extent that Revelstoke manages Clients with varying carried interest terms (including amount, timing waterfall conditions or other terms) and/or Revelstoke personnel are assigned different percentages of carried interest in different Clients, Revelstoke and such personnel are subject to potential conflicts of interest to the extent they are involved in identifying investment opportunities as appropriate for a Client from which they are entitled to receive a higher carried interest percentage.

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

## Item 7 – Types of Clients

Revelstoke provides investment advice to its Clients, which are exempt from registration under the Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (“Investment Company Act”). With the exception of the Affiliate Funds, Clients generally limit their respective investors to (i) “accredited investors” as defined in the Securities Act of 1933, as amended (the “Securities Act”) and (ii) “qualified clients” as defined in the Advisers Act, or (iii) in the case of those Clients that rely on the exemption from registration under Section 3(c)(7) of the Investment Company Act, “qualified purchasers” or “knowledgeable employees” as defined therein. The Clients are not made available to the general public, the Clients’ securities are not registered nor required to be registered under the Securities Act and interests in each Client are privately placed to qualified investors. Qualified investors include individuals or entities to which interests in a Client are permitted to be sold, which generally includes (i) in the United States, people or organizations who meet certain net worth, income and/or financial sophistication requirements as described above or (ii) in other countries, as permitted by the relevant securities laws in such jurisdiction and in compliance with any foreign offering provisions applicable to Revelstoke and/or the Clients.

Investors in Revelstoke’s Clients are generally high net worth U.S. individuals and institutions, other investment advisers or fund of funds, retirement accounts, trusts, pension funds, foundations and endowments. In addition, principals, employees, family members thereof, affiliates and other persons associated with Revelstoke are also investors in certain Clients.

Investors in the Clients must generally meet certain suitability and net worth qualifications prior to making an investment. The minimum commitment for an investor is detailed in each Client’s Governing Documents and differ by Client. The Clients’ General Partners reserve the right in their sole discretion to waive the minimum commitment requirement.

For most investments, Revelstoke offers co-investment opportunities for certain investors to invest alongside a Client in a portfolio company. As referenced in Item 4 above, co-investments have been structured either as (i) a Co-Investment Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Co-Investment Fund, Revelstoke considers the investment to be a Client, identifies the Co-Investment Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Co-Investment Fund, reserves the option to assess a management fee and/or carried interest on the Co-Investment Fund and includes the amount of assets of such Co-Investment Fund in the Firm’s regulatory assets under management. In the case of direct co-investments, Revelstoke does not consider the investment to be a Co-Investment Fund or a Client, does not act as the investment manager to the co-investment portion of the investment, does not charge management fees or carried interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm’s regulatory assets under management. In such direct co-investment opportunities, Revelstoke will perform management, advisory and other services for the portfolio companies in which these co-investors invest alongside the Clients, generally at no cost to such co-investors except portfolio

company fees and expenses (which such fees and expenses are recorded at the portfolio company).

Opportunities to participate in a co-investment transaction arise when Revelstoke has the opportunity for an investment in an existing or prospective portfolio company and Revelstoke determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Client, (iii) the full investment opportunity is not appropriate for a Client whether due to concentration restrictions contained in the Client's Governing Documents or otherwise or (iv) Revelstoke believes the Client will benefit from the participation of the co-investor(s). Subject to any restrictions contained in the Governing Documents of the relevant Client, any side letter, agreement with lenders or other terms negotiated with respect to such Client, in general no investor has a right to participate in any co-investment opportunity. Revelstoke will select the investors that are permitted to co-invest in a particular portfolio company in its sole discretion based on various factors, including those detailed in its Governing Documents and as outlined in its internal policies and procedures. While one or more Client investors can be invited to participate in the Affiliate Funds or Co-Investment Funds in Revelstoke's sole discretion, any or all of a co-investment opportunity can be offered to third parties including, without limitation, management or founders of the applicable portfolio company, strategic investors, lenders, deal sources (including finders and consultants), other sponsors (including other private equity or venture capital firms), service providers, operating partners, and other persons or entities affiliated, associated or otherwise known to Revelstoke or its personnel. Revelstoke is authorized, in its sole discretion, to offer co-investment opportunities to some investors in the Clients while not offering them to other investors in the Clients. Additionally, certain individuals who source transactions or provide financing to an investment have in the past and are expected in the future to negotiate co-investment rights or co-investment priority rights as a component of their compensation or other arrangements with the relevant Client(s). In certain cases, co-investment transactions will include opportunities to invest in the Clients' portfolio companies at a time when there is not a corresponding investment by the Clients or on different terms. Revelstoke's exercise of discretion in allocating co-investment opportunities will not always result in proportional allocations among such co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. In circumstances where a co-investment opportunity is offered, the size of the investment opportunity otherwise available to Revelstoke's Client(s) will be less than it would otherwise have been without the inclusion of such co-investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as a Client making the investment. However, from time to time, for strategic and other reasons, a co-investor or Co-Investment Fund purchases a portion of an investment from one or more Client after such Client has consummated its investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Client by a co-investor or Co-Investment Fund generally occurs shortly after the Client's completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Client's initial purchase. When co-investors purchase their interest from a Client after the Client has consummated the investment, the

price paid by co-investors is typically marked at cost if the syndication has taken place within six months of the original transaction. Where appropriate, and in Revelstoke's sole discretion, Revelstoke 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 Client for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Client. The price may not reflect the full cost incurred by the Client in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Client in connection with purchasing and warehousing the investment. The Clients will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment may acquire such interest on terms that do not reflect the then-current value of such investment.

In either case, potential co-investors typically do not bear any transaction costs of investments that are not consummated and are not subject generally to the same risks to which a Client is throughout the investment process. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a management fee offset and are thus retained by Revelstoke, the opportunity to receive such fees could present a conflict of interest. Further, as management fees are offset based on each Client's invested capital in an investment, the inclusion of co-investors presents a conflict of interest in that Revelstoke could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement. Revelstoke seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments. In addition, to the extent that Revelstoke engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as investors in a Client and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

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

Some investors and third parties are provided a board seat or observer rights at a portfolio company. Such positions provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors. Any directors' fees received by such investor or third party

are paid by the relevant portfolio company and are not subject to the management fee offset provision.

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

### **Strategy**

Revelstoke focuses on making control equity investments in U.S. middle market companies with a focus on healthcare and related business services, in addition to making minority and debt investments in select cases. The Firm focuses on sectors including, but not limited to, healthcare providers, healthcare education and training, health and wellness, healthcare IT and tech-enabled services, pharma services, outsourced healthcare services, animal and veterinary services, and insurance and insurance services.

Revelstoke is disciplined in its application of a research-driven, strategic, top-down approach in pursuing acquisition opportunities. The Firm intends to target companies at reasonable valuations and structural downside protection when appropriate, capitalizing them appropriately for growth, “buying down” the acquisition multiple with accretive add-on acquisitions and building the company to facilitate an attractive exit. Revelstoke seeks to work closely with portfolio company management teams and to drive high urgency value creation through a combination of strategic add-on acquisitions and organic growth initiatives, such as sales force development, “de-novo” clinic openings, product line extensions, geographic expansion and the development of strategic industry partnerships.

Revelstoke believes long-term investment success is driven by a combination of the availability of attractive investment opportunities, skill in evaluating these opportunities, the patience and discipline to adhere to established investment criteria and the creation and execution of strategic and tactical initiatives. Revelstoke focuses on multi-year outbound thematic searches resulting in proprietary sourcing and enhanced due diligence, execution and post investment value-added oversight, by leveraging Revelstoke’s significant industry expertise.

The applicable Governing Documents set forth more detailed descriptions of each Client’s investment strategies and methods of analysis. There can be no assurance that Revelstoke will achieve the investment objectives and a loss of investment is possible. Current and prospective investors are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of amounts invested, and that they should be prepared to bear these risks.

### **Risks**

All investors should be aware that investing involves risk of loss. Investors should refer to the Governing Documents of the applicable Client for a more detailed discussion of risks. Different or new risks not addressed below can, and are likely to arise in the future; therefore, the following list should not be considered exhaustive of the risks associated with an investment with Revelstoke:

*Highly Competitive Market for Investments.* The business of identifying and structuring transactions is highly competitive. Revelstoke is competing for investments with other private equity investment vehicles as well as other types of investors. There can be no assurance that the Firm will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration or fully invest its committed capital. Some of these competitors have more relevant experience, greater financial resources and more personnel than Revelstoke and the Clients. It is possible that competition for appropriate investment opportunities will increase, which can also require the Clients to participate in auctions, the outcome of which cannot be guaranteed, thus reducing the number of opportunities available to the Clients and adversely affecting the terms upon which investments can be made. To the extent that the Clients encounter competition for investments, returns to investors can decrease.

*Inflation.* Inflation and rapid fluctuations in inflation rates have had in the past, and can in the future have, negative effects on economies and financial markets, particularly in emerging economies. For example, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability will potentially be adversely affected, which can impact the performance of a Client. As inflation rises, a portfolio company will often earn more revenue but incur higher expenses. As inflation declines, a portfolio company will sometimes not be able to reduce expenses commensurate with any resulting reduction in revenue. Furthermore, wages and prices of inputs increase during periods of inflation, which can negatively impact returns on investments. Governmental efforts to curb inflation often have negative effects on the level of economic activity. Further, certain countries, including the U.S., have recently seen increased levels of inflation and there can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a Client's returns.

*Market Volatility.* Capital markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such volatility, to the private equity industry and global markets as a whole, is currently unknown. For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgments, any or all of which could turn out to be incorrect.

*Uncertain Geopolitical Events.* International and/or local geopolitical events are likely to influence the borrowers and markets targeted by the Clients. Geopolitical events, including, without limitation, national referenda, political elections, international violent and non-violent conflicts, political movements and reactions to national and international emergencies, can affect monetary policy, fiscal policy, international relations, currency valuations, legal systems and regulatory regimes, among numerous other things, in ways that could impact the Clients and/or their ability to operate and/or pursue their objective.

*Financial Institution Risk; Distress Events.* An investment in the Clients is subject to the risk that one of the Client's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Client's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty (each, a "Distress Event").

Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, Revelstoke, the Clients and/or their portfolio companies may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation (“FDIC”), in the case of banks, or the Securities Investor Protection Corporation (“SIPC”), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose increased risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

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

*Long-Term Nature of Investments.* The Revelstoke Clients intend to make long-term investments in portfolio companies and are for investors who can accept the risks associated with making highly speculative, primarily illiquid investments in privately negotiated transactions. The investments are

unlikely to provide current income, which is not an investment objective of the Revelstoke investments. Investments typically take from three to five years from the date of initial investment to reach a state of maturity when realization of the investment can be achieved. Transaction structures generally do not provide liquidity for the investment prior to that time. In light of the foregoing, it is likely that no significant return from the disposition of the investments will occur for a significant period of time. In addition, losses on unsuccessful investments can be realized before realization of gains on successful investments. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposition of an investment.

*Illiquidity of Investments.* It is anticipated that all or a substantial portion of the Clients' investments will consist of securities that are subject to restrictions on sale because they were acquired from issuers in "private placement" transactions or because the Client will be deemed to be an affiliate of the issuer. Generally, Revelstoke will not be able to sell these securities publicly without the expense and time required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit only limited sales under specified conditions. The market prices, if any, of such investments tend to be volatile and Revelstoke will not always be able to sell such investments when it desires, or, upon sale, realize what it perceives to be their fair value. When restricted securities are sold to the public, the selling Client can be deemed an "underwriter," or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act. In addition, practical limitations inhibit a Client's ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Client will typically own a relatively large percentage of the issuer's equity securities. Sales can also be limited by unfavorable market conditions, for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity could prevent a successful sale of investments, result in delay of any sale or reduce the amount of proceeds that might otherwise be realized.

*Investments in Less Established Companies; Risk of Fraud in a Portfolio Company.* Revelstoke Clients are permitted to invest in the securities of less established companies or early stage companies, which typically involve greater risks than are generally associated with investments in more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises typically do not have significant or any operating revenues, and any such investment should be considered highly speculative and can result in the loss of an entire investment.

In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which a Client invests, such Client can suffer a partial or total loss of capital invested in that company. There can be no assurance that any such losses will be offset by gains (if any) realized on a Client's other portfolio companies.



*Concentration of Investments.* The Clients are expected to participate in a limited number of investments and, as a consequence, the aggregate returns of the Clients would be substantially adversely affected by the unfavorable performance of any single investment. Other than as set forth in the relevant Governing Documents, investors have no assurance as to the degree of diversification of a Client's portfolio, either by geographic region, asset type or sector. To the extent a Client concentrates investments in a particular issuer, industry, security or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. Furthermore, if a Client co-invests with other investment funds, an investor could have exposure to the same portfolio companies through more than one Client. In circumstances where Revelstoke intends to refinance all or a portion of the capital invested in a transaction, there will be a risk that such refinancing will not be completed, which could lead to increased risk as a result of a Client having an unintended long-term investment as to a portion of the amount invested and/or reduced diversification.

*Concentration of Investments in Healthcare and Related Industries.* The Clients' capital will primarily be invested in companies in the healthcare and related industries. Concentration in a single industry generally involves risks greater than those associated with diversified acquisition funds, including significant fluctuations in returns. Instability, fluctuation or an overall decline within the healthcare and related services industry will likely not be balanced by investments in other industries not so affected. In the event that the healthcare sector as a whole declines, returns to investors will likely decrease.

*Investment in the Healthcare Industry.* Competitive pressures within the healthcare industry are intense and the securities of healthcare companies are subject to significant price volatility. Healthcare markets are challenged by rapid development of technologies, particularly in sectors relating to biotechnology and life science, new competing products and services and improvements in existing products and services. Because certain sectors of the healthcare industry are subject to rapid and significant changes in technology, the Clients' portfolio companies will face competition from technologies being developed or to be developed in the future by other entities, which can make such companies' products and services obsolete. In addition, healthcare companies in the United States, Europe and other developed and emerging countries are subject to extensive and evolving governmental regulation. Moreover, investing in early stage healthcare companies involves substantial risks, including, but not limited to, the following: limited or no operating histories and limited experience instituting compliance policies; change in government policies and governmental investigations; disappointing results from preclinical testing; indications of safety concerns; insufficient clinical trial data to support the safety or efficacy of the product candidate; inability to manufacture sufficient quantities of the product candidate for development or commercialization in a timely or cost effective manner; and substantial commercial risk. Many of these companies will operate at a loss, or with substantial variations in operating results from period to period. In addition, many of these companies will need substantial additional capital to support additional research and development activities. Healthcare companies are often characterized by limited product focus, and there can be no assurance that, if applicable, the product will be approved for marketing by the U.S.

Certain portfolio companies and/or its service providers are expected to have a unionized work force or employees who are covered by a collective bargaining agreement, which could subject any such entity's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it or its service providers experiences labor relations problems. Upon the expiration of any of such collective bargaining agreements, it is possible the portfolio company will be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities can be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements.

These factors can result in abrupt advances and declines in the valuation of particular companies and, in some cases, have a broad effect on the valuations of companies in particular sectors of the healthcare industry. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges.

*Investments in Health and Wellness Industry.* The Clients are permitted make investments in the health and wellness industry. Companies in the health and wellness industry engage in a broad variety of businesses activities that promote physical and mental wellbeing, such as fitness, nutrition, personal care/beauty and preventive medicine, and investments in such companies involve a number of risks.

Companies in the health and wellness industry generally derive their revenues from discretionary spending. Accordingly, given the large number of different services and products available, changing consumer demands and preferences and sports and fitness patterns can significantly impact their performance. In addition, changes in global and regional macroeconomic conditions can decrease the demand for their products and adversely affect their growth strategies and business prospects. Due to the health and wellness industry's reliance on consumer discretionary spending, a company has the potential to be adversely affected if its customers reduce their purchases due to continued job losses, foreclosures, bankruptcies, higher consumer debt and interest rates, reduced access to credit, falling home prices and lower consumer confidence, or due to the impact of pandemics (such as COVID-19) or other societal conditions that restrict or limit non-essential economic activity.

Further, the success of certain businesses in the health and wellness industry, such a fitness clubs, depend on their ability to attract and retain members. Their marketing efforts can potentially not be successful in attracting members to their respective clubs and membership levels can materially decline over time, especially at clubs in operation for an extended period of time. In certain circumstances, members have the possibility of canceling their memberships at any time after giving proper advance written notice, subject to an initial minimum term applicable to certain memberships. In addition, businesses in the health and wellness industry will likely experience attrition and must continually engage existing members and attract new members in order to maintain membership levels. Some of the factors that could lead to a decline in membership levels include changing desires and behaviors of consumers, changes in discretionary spending trends and general economic conditions, market

maturity or saturation, a decline in its ability to deliver quality service at a competitive price, an increase in monthly membership dues due to inflation, direct and indirect competition in its industry, and a decline in the public's interest in health and fitness. These factors were particularly acute due to COVID-19, which caused fitness clubs to shut down, or significantly restrict, their operations for an extended period of time.

*Regulatory Constraints.* The healthcare industry is subject to regulatory controls by international, national and, in some instances, local governmental authorities. The nature and scope of healthcare regulation generally is subject to political forces and market considerations, the effects of which cannot be predicted. Healthcare regulations often are aimed at advancing a variety of social policies, such as the general protection of consumers and the provision of universal access to products and services. For example, companies in the healthcare industry are subject to, and possibly adversely affected by, federal and state regulatory and political trends that are focused on reducing the rate of growth of healthcare expenditures, including prescription drug costs, in the U.S. and other countries. In addition, the introduction of new products, services and technologies could render some healthcare companies obsolete and could result in abrupt fluctuations in their value. There can be no assurance that governments or regulatory agencies will not adopt laws or regulations, change their interpretation of existing laws and regulations, or take other actions that adversely affect the markets or companies in which the Clients invest.

There has also been an increase in dedicated funding for additional federal enforcement activities related to healthcare providers and for preventing fraud and abuse. For instance, the Healthcare Reform legislation increases funding for fraud and abuse enforcement activities against healthcare providers. The additional funding can increase enforcement activities, including investigations, and it is possible that governmental entities could initiate investigations or litigation in the future and, while some are defensible and/or frivolous in some respects, such matters could result in significant penalties, as well as adverse publicity. It is also possible that executives of the portfolio companies could be included in governmental investigations or litigation or named as defendants in private litigation.

*Uncertainty Related to Healthcare Reimbursement.* 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 such companies are likely to 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 company's proposed products will be considered cost-effective or that adequate third-party reimbursement will be available to enable a company to maintain price levels sufficient to realize an appropriate return on its investment in product development. Moreover, if reimbursement rates are reduced, or if healthcare providers anticipate reimbursement being reduced, providers can potentially narrow the circumstances in which they prescribe or administer the products of a portfolio company or its customers or counterparties, which could reduce

the use or sales of such products and thereby have a material adverse effect on the value of the portfolio company.

In addition, healthcare management and reimbursement policies can be significantly influenced by political events and these events can have an impact on healthcare and pharmaceutical companies and products. In this regard there has periodically been some political sentiment for government intervention on the pricing of pharmaceuticals. There can be no guarantee that the government's role in the healthcare sector will continue to have the minimal impact it has had in the past. Any change in the pricing policy of pharmaceuticals through government intervention could have a material change in the performance of the Clients' portfolio investments.

*Litigation Risks in the Healthcare Industry.* Companies in the healthcare industry are often subject to significant risks related to litigation and liability for damages in connection with their operations. Such litigation and liability can arise, for example, over the design, management and offering of products and services; the denial of healthcare benefits; medical malpractice actions; allegations of anti-competitive and unfair business activities; provider disputes over compensation and termination of provider contracts; disputes over co-payment calculations; claims related to the failure to disclose certain business practices; and claims relating to customer audits and contract performance. The litigation and liability environment in the healthcare industry is constantly evolving, and new court decisions and legislative activity will likely increase exposure for any of these types of claims. While companies typically have insurance coverage for some of these potential liabilities, other potential liabilities will not always be covered by insurance, insurers could dispute coverage or the amount of insurance will not always be enough to cover the damages awarded. In addition, certain types of damages, such as punitive damages, might not be covered by insurance, and insurance coverage for all or certain forms of liability can become unavailable or prohibitively expensive in the future.

*Expedited Transactions.* At times, investment analyses and decisions by Revelstoke are undertaken on an expedited basis in order for the Clients to take advantage of available investment opportunities. In such cases, the information available to Revelstoke at the time of an investment decision can be limited and Revelstoke will potentially not have access to the detailed information necessary for a full evaluation of the investment opportunity. In addition, Revelstoke expects to rely upon independent consultants or advisors in connection with the evaluation of proposed investments. There can be no assurance that these consultants or advisors will accurately evaluate such investments.

*No Assurance of Additional Capital for Investments.* Following a Client's initial investment in a given portfolio company, such portfolio company typically requires additional rounds of capital infusions before such portfolio company reaches maturity, or a Client will have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Clients will make follow-on investments or that the Clients will have sufficient funds to make all or any of such investments. Some or all of a follow-on investment opportunity can, in certain circumstances, be allocated to a successor fund. Any decision by a Client not to make follow-on investments or its inability to make such investments can have a substantial negative effect on a portfolio company in need of such an

investment, can result in a lost opportunity for a Client to increase its participation in a successful operation, will potentially result in a Client's investment in the relevant portfolio company becoming diluted and in circumstances where the follow-on investment is offered at a discount to market value, can result in a loss of value for such Client.

A Client and its co-investors may not provide all necessary follow-on capital. Accordingly, third-party sources of financing will be required. There is no assurance that such additional sources of financing will be available, or, if available, will be on terms beneficial to a Client. Furthermore, a Client's capital commitments are limited and in certain circumstances will not be adequate to protect the Client from dilution in multiple rounds of portfolio company financing.

If a Client's commitment period is cancelled earlier than anticipated pursuant to the terms of the Governing Documents, there is a risk that the capital available for investment will be materially diminished and potentially affect the Client's ability to consummate investment opportunities. Moreover, it is possible that a Client can be dissolved and terminated prematurely, and as a result, potentially not be able to accomplish its objectives and can be required to dispose of its portfolio investments at a disadvantageous time.

*Financial Market Fluctuations and Financial Turmoil.* Declines or volatility in financial markets, including the securities and derivatives markets, could adversely affect the value of a Client's portfolio investments. A significant market fluctuation often decreases tolerance for counterparty risks, which can negatively impact financial institutions, even causing their failure as occurred in the most recent global economic downturn. The Clients and their applicable portfolio companies are expected to regularly seek to acquire new debt and refinance existing debt, including in the liquid debt markets, and significant declines in pricing of debt securities or increases in interest rates, or other disruptions in the credit markets, can make it difficult to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings. Tightening of loan underwriting standards, which often occur during market disruptions, can have a negative impact including through reduction of permitted leverage levels and increased requirements for borrower quality. A Client's ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

*Public Health Emergencies.* Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the Clients and the portfolio companies and could meaningfully affect the Clients' ability to fulfill their investment objectives.

*Legal and Regulatory Risks.* Legal and regulatory changes could occur during the term of an investment that can adversely affect the Clients. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. Certain Clients invest in portfolio companies which operate in a highly regulated environment and are subject to extensive legal and regulatory

restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance have the potential to directly impact the business and results of the operations of, or otherwise have a material adverse effect on, such businesses. Failure to comply with any of these laws, rules and regulations, some of which are subject to changes in enforcement or interpretation and are subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which can have material adverse effects.

*Enhanced Scrutiny and Potential Regulation of the Private Investment Fund Industry and the Financial Services Industry.* The Clients' ability to achieve their investment objectives, as well as the ability of the Clients to conduct their operations, is based on laws and regulations which are subject to change through legislative, judicial or administrative action. In particular, the SEC has increased emphasis on investment adviser and private fund regulation and has both adopted and proposed a number of new rules that impose significant changes on private fund advisers and their management of private funds. Such changes are expected to materially impact Revelstoke, the Clients and/or the investments, as well as increasing their expenses. Significant time and resources are expected to be required to comply with new regulations. Future legislative, judicial or administrative action could adversely affect the Clients' ability to achieve its investment objectives, as well as the ability of the Clients to conduct its operations. In perhaps the most sweeping of rulemaking changes, on August 23, 2023, the SEC adopted new rules and amendments (collectively, the "Private Fund Rule") to existing rules under the Advisers Act specifically related to advisers to private funds. In particular, the Private Fund Rule (i) requires quarterly reporting by registered private fund advisers to investors concerning performance, fees and expenses; (ii) requires registered investment advisers to obtain an annual audit for private funds; (iii) requires registered investment advisers to obtain a fairness opinion or a valuation opinion and make certain disclosures in connection with adviser-led secondary transactions; (iv) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the adviser; and (v) prohibits advisers to private funds from taking certain actions without providing disclosures to investors and, in some cases, without obtaining investor consent. The Private Fund Rule is expected to have a significant effect on Revelstoke, the Funds and their operations, including increased compliance burdens and associated regulatory costs, increased investor reporting and disclosures to investors, enhanced risk of regulatory action and additional regulatory uncertainty. Significant time and resources are expected to be required to comply with the Private Fund Rule.

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

*Reliance on Management of the Funds, Affiliate Funds, Co-Investment Funds and Portfolio Companies.* Investors have no right or power to take part in the management or control of the Clients and therefore must

rely solely on Revelstoke to conduct the Clients' affairs. Investors will also not have the opportunity to evaluate the relevant economic, financial and other information that will be utilized by Revelstoke in the selection of investments, nor to receive the detailed financial information issued by portfolio companies which is available to Revelstoke. Decisions with respect to the management of each Client will be made by Revelstoke. The success of the investments will depend on the ability of Revelstoke to identify and consummate suitable investments, to improve the operating performance and development of portfolio companies and to dispose of investments at a profit. Accordingly, no person should purchase interests unless such person is willing to entrust all aspects of the management to Revelstoke.

Although Revelstoke will monitor the performance of each investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the Firm generally intends to invest in companies with strong management, there can be no assurance that the existing management of such companies will continue to operate a company successfully. The success of many of a Client's portfolio companies is heavily dependent on the management of such companies. There can be no assurance that the management of a portfolio company on the date an investment is made will continue to be affiliated with the company throughout the period the investment is held. In addition, projected operating results in connection with an investment will normally be based primarily on the judgment of the management of the portfolio company. Projections are only estimates of future results that are based upon assumptions made at the time that the projections were developed. There can be no assurance that any projected results will be obtained, and actual results may vary significantly from the projections. Changes in general economic conditions, which are not predictable, can have a material adverse impact on the reliability of projections.

*Reliance on Key Professionals.* The success of the Clients will depend in part upon the skill and expertise of Revelstoke's investment professionals. The interests held by these professionals should tend to discourage them from withdrawing from participation in the Clients' investment activities. Should one or more of these individuals become incapacitated or in some other way cease to participate in the Clients, the Clients' performance could be adversely affected. There can be no assurance that all of Revelstoke's professionals making up particular investment teams will not change over time, that the professionals included in such teams and who have contributed to the past performance of any prior Revelstoke Clients will continue to be members of the particular team or serve in the same or similar roles thereon, nor even that such professionals will continue to be associated with the Clients throughout their respective terms. The loss of the services of one or more members of the professional staff of Revelstoke or of the senior investment team could have an adverse impact on the Clients' abilities to realize their investment objective.

*Reliance on Valuation Information.* In order to value the assets and liabilities of a Client, Revelstoke relies on information provided by outside parties, and it is possible that such persons will provide inaccurate, incomplete, not current or otherwise unreliable information. Revelstoke has implemented procedures

that endeavor to safeguard against the use of inaccurate information. To the extent that information received is inaccurate or unreliable, the valuation of a Client's assets and liabilities could be inaccurate.

The exercise of discretion in valuation by the Firm has the potential to give rise to conflicts of interest, including excess valuations which would impact the amount and timing of distributions of carried interest and the calculation of management fees. In particular, where the management fee is calculated based on the valuation of an investment, or a determination of whether an investment has been written-off or otherwise permanently impaired, Revelstoke will have an incentive to make determinations that result in the continued payment of the, or a higher, management fee. In situations where the management fee is calculated based on committed capital, contributed capital or the cost basis of investments, the management fee generally will not be reduced based on reductions in investment value. Absent bad faith or manifest error, valuation determinations in accordance with Revelstoke's valuation policy will be conclusive and binding. Moreover, because Revelstoke will determine in its discretion the value of any such assets, Revelstoke will have an apparent conflict of interest in making that determination, given the potential impact of such valuations on a Client's performance results.

*Investments Longer than Term.* It is possible that certain of the Clients' investments are not advantageously disposed of prior to the date that a given Client will be dissolved, either by expiration of the Client's term or otherwise. Although Revelstoke expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and the relevant General Partner has a limited ability to extend the term of the Client, it is possible that a Client will have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of dissolution. In addition, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the investors will occur.

*Contingent Liabilities; Repayment of Certain Distributions.* In connection with the disposition of an investment in a portfolio company, a Client will typically be required to make representations about the business and financial affairs of such company and to indemnify the purchasers of such investment if those representations are inaccurate. These arrangements can result in the incurrence of contingent liabilities, which will require Revelstoke to maintain reserves to meet such a contingency.

In the event that the amount of such contingent liabilities or of other obligations of a Client exceeds the reserves and other assets of the Client, investors can be required to repay to the Client or to pay to creditors of the Client distributions previously received by them. In addition, investors can be required to pay to a Client amounts which are required to be withheld by the Client for tax purposes.

*Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies.* Although non-control investments are permitted to be made, Revelstoke intends primarily to make investments that allow the Clients to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a company through a control position, or the service of an officer or employee of Revelstoke, a General Partner as a director of such company, could (i)



expose the assets of the Clients to claims by such company, its security holders and creditors or (ii) impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations and other types of liability in which the limited liability generally characteristic of business operations could be ignored. If these liabilities were to occur, the Clients, directly, and the investors indirectly, would likely suffer losses in their investments. In general, the Clients will indemnify Revelstoke, the applicable General Partner and their affiliates for such claims.

*Service on Boards of Directors, Material Non-Public Information, Etc.* Revelstoke's principals and employees are expected to serve as officers or directors of portfolio companies. In their capacity as officers or directors (or even simply by virtue of a Client as a significant shareholder of a portfolio company), such individuals can become subject to fiduciary or other duties which adversely affect the applicable Client. For example, a Client could be unable to sell or otherwise dispose of portfolio securities if a Revelstoke principal or employee is in possession of material non-public information relating to the issuer thereof. Nevertheless, the Governing Documents generally will not preclude Revelstoke persons from serving as officers or directors of portfolio companies or otherwise acquiring material, non-public information regarding portfolio companies. Conversely, the Governing Documents will typically not require that Revelstoke principals or employees serve as officers or directors of portfolio companies, and there can be no assurance that Revelstoke will have a legal right to influence the management of any portfolio company.

*Lack of Control in Minority Investments.* The Clients are permitted to take a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. While as a condition to an investment in a portfolio company, certain rights often will be sought by Revelstoke to protect a Client's interests to the extent possible, these rights, when available, are generally in the nature of a veto versus the right to cause desired outcomes. There can be no assurance that the Clients will be able to obtain any such veto or similar rights. As a result, in such cases a Client would not be able to cause a portfolio company to take actions that Revelstoke believes would maximize the value of its investment or refrain from taking actions which it believes will impair the value of its investment. In such cases, the Clients will typically rely significantly on the existing management, boards of directors and other such equity holders of such portfolio companies, who are generally not affiliated with Revelstoke and whose interests or views conflict with the interest of the Clients.

*Investor Defaults.* Investors that fail to satisfy capital calls in a timely manner are subject to significant penalties as provided in the Governing Documents. Any failure by investors to make timely capital contributions in respect of their capital commitments can impair the ability of a Client to pursue its investment program. Additionally, if the contributions made by non-defaulting investors and borrowings by a Client are inadequate to cover the defaulted contribution, a Client may be unable to pay its obligations when due. As a result, a Client can be subjected to significant penalties that could materially adversely affect returns to all investors.

*Cyber Security Breaches and Identity Theft.* Revelstoke's and portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although Revelstoke has implemented, and believes portfolio companies will likely implement, various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Revelstoke, the Clients and/or a portfolio company may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Revelstoke's, a Client's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Revelstoke's, a Client's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims and otherwise affect their business and financial performance.

*Force Majeure Risk.* Force majeure is the term generally used to refer to an event beyond the control of the party claiming that the event has occurred, including acts of God, fire, flood, weather, pandemics, earthquakes, war, terrorism and labor strikes. Some force majeure events can adversely affect a party's ability to perform its obligations, under a contract or otherwise, until it is able to remedy the force majeure event. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions can result in permanent loss of customers, substantial litigation, or penalties for regulatory or contractual non-compliance. In some cases, project agreements can be terminated if the force majeure event is so catastrophic as to render it incapable of remedy within a reasonable, pre-agreed time period. Force majeure events that are incapable of, or costly to, cure will likely also have a permanent adverse effect on the Clients or a portfolio company.

*Availability of Insurance for Certain Catastrophic Losses.* Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, hurricanes, terrorist attacks, floods or other similar events, can be either uninsurable or, insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total costs of casualty insurance for a property, if decided to be obtained. As a result, not all investments will be insured against terrorism or certain other risks. If a major uninsured loss occurs, the Clients could lose both invested capital in and anticipated profits from the affected investments. In general, Revelstoke will have discretion as to the type and level of coverage to obtain, or whether to obtain insurance at all.

*Use of Leverage; Risk of Borrowing.* The Clients' investments will often involve varying degrees of leverage, which could magnify the impact of circumstances such as unfavorable market or economic conditions, operating problems and other changes that affect the investments or their respective

industries, resulting in a more pronounced effect of such circumstances on the profitability or prospects of such investments. In using leverage, these investments are generally subject to terms and conditions that include restrictive financial and operating covenants, which can impair their ability to finance or otherwise pursue their future operations or otherwise satisfy additional capital needs. Moreover, rising interest rates will significantly increase investments' interest expense, causing losses and/or the inability to service debt levels. During times when credit markets are unfavorable, it can be difficult for a portfolio company to obtain financing that it requires to fund its operations. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and can impair a portfolio company's ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Client'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 Client'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 Client. If an investment cannot generate adequate cash flow to meet its debt obligations, the Clients can suffer a partial or total loss of capital invested in such investment. Should the credit markets be limited or costly at the time a Client determines that it is desirable to sell all or a part of a portfolio company, the Client may not achieve an exit multiple or enterprise valuation consistent with its forecasts. While Client-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. To the extent there is not ample availability of financing for leveraged transactions (*e.g.*, due to adverse changes in economic or financial market conditions or a decreased appetite for risk by lenders) a Client's ability to consummate certain transactions could be impaired.

Subject to certain limitations set forth in the Governing Documents, Clients generally have broad authority to borrow or guarantee loans or other extensions of credit. Incurrence of indebtedness at the level of a Client (or entities through which it invests) could potentially, among others, have the following consequences to investors, including, but not limited to: (i) greater fluctuations in the net asset value of the applicable Client's assets; (ii) use of cash flow (including capital contributions) for debt service, distributions or other purposes; (iii) to the extent that Client revenues are required to meet principal payments, the investors could be allocated income (and therefore tax liability) in excess of cash distributed; and (iv) in certain circumstances, the applicable Client can be required to dispose of investments at a loss or otherwise on unattractive terms in order to service its debt obligations or meet its debt covenants. There can be no assurance that the Clients will have sufficient cash flow to meet their respective debt service obligations (if any). As a result, the Clients' exposure to foreclosure and other losses can be increased due to the illiquidity of their investments.

In addition, a Client will occasionally need to refinance its outstanding debt as it matures. There is a risk that a Client will not be able to refinance existing debt or that the terms of any refinancing will not be as favorable as the terms of the existing loan agreements. If prevailing interest rates or other

factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. These risks could adversely affect the applicable Client's financial condition, cash flows and return on its investments.

Recourse debt, which certain Clients reserve the right to obtain, could subject other assets of such Clients to the risk of loss and the investors' capital commitments to be called or Client assets to be sold to satisfy such debt. Full or partial recourse debt can also limit the ability to effect a debt restructuring at or prior to maturity of the debt.

To the extent that a Client co-invests with any vehicles managed or controlled by Revelstoke (including vehicles formed to permit Revelstoke professionals or other associated persons to participate in the co-investment), such Client is permitted to incur indebtedness and guarantee obligations together with such vehicles on a joint and several or cross-collateralized basis (which can be on an investment-by-investment or portfolio-wide basis). While such arrangements could be joint and several with respect to a particular Client, such arrangements are not expected to impose reciprocal joint and several obligations on all such vehicles. As a result of the incurrence of indebtedness on a joint and several or cross-collateralized basis, a Client could be required to contribute amounts in excess of its pro rata share, including additional capital to make up for any shortfall if such other vehicles are unable to repay their pro rata share of such indebtedness. Moreover, a Client could also lose its interests in performing investments in the event such performing investments are cross-collateralized with poorly performing or non-performing investments.

The incurrence of fund-level debt (subject to the limitations set forth in the Governing Documents), such as debt resulting from bridge, subscription and asset-backed facilities, exposes a Client to refinancing, recourse and other risks. With respect to any asset-backed facility entered into by a Client (or an affiliate thereof), a decrease in the market value of the Client's investments would increase the effective amount of leverage and could result in the possibility of a violation of certain financial covenants pursuant to which the Client must either repay the borrowed funds to the lender, which could, subject to any limitations set forth in the Governing Documents, require investors to make additional capital contributions in respect of such borrowings, or suffer foreclosure or forced liquidation of the pledged assets. Liquidation of investments at an inopportune time in order to satisfy such financial covenants could adversely impact the performance of a Client and could, if the value of its investments had declined significantly, cause the Client to lose all or a substantial amount of its capital. Moreover, if additional capital contributions were required to satisfy such financial covenants, such capital contributions would effectively reduce the amount of capital available for other investments and could adversely affect the diversification of the Client's portfolio. In the event of a sudden, precipitous drop in the value of a Client's assets, such Client might not be able to dispose of assets quickly enough to pay off its debt, resulting in a foreclosure or other total loss of some or all of the pledged assets. Debt facilities typically include other covenants such as, but not limited to, covenants against a Client incurring or being in default under other recourse debt, including certain guarantees of asset-level debt, which, if triggered, could cause adverse consequences to the Client if it is unable to cure or otherwise mitigate such breach. See also "Subscription Credit Facilities" below.

Also, in light of the distress in the global financial markets, any bankruptcy, insolvency or default by a counterparty to a Client could result in a loss of investments, including, for example, where Client assets and securities are re-hypothecated or otherwise held by such counterparties and become subject to general claims of their creditors.

Revelstoke uses Client-level borrowing to pay management fees, to reimburse the Firm for expenses incurred on behalf of a Client and as a bridge for equity or debt capital at a portfolio company. If Revelstoke is ultimately unable to repay the borrowings, investors would end up with increased exposure to the underlying investment, which could result in greater losses in a declining market. Further, borrowings are expected to be secured by assignment of the obligations of investors to make capital contributions to a Client and a security interest in investments. Also, it is anticipated that certain Clients will guarantee certain of the obligations of another Client in respect of borrowings and, accordingly, an event of default under the instruments governing a borrowing by one Client could automatically constitute an event of default for such other Client.

Tax-exempt investors should note that the use of leverage by the Client can create “unrelated business taxable income.”

*Subscription Credit Facilities.* Calculations of gross internal rates of return (“IRR”) and net IRR are typically based on actual investment cash flows, in the case of gross IRR, or actual investor cash flows, in the case of net IRR. This treatment will apply in instances where Revelstoke utilizes borrowings or another subscription-based credit facility in lieu of capital contributions or in advance of receiving capital contributions from investors to repay any such borrowings and related interest expense. Therefore, use of a capital call facility or other subscription-based credit facility with respect to investments results in a higher reported net IRR than if the credit facility had not been utilized and instead the investors’ capital had been contributed at the inception of an investment, and does not have any effect on the gross IRR. Use of such leverage arrangements presents conflicts of interest as a result of certain factors, including the interest rate on borrowings typically being less than the rate of the preferred return, and that such preferred return does not accrue on such borrowings and only accrues on capital contributions when made. The use of Client-level borrowing arrangements, and the repayment or non-repayment thereof, can influence the determination of the end of a Client’s investment period, and cause or defer a related change in the basis of the relevant Client’s management fee calculation under the Governing Documents. As a result, use of such leverage arrangements with respect to investments can reduce or eliminate the preferred return received by the investors and accelerate or increase distributions of carried interest to the General Partner, providing the General Partner with an economic incentive to fund investments through borrowings in lieu of capital contributions. Subject to any express limitations in the Governing Documents, the use of a subscription-based credit facility by the Clients is generally within Revelstoke’s discretion.

*NAV Facilities.* Certain Clients have entered into a NAV facility. In connection with such transactions, Revelstoke pledged certain of a Client’s or a borrowing subsidiary’s investments, including on a cross-collateralized basis, without taking into account the potential for non-pro rata

investments by investors as a result of any particular investor's opt-out rights. An investor may also be required to fund amounts to repay borrowings under a NAV facility incurred in connection with an investment or managing a Client's investment portfolio even if such investor did not participate in the relevant investment(s) in connection with which such borrowings were incurred. NAV facility lenders may foreclose on a Client's assets if the Client fails to repay the amounts borrowed under a NAV facility or experiences another event of default.

*Bridge Financings.* The Clients are permitted to lend to a portfolio company or other Client on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always within such Client's control, such long-term securities might not be issued and such bridge loans can remain outstanding. In such event, the interest rate on such loans will not adequately reflect the risk associated with the unsecured position taken by such Client.

The Clients on occasion draw on their line of credit to bridge financing to a portfolio company. In such circumstances, the portfolio company is not a guarantor on the line of credit although it does receive the benefit of the loan. The portfolio company typically repays the loan and all interest and fees on the loan and the lending Client does not incur any expenses associated with use of its line of credit.

*Distressed Securities.* The Clients are permitted to invest in distressed securities. Investments in distressed securities involve acquiring securities of companies that are experiencing significant financial or operating difficulties and of companies that are, or appear likely to become, bankrupt or involved in a debt restructuring or other major capital transaction. Investment in distressed securities involves a high degree of credit and market risk. Although the Clients will invest in select companies that, in the view of Revelstoke, have the potential for attractive risk-adjusted returns, there can be no assurance that such financially troubled issuers or operationally troubled issuers can be successfully restructured or transformed into profitable operating companies. During an economic downturn or recession, securities of distressed issuers are more likely to go into default than securities of other issuers. In addition, it can be difficult to obtain information about financially troubled issuers and operationally troubled issuers. Distressed securities are less liquid and more volatile than securities of companies not experiencing financial or operating difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and asked prices can be greater than normally expected. In addition, it is anticipated that distressed investments will not be widely traded and, accordingly, that a Client's investment in such securities could be substantial relative to the market for such securities. As a result, the relevant Clients could experience delays and incur losses and other costs in connection with the sale of such securities.

*Convertible Securities.* The Clients are permitted to invest in convertible securities, which are bonds, debentures, notes, preferred stock or other securities that are able to be converted into or exchanged for a specified amount of common stock of the same or a different issuer within a particular period

of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. The ability of a portfolio company to pay a dividend is limited to the extent that the portfolio company does not have sufficient legally available funds for distribution. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases. The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors can also have an effect on the convertible security’s investment value. The conversion value of a convertible security is largely determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity. A convertible security can be subject to redemption at the option of the issuer at a price established in the convertible security’s governing instrument. If a convertible security held by the Clients is called for redemption, the respective Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on such Client’s ability to achieve its investment objective.

*Warrants.* The Clients are permitted to receive or invest in warrants or rights. Warrants and rights generally give the holder the right to receive, upon exercise, a security of the issuer at a stated price. Risks associated with the use of warrants and rights are generally similar to risks associated with the use of options. Unlike most options, however, warrants and rights are issued in specific amounts, and warrants generally have longer terms than options. Warrants and rights are not likely to be as liquid as exchange-traded options backed by a recognized clearing agency. In addition, the terms of warrants or rights can limit a Client’s ability to exercise the warrants or rights at such time, or in such quantities, as the Client would otherwise wish.

*Documentation and Legal Risks.* The Clients, portfolio companies and portfolio investments are governed by a complex series of legal documents and contracts. The intent of the legal documents and contracts might not be clear, and even clear drafting can be misconstrued by counterparties and

judges. A dispute over interpretation of any of these documents or contracts could arise, which can result in unenforceability of the contract or other outcome that is adverse to a Client.

*Permits, Approvals and Licenses.* A license, approval or permit will sometimes be required to make certain investments and their direct or indirect holding companies, or registration can in certain instances be required before an investment can be completed. Examples of permits, approvals and licenses necessary to make an investment include antitrust approvals, environmental licenses, foreign investment approvals and registrations, and other similar matters. A Client can require some or all of these licenses, approvals and permits to acquire an asset, and counterparties can potentially also require some or all of these licenses, approvals and permits to acquire assets from the Clients. There can be no guarantee of when and if such a license, approval or permit will be obtained or if the registration will be effected, which can adversely affect a Client's ability to acquire and sell assets.

*Environmental, Social and Governance Matters.* While Revelstoke does not pursue an ESG or impact focused Funds, it recognizes that, for many investors, ESG concerns and the societal impact of their portfolios is an important consideration which cannot be viewed in isolation from overall investment performance. Therefore, the Firm will endeavor to take certain ESG considerations into account in its investment decision and oversight process and can, in appropriate circumstances, incorporate similar considerations into the Firm's ongoing management decisions with respect to each portfolio company. Revelstoke seeks to make investments that maximize risk-adjusted returns generally, including by, where applicable, reducing ESG-related risk and/or creating additional value consistent with the terms of the Clients. While Revelstoke believes ESG factors can enhance long term value, the Clients do not pursue an ESG or impact-based investment strategy nor do the Clients limit their investments to those that meet specific ESG criteria or standards. ESG is only one of the many factors Revelstoke will consider in making investment decisions, and unless otherwise required pursuant to a Client's Governing Documents, the weight placed on any such ESG considerations will be in Revelstoke's sole and absolute discretion. Further, applying ESG standards to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by Revelstoke or any judgment exercised by Revelstoke will reflect the beliefs or values of any particular investor or group of investors. Finally, an assessment of ESG factors is not necessarily determinative and Revelstoke's investment decisions will always be subject to being made in a manner that is consistent with the Firm's fiduciary duty to act in the best interests of the Client's investors. Investments made by the Clients are not required, and may not, create positive ESG-related impacts.

In evaluating an investment and executing its ownership strategy, Revelstoke expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Revelstoke to incorrectly assess a company's ESG practices and/or related risks and opportunities.

To the extent that Revelstoke engages with companies on ESG-related practices and potential enhancements thereto, there can be no guarantee that (i) such engagements will achieve either or both of the desired financial and social impact or results and/or (ii) the market or other stakeholders



(community members, portfolio company employees, customers, etc.) will view any such changes as desirable (either socially or to a Client's financial health).

There is a risk that the Clients will underperform other funds that do not take ESG-related factors into account or conversely, could underperform specialized funds that are largely or exclusively focused on sustainable investing principles.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by other asset managers, and Revelstoke's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. Additionally, market pressures, including the potential adverse reaction by investors and other participants in the investment industry to the application of ESG factor to investment processes, could result in tensions, conflicts of interest or other potential issues as private fund sponsors navigate how to balance competing interests with respect to ESG considerations. There is also a growing regulatory interest across jurisdictions in improving transparency regarding the definition, measurement and disclosure of ESG factors. Revelstoke's ESG policy and ESG practices could become subject to additional regulation in the future, and the Firm cannot guarantee that its current approach will meet future regulatory requirements or predict the manner in which any such future requirements (including any enforcement with respect thereto) could affect a Client or its investments, including with respect to future administrative burdens and costs.

### **Conflicts of Interest**

Actual, potential or apparent conflicts of interest arise as a result of the relationships between the General Partners, Revelstoke and their affiliates, on the one hand, and the Clients and investors, on the other. Revelstoke is permitted in the future engage in further activities that would result in additional conflicts of interest not addressed below. Investors should note that the Governing Documents contain provisions that (i) subject to applicable law, reduce or modify the duties, including fiduciary and other duties, to a Client and the investors to which Revelstoke would otherwise be subject, (ii) waive or consent to conduct on the part of Revelstoke that might not otherwise be permitted pursuant to such duties and (iii) limit the remedies of investors with respect to breaches of such duties. If any matter arises that Revelstoke determines in their good faith judgment constitutes an actual or potential conflict of interest, Revelstoke is permitted to take such actions as it determines in good faith is necessary or appropriate to ameliorate such conflict (and, upon taking such actions, Revelstoke will be relieved of any liability for such conflict to the fullest extent permitted by law and shall be deemed to have satisfied its fiduciary duties related thereto to the fullest extent permitted by law). Revelstoke can choose, but is not necessarily required, to present conflicts of interest to an advisory committee as provided for in the Governing Documents. Further, investors are not entitled to receive notice or disclosure of the actual occurrence of conflicts nor do investors have any right to consent to conflicts as they arise except as otherwise required by law or in the Governing Documents. Additionally, the Governing Documents contain exculpation and indemnification provisions that, subject to the specific exceptions enumerated therein (generally for intentional, wrongful acts), provide

that Revelstoke and its affiliates will be held harmless and indemnified, respectively, for matters relating to the operation of the Clients, including matters that involve one or more potential or actual conflicts of interest.

*Allocation of Investment Opportunities Among Clients and Other Parties.* In connection with its investment activities, Revelstoke encounters situations in which it must determine how to allocate investment opportunities among the Clients and other persons, which include, but are not limited to, the following:

- The Clients and other entities, including, without limitation, other managed accounts, collective investment vehicles and/or affiliated investment funds (the “Other Accounts”);
- Any co-investors or co-investment vehicles that have been formed by Revelstoke to invest side-by-side with one or more Revelstoke Client in all or particular transactions entered into by such Client;
- Certain investors of the Revelstoke Clients and/or third parties that wish to make direct investments (*i.e.*, no through an investment vehicle) side-by-side with one or more Revelstoke Client in particular transactions entered into by such Client; and
- Third parties acting as “co-sponsors” to Revelstoke with respect to a particular transaction.

In cases where Revelstoke manages Clients that have overlapping commitment periods and overlapping investment strategies, and Revelstoke encounters an investment opportunity that is suitable for two or more Clients that are in their commitment periods, then Revelstoke would allocate such investment opportunity in a manner consistent with the Clients’ Governing Documents and otherwise in manner that is fair and reasonable. In some circumstances, a Client (whether in its commitment period or beyond its commitment period) is permitted to make a follow-on investment that is related to a preexisting holding. Opportunities for follow-on investments will generally be allocated first to the applicable Client with the preexisting holding. If Revelstoke determines that it is in the best interests of one or more Clients to deviate from the allocation policies and procedures noted above, the investment committee will meet to evaluate the proposed allocation. To the extent that an allocation decision poses a material conflict of interest or could give the appearance of a material conflict of interest, Revelstoke can, in its sole discretion, elect to seek approval for the decision from the affected Client’s investor advisory committees.

*Other Accounts.* Revelstoke Affiliates are permitted to provide investment management advice and services to the Other Accounts, some of which follow investment programs substantially similar to that of the Clients. Revelstoke is also permitted to provide investment management services to Other Accounts that follow investment programs that differ from the Clients. In the event that a conflict of interest arises, Revelstoke will attempt to resolve such conflicts in a fair and equitable manner over time.

Notwithstanding the foregoing, in the event any Other Account has investment objectives in common or that overlap with the Clients, investment opportunities that fall within such overlapping objectives will generally be allocated between or among one or more of the Clients and such Other Account on a basis that is fair and reasonable as determined by Revelstoke in its sole discretion, subject to (i) any applicable investment parameters, limitations and other terms of the Clients and such Other Account, (ii) the Clients and such Other Account having available capital with respect thereto and (iii) legal, tax, regulatory, accounting, and other considerations deemed relevant by Revelstoke (including, without limitation, the specific nature, size, terms, sourcing and type of the investment, relative investment strategies and primary investment mandates, portfolio diversification concerns, contractual obligations, applicable investment limitations, relative amounts of available capital for each investment fund, source of the investment opportunity, the investment focus of each Client, the expected risk-return profile, the anticipated holding period and remaining commitment periods, co-investment arrangements, the extent of involvement of the respective teams of investment professionals dedicated to a Client and such Other Account, and other relevant considerations). As a result, in certain circumstances, investment opportunities that fall within a Client's investment objectives would not be presented to or pursued by such Client and would be allocated in whole or in part to any such Other Account. In addition, in certain circumstances certain other investment vehicles would receive allocations of investments that are otherwise appropriate for one Client (including any Other Accounts), resulting in other Clients not participating in certain investment opportunities otherwise within their mandate. The appropriate allocation between one or more Client and any Other Account of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by Revelstoke in its sole discretion.

While there will be limitations on Revelstoke's ability to form or sponsor such Other Accounts, the formation and management of such Other Accounts could create a conflict of interest in that the time and effort of the officers and employees of Revelstoke will not be devoted exclusively to the business of the Clients but will be allocated between the business of the Clients and the management of the Other Accounts. In addition to the above, except as set forth herein and in the Governing Documents, Revelstoke is permitted to engage in other investment and business activities. Such activities can sometimes raise conflicts of interest for which the resolution is not be currently determinable.

*Investments in Which Other Accounts Have a Different Principal Interest Generally.* As permitted by the Governing Documents, the Clients are able to invest directly or indirectly in companies or other entities in which Other Accounts have or are currently making a different principal investment (including with respect to relative seniority) or vice versa. In certain situations, the Clients and such Other Account would have conflicting interests. For example, (i) if a Client and Other Accounts participate in separate tranches of a fundraising with respect to the same portfolio company or (ii) if a Client makes or has an equity investment in a portfolio company in which an Other Account has a debt or equity investment (or vice versa), then Revelstoke will, in each case, generally have conflicting loyalties between the duties to such Clients and to such Other Accounts. In that regard, actions taken

for the Other Account would be adverse to the Clients, or vice versa. In addition, conflicts of interest arise in determining the amount of an investment, if any, to be allocated among the potential investors and the respective terms thereof. There can be no assurance that the return on the Clients' investment will be equivalent to or better than the returns obtained by the other affiliates participating in the transaction. It is possible that in a bankruptcy, insolvency or similar proceeding a Client's interest can be subordinated or otherwise adversely affected by virtue of the involvement and actions of an affiliate of Revelstoke relating to its investment. Except to the extent of fees paid to Revelstoke specifically relating to the Clients' capital commitments or investments of capital, the investors will in no way receive the benefit from fees paid to Revelstoke from a portfolio company and in any event investors will receive the benefit of such fees only as set forth in the Governing Documents.

*Investments Alongside Other Accounts.* The Clients are permitted to co-invest from time to time with one or more Other Accounts in investments that are suitable for both the Clients and such Other Accounts. Even if the Clients and any such Other Accounts invest in the same securities, conflicts of interest can still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (including with respect to price and timing) for the Clients and any Other Accounts may not be the same. Additionally, the Clients and such Other Accounts will generally have different commitment periods or expiration dates and/or investment objectives (including return profiles) and Revelstoke, as a result, would have conflicting goals with respect to the price and timing of disposition opportunities and such differences would also impact the allocation of investment opportunities.

*Platform Investments.* From time to time, a Client can recruit a management team to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other cases, a Client can form a new portfolio company and recruit a management team to build the portfolio company through acquisitions and organic growth. In both cases, a Client will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, employee compensation, diligence expenses or other related expenses in connection with backing the management team or building out the platform portfolio company. Such expenses can be borne directly by a Client as operating expenses (or broken deal expenses, if applicable) or indirectly as a Client bears the start-up and ongoing expenses of the newly formed platform portfolio company. In certain cases, the services provided by a management team can overlap with the services provided by Revelstoke to a Client. The compensation of management of a platform portfolio company can include interests in the profits of the platform portfolio company, including profits realized in connection with the disposition of an asset. Although a platform portfolio company can be controlled by a Client, members of a management team will not be treated as affiliates of Revelstoke for purposes of the Governing Documents. Accordingly, none of the expenses described above will offset the management fee.

*Certain Matters Relating to the General Partners and their Affiliates.* In satisfying the General Partners' respective obligations to subscribe for an amount equal to a percentage of total aggregate capital commitments in investments of certain Clients, either directly as a commitment to the applicable

Client or on a side-by-side co-investment basis with such Client, the General Partners can use capital provided by one of their affiliates.

*Other Activities of the Senior Investment Team.* Revelstoke's managing partners and managing directors (the "Senior Investment Team") will devote such time as is necessary to conduct the affairs of the Clients in an appropriate manner. The Senior Investment Team will work on the business and operation of the Clients and other vehicles in the future, and, therefore, conflicts exist in allocating management time, services or functions. It is possible that the investments held by one Client or other vehicle will be in competition with those of another Client. In this regard, for example, the Senior Investment Team devotes a substantial amount of their business time to the affairs Revelstoke's existing investments and operations generally, including co-investments and the Clients and their respective portfolio companies.

In addition, the Senior Investment Team members is engaged in some activities unrelated to the Clients, including without limitation board membership of companies that are not Revelstoke portfolio companies and other activities outside of Revelstoke, including with respect to companies in which such persons invested prior to their involvement with the Clients. Conflicts do arise as a result of such activities. The possibility exists that the companies with which one or more of such persons is involved could engage in transactions that would be suitable for a Client, but in which such Client might be unable to invest.

Moreover, with respect to such persons who serve as directors of a portfolio company, such individuals, in their capacity as directors, will be required to make decisions that they consider to be in the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near insolvency of a portfolio company, actions that may be in the best interest of a portfolio company may not be in the best interests of a Client and vice versa. Accordingly, in these situations, there would be conflicts of interests between such person's duties as an officer of Revelstoke and such person's duties as a director of the portfolio company.

*Co-Investment Vehicles.* Subject to legal, tax, regulatory and other considerations, Revelstoke is permitted to form co-investment vehicles to take advantage of larger investment opportunities. Co-investment vehicles are generally offered first to investors who have expressed interest as memorialized in a side letter or to investors who have brought the investment opportunity to Revelstoke.

Co-investment vehicles can be offered parallel to or independent from a Client on a different investment timeline, at a different valuation or on different terms. Co-investment vehicles are permitted to have one of more of the following characteristics: Revelstoke and investors in the co-investment vehicle own a majority stake in the underlying portfolio company and the majority of investors are institutional.

Revelstoke will consider the following factors, including but not limited to the following in making decisions regarding co-investment opportunities and can weigh factors differently when evaluating certain co-investment opportunities or potential co-investors: (i) any expressed interest of an investor

as memorialized in a side letter; (ii) whether the investor brought the investment opportunity to Revelstoke; (iii) operating partners, senior advisors, members of the investor advisory committee or other “friends of the Firm;” (iv) the ability and expected interest of the investor to participate in the applicable investment and meet the desired due diligence, approval and funding timetable; (v) Revelstoke’s prior experience with the investor, including as a Revelstoke investor and in prior co-investment deals, as well as the investor’s general reputation and experience as a co-investor; (vi) Revelstoke’s anticipated alignment of interest with the investor, including with respect to investment objectives, exit timing, degree of involvement in oversight, risk appetite, interest and ability to fund anticipated follow-on investments, etc.; (vii) any expertise or experience of the investor that is relevant to or otherwise of strategic value to Revelstoke, the Clients or the particular investment; (viii) any anticipated legal or regulatory complications involving the investor; (ix) Revelstoke’s expectations regarding the portfolio company’s and any other investor’s view of the investor’s participation in the co-investment vehicle; (x) the degree to which the investor has committed to and been supportive of Revelstoke’s existing Clients, and Revelstoke’s expectations regarding the investor’s participation in and support of future Revelstoke clients; (xi) the size of the investment allocation and practicality of dividing it among multiple potential co-investors; (xi) the size of the investment allocation and practicality of dividing it among multiple potential co-investors; (xii) lender requirements; (xiii) whether Revelstoke believes that allocating investment opportunities to the potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Clients; and/or (xiv) whether the investor is willing to bear a performance and/or a management fee and in what amounts.

*Fees from Portfolio Companies.* As described briefly in Item 5 and in more detail in each Client’s Governing Documents, Revelstoke and its affiliates receive certain fees from portfolio companies in connection with the purchase, monitoring or disposition of the Clients’ investments or in connection with unconsummated transactions (*e.g.*, directors’ fees, closing fees, financial-advisory fees, consulting fees, monitoring fees, transaction fees, management, investment banking break-up fees and other similar fees). In addition, Revelstoke and/or its affiliates could choose not to receive transaction fees from a portfolio company and instead charge higher advisory or monitoring fees in connection with its performance of services for such portfolio company. The Clients will only receive the benefit of such fees paid by portfolio companies in proportion to such Client’s allocable portion of ownership in such portfolio company, as set forth in the Governing Documents. Consistent with the terms of the investment and advisory agreements, Revelstoke will also incur expenses, and a portfolio company will reimburse Revelstoke for such expenses (including, without limitation, travel expenses, meals and entertainment expenses) incurred by Revelstoke in connection with its performance of services for such portfolio company. Such reimbursements are not subject to the management fee offset, as described in Item 5 above. In some cases, with respect to the implementation of the arrangements described above, there will not always be an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company.

*Add-On Acquisitions.* Investments to finance add-on acquisitions present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of add-on acquisitions by a Client in a portfolio company in which another Client has previously invested. In addition, a Client can potentially participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Client has already invested or will invest. In such circumstances, conflicts of interest that can arise include determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

*Conflicts Related to Continuation Transactions.* Revelstoke has in the past, and expects to in the future, establish Other Accounts for the purpose of purchasing one or more investments from a Revelstoke Client and/or making one or more investments alongside a Revelstoke Client in a transaction or a series of transactions (such transactions, “Continuation Transactions”). The affiliated nature of these transactions and Revelstoke’s involvement with both the selling and purchasing entities give rise to conflicts of interests.

In addition, as part of a Continuation Transaction, the selling Client is typically approaching the end of its term and as a result, Revelstoke has an incentive to maximize the purchase price for the investments on behalf of the selling Client which would benefit Revelstoke by potentially making it more likely that Revelstoke will earn carried interest (or will earn more carried interest) with respect to the selling Client to the detriment of a purchasing Client. Furthermore, following a Continuation Transaction, Revelstoke will from time to time be entitled to receive management fees and potentially carried interest with respect to the purchasing Client, which it would not receive if the investments were sold to an unrelated third-party. Accordingly, Continuation Transactions benefit Revelstoke because Revelstoke will potentially receive an aggregate amount of fees and carried interest greater than it otherwise would have received in a sale transaction to an unrelated third-party.

A Continuation Transaction also gives rise to conflicts relating to the initial allocation of the transferred investments. The selling Client’s investment can be subject to allocations elected by rollover investors in the selling Client, as well as certain minimum allocation requirements, each of which will reduce the portion of an investment available to a purchasing Client. As a result, a purchasing Client can sometimes be allocated a smaller or larger amount of an investment than Revelstoke originally anticipated. Further, in some cases there can potentially be no other third-party market check or bidding process involved in a Continuation Transaction. Accordingly, the consideration paid by a purchasing Client can be more or less than what the transferred investments are ultimately worth had they been sold to one or more other buyers in one or more separate transactions, including an outright sale to a third-party.

Following a Continuation Transaction, a Revelstoke Client will often be invested in the same portfolio company as another Revelstoke Client. Investments in the same, or overlapping of different levels,

of a portfolio company capital structure following a Continuation Transaction gives rise to the conflicts of interest discussed above in *“Investments Alongside Other Accounts.”*

Conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses because Revelstoke might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to certain investors in the Continuation Transaction or vice versa.

*Limited Access to Information.* Investors’ rights to information regarding the Clients will be specified, and strictly limited, in the Governing Documents. In particular, it is anticipated that Revelstoke will obtain certain types of material information from portfolio investments that will not be disclosed to investors because such disclosure is prohibited for contractual, legal, or similar obligations outside of Revelstoke’s control. Decisions by Revelstoke to withhold information would have adverse consequences for investors in a variety of circumstances. For example, an investor that seeks to transfer its interests would have difficulty in determining an appropriate price for such interests. Decisions to withhold information also would make it difficult for an investor to monitor Revelstoke and its performance. Additionally, it is expected that investors who designate representatives to participate on the advisory committee will, by virtue of such participation, have more information about a Client and its portfolio investments in certain circumstances than other investors generally and will be disseminated information in advance of communication to other investors generally.

*Conflicting Interests of Investors.* The Clients have tax-exempt, taxable, foreign and other investors, whereas most members of the General Partners and Revelstoke are taxable at individual U.S. rates. Potential conflicts exist with respect to various structuring, investment and other decisions because of divergent tax, economic or other interests, including conflicts among the interests of taxable and tax-exempt investors, conflicts among the interests of domestic and foreign investors, and conflicts between the interests of investors and management. For these reasons, among others, decisions are likely to be more beneficial for one investor than for another investor, particularly with respect to investors’ individual tax situations. Revelstoke will generally attempt to structure investments in a way that optimizes after-tax returns to investors that are subject to U.S. federal income taxes.

*Transactions with Investors.* On occasion, Revelstoke is expected to enter into transactions (such as co-investment opportunities or directed debt purchases) with certain investors such as, for example, investors who are also business partners, such as insurance agents, investment banks, broker-dealers, legal counsel or others who provide services (including mezzanine and/or other lending arrangements) to Revelstoke, the Clients and their portfolio companies. The terms of these transactions are negotiated on an arm’s-length basis; however, Revelstoke is subject to a conflict of interest when determining such terms because it is possible that Revelstoke will benefit from retaining such investors’ investment in the Clients.

In certain cases, certain investors or their affiliates seek to provide debt financing in connection with a portfolio company investment made on behalf of the Clients. Revelstoke pursues debt financing on terms it believes are advantageous for the Clients when weighing all the factors relevant to the transaction, including the prevailing financing rates and any original issue discount, scope of positive



and negative debt financing covenants, prior experience with the applicable counterparty, and such counterparty's execution capability, reputation and expertise within the industry. Notwithstanding the foregoing, the participation of an investor and its affiliates in multiple segments of a portfolio company's capital structure subjects Revelstoke to potential conflicts of interest when negotiating the terms of the applicable debt financing as the provision of financing on favorable terms can encourage an investor and its affiliates to participate in future funds managed by Revelstoke.

*Outside Statements.* Revelstoke and its affiliates and employees have made, and can potentially in the future make, oral and written statements or expressions of intent or expectation to investors in the Clients or their affiliates or acknowledge statements by such persons ("Outside Statements") regarding the Clients' or Revelstoke's activities pertaining thereto. These include, for example, the anticipated or expected allocation and terms of co-investment opportunities, the anticipated or expected allocation of investment opportunities to the Clients generally and other topics often addressed in legally binding side letters. Although such Other Statements are not legally binding, such Other Statements influence allocation and other decisions of Revelstoke and its affiliates and employees with respect to the operations and investment activities of the Clients and influence a prospective investor's decision as to whether to invest in the Client. By virtue of not being legally binding obligations, such Other Statements will not be considered side letters for purposes of any most-favored-nation's provisions in actual side letters of the Clients. There can be no assurance that any such arrangements will not have an adverse effect on the Clients or any investor.

*Service Providers.* Certain advisors and other service providers or their affiliates (including any accountants, administrators, lenders, bankers, brokers, attorneys, consultants and, investment or commercial banking firms and certain other advisors and agents) of Revelstoke, the Clients, other Revelstoke Clients or their portfolio companies provide goods or services to or have business, personal, political, financial or other relationships with Revelstoke. Such advisors and service providers will sometimes be investors in the Clients, affiliates of Revelstoke and/or sources of investment opportunities and co-investors or counterparties therewith. These relationships influence Revelstoke in deciding whether to select or recommend such a service provider to perform services for the Clients or a portfolio company (the cost of which will generally be borne directly or indirectly by the Clients or such portfolio company, as applicable). In certain circumstances, services providers or their affiliates will potentially charge different rates or have different arrangements for services provided to Revelstoke or its affiliates as compared to services provided to the Clients and its portfolio companies, which result in more favorable rates or arrangements than those payable by the Clients or such portfolio companies.

*Allocation of Fees and Expenses.* From time to time, Revelstoke will be required to decide whether certain fees, costs and expenses should be borne by a portfolio company or the Clients, on the one hand, or Revelstoke, an Other Account, or other party, on the other hand. In exercising its discretion to allocate fees and expenses, Revelstoke is faced with a variety of conflicts of interest. Any such conflict will be resolved as required by the Governing Documents, Revelstoke's allocation policies or, if not addressed therein, otherwise in a fair and equitable manner as determined by Revelstoke in its sole

discretion. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to inherent biases in the process. For example, Revelstoke has in the past and expects in the future, to cause one or more Clients to purchase, and/or bear, premiums, fees, costs and expenses (including, without limitation, expenses or fees of insurance brokers) for insurance to insure multiple Clients, the applicable General Partner, Revelstoke and/or their respective directors, officers, employees, agents, representatives, members of advisory committees, and other indemnified parties), against liability in connection with the activities of the Clients. Revelstoke will make judgments about the allocation of such premiums, fees, costs, and expenses for such “umbrella” or other insurance policies among one or more funds (including the Clients) and/or Revelstoke in its reasonable discretion and can make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in the Clients bearing less (or more) premiums, fees, costs, and expenses for insurance policies. In addition, as such umbrella policies cover all Clients, a single large claim with respect to one Client has the potential to reduce the remaining coverage available for the other Clients under such policies.

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

*Advisory Committee.* Certain Clients have established an advisory committee, consisting of representatives of investors. A conflict of interest exists when some, but not all, investors are permitted to designate a member to an advisory committee. Except where the Governing Documents specifically require that a matter be brought to an advisory committee, Revelstoke will have sole discretion to decide whether to present any potential conflict to an advisory committee. In the event that Revelstoke consults with an advisory committee as to certain potential conflicts of interest, it could be disadvantageous to the investors, including those investors who do not designate a member to an advisory committee.

In addition, for some Clients, members of one Client’s advisory committee are members of another Client’s advisory committee. In such instances, a conflict of interest can be deemed to exist because advisory committees are often requested to provide consent with respect to transactions which involve a conflict of interest between two or more Clients on which such advisory committee members serve, and such members are unlikely to recuse themselves from any such vote. To the extent members of an advisory committee vote regarding conflicts or otherwise participate in matters involving a vote or action, such members may not vote solely in accordance with their interests related to one Client vis a vis another Client, including for example, if such a member is required to vote on issues regarding conflicts between the Clients. Such members are unrestricted from voting and have the potential to affirmatively vote in a manner that is in their own interest and adverse to the interest of other investors.

Finally, advisory committee members may choose to abstain from voting on certain issues, which means that certain votes and issues could be decided only by non-abstaining members and less than a complete group of advisory committee members.

*Portfolio Company Board Service.* Revelstoke employees, including operating partners, are appointed by Revelstoke to serve on the boards of Client portfolio companies. Serving in such capacity can give rise to conflicts to the extent that an employee's fiduciary duties to a portfolio company as a director conflict with the interests of a Client. In general, however, as the Clients will typically be significant shareholders of such companies, it is expected that such interest will generally be aligned. In addition, portfolio companies from time to time make discounts and other benefits available to employees in connection with products or services offered by such companies.

From time to time, portfolio company board members approve compensation and other amounts payable to Revelstoke in connection with services provided by the Firm and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Governing Document's offset provision, are in addition to the management fee or carried interest. Revelstoke's authority to appoint or influence the appointment of portfolio company board members who will potentially be involved in approving compensation payable to the Firm subjects Revelstoke and any such portfolio company board appointees to potential conflicts of interest.

*Industry Relationships.* As with many other private equity fund sponsors, as part of Revelstoke's business, the principals, Revelstoke and its employees have developed relationships with third parties which have the potential to raise conflicts of interest. Such third parties include investment bankers, lenders, consultants, finders (including portfolio company finders), expert network professionals, professional advisors (such as attorneys and accountants), co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees and members of Revelstoke as well as family members or close contacts of such persons. Certain of these third parties can, on occasion: (i) introduce investment opportunities to Revelstoke; (ii) arrange for, or facilitate the financing of, the purchase or recapitalization of current and potential portfolio companies; (iii) introduce portfolio companies to potential acquisition or merger candidates; (iv) facilitate the disposition of portfolio companies; or (v) provide investment banking, consulting, legal or advisory services to Revelstoke, the Clients, or portfolio companies. Such third parties also on occasion provide goods or services to or have business, personal, familial, financial or other relationships with the principals. In other instances, such third parties provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through Revelstoke's entities) to Firm personnel and their estate planning vehicles. In addition, such third parties are sometimes investors in one or more Clients; co-invest in one or more portfolio companies; or provide other significant business or investment services to Revelstoke, Revelstoke's employees, the Clients and/or their portfolio companies. Such third parties can be entitled to receive a portion of a Client's proceeds in connection with the sale of a particular portfolio company. Such third parties can also on occasion receive discretionary bonuses, transaction-based fees and/or directors' fees from, participation and/or profits or equity interests in a portfolio company

or holding company in exchange for providing their services and such discretionary bonuses, fees, participation and/or profits or equity interests are not subject to the management fee offsets described in Item 5 above. These relationships have the potential to influence Revelstoke in deciding whether to select or recommend any such third party to perform services for the Clients or a portfolio company. Compensation in the form of profits or equity interests in a portfolio company or immediate holding company will generally have a dilutive impact on a Client's investment. The cost of many services provided by such third parties are expected to be borne directly or indirectly by the Clients or their portfolio companies, as applicable.

*Tangible and Intangible Benefits.* In connection with its services to the Clients and their investments, Revelstoke expects to receive the benefit of certain tangible and intangible benefits. For example, in the course of Revelstoke's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, Revelstoke and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Client or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "the Revelstoke Information"). In many cases, Revelstoke Information will include tools, procedures and resources developed by Revelstoke to organize or systematize Revelstoke Information for ongoing or future use. Although Revelstoke expects its Clients and their portfolio companies generally to benefit from Revelstoke's possession of Revelstoke Information, it is possible that any benefits will be experienced solely by other or future Clients or portfolio companies (or by Revelstoke and its personnel) and not by the Client or portfolio company from which Revelstoke Information was originally received. Revelstoke Information will be the sole intellectual property of Revelstoke and solely for the use of Revelstoke.

Additionally, Revelstoke and its employees receive certain intangible and/or other benefits or perquisites arising or resulting from their activities on behalf of a Client, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Client expenses often result in "miles" or "points" or credit in loyalty/status programs to Revelstoke and/or its employees, and such rewards or amounts will exclusively benefit Revelstoke and/or such employees and will not be subject to the offset arrangements or otherwise shared with such Client, its investors, or the portfolio companies.

*Loans Among Firm Affiliates.* As mentioned in Item 5 above, part of the respective General Partner's capital calls, for some of the Clients certain firm principals make capital contributions through a contribution that is composed of both (i) a "deemed contribution" which is taken as an offset against management fees payable in the following period, as well as (ii) a cash contribution. In certain instances, the cash contribution is typically made using funds that are loaned from the Firm. This creates a potential conflict of interest between the principals in their personal capacity and in their capacity as employees of the Firm. Additionally, as the loans are expected to be repaid as an offset against such principal's year-end bonus, the Firm could be exposed to additional losses if such bonuses are insufficient to repay such loan or if the employee leaves the Firm prior to such bonus. The agreements governing such loans have been structured to try to address such conflicts.

*Conflicts Arising in Respect of Alignment of Interest.* A third party also maintains a passive, non-voting minority interest in Revelstoke, which is not large enough to warrant inclusion on the Form ADV Part 1, Schedules A or B. The third-party investor does not have any authority over the day-to-day operations or investment decisions of Revelstoke as they relate to the Clients, but does have certain customary minority protection rights. In addition, the third-party investor does not have representation on the advisory committees of any of the Revelstoke Clients.

The existence of a minority economic interest could diminish the alignment of a minority investor's interests with other Fund investors. Additionally, a minority investor could have relationships with other investment vehicles and accounts that could give rise to potential conflicts of interest. For example, a minority investor and/or its affiliates could sponsor, advise, underwrite, manage or invest in other investment vehicles and accounts that pursue investment strategies similar to those of a Fund. Such activities have the potential to adversely affect the Funds; for example, a minority investor and/or its affiliates could compete with the Funds for investment opportunities, and Revelstoke expects that a minority investor would be under no obligation to share any investment opportunity, idea or strategy with the Funds or Revelstoke.

*Cross Transactions.* In infrequent circumstances, Revelstoke effects a cross transaction between Clients. Such cross transactions create conflicts of interest because by not exposing such buy and sell transactions to market forces, it is possible that (i) a Client will not receive the best price possible or (ii) Revelstoke will have an incentive to improve the performance of one Client by selling underperforming assets to another Client in order, for example, to earn fees. Revelstoke attempts to mitigate such conflicts of interest by receiving a fairness opinion, receiving a legal opinion, engaging a placement agent and/or investment banker, each as appropriate. In certain circumstances, Revelstoke reserves the right to determine that the willingness of third party to make an investment on the same terms demonstrates the fairness of the relevant transaction to the Client under then-current market conditions.

## **Item 9 – Disciplinary Information**

Like other registered investment advisers, Revelstoke is required to disclose all material facts regarding any legal or disciplinary events that would materially impact an investor's evaluation of the Firm or the integrity of Revelstoke's management.

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

## Item 10 – Other Financial Industry Activities and Affiliations

Neither Revelstoke nor any of its management persons is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Neither Revelstoke nor any of its management persons is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing.

Revelstoke does not have arrangements with a related person who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other investment adviser, financial planner, futures commission merchant, commodity pool operator, commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or sponsor or syndicator of limited partnerships that are material to its advisory business, to its Clients or to its investors.

As described in Item 4 above, the relying adviser, the Clients' General Partners and the Managers of the Affiliate Funds and Co-Investment Funds are affiliated entities of the Firm and deemed registered with the SEC under the Advisers Act pursuant to Revelstoke's registration. Revelstoke, the General Partners and the Managers, together, operate as a single advisory business. The controlling principals of Revelstoke are also the controlling members of the General Partners and Manager. The relying adviser, General Partners and Managers do not have employees of their own.

As referenced in Item 4 and Item 8, Revelstoke has accepted a passive, non-voting minority interest in Revelstoke, which is not large enough to warrant inclusion on the Form ADV Part 1, Schedules A or B. The third-party investor does not have any authority over the day-to-day operations or investment decisions of Revelstoke as they relate to the Clients, but does have certain customary minority protection rights. In addition, the third-party investor does not have representation on the advisory committees of any of the Revelstoke Clients.

Revelstoke has and will continue to develop relationships with professionals who provide services it does not provide, including legal, accounting, fund administration, banking, investment banking, tax preparation, placement agent services, insurance brokerage, information technology, compliance and other services. Some of these professionals provide services to the principals, employees, the Clients or their portfolio companies. Additionally, some of these professionals are investors in Revelstoke Clients, either personally or through their companies.

From time to time, Revelstoke receives training, information, promotional materials, meals, entertainment, gifts, or other perquisites from vendors and others with whom it does business or to whom it makes referrals. At no time will Revelstoke accept any benefits, entertainment, gifts or other arrangements that are conditioned on directing business to a specific vendor. Similarly, Revelstoke employees have in the past, and expect in the future, to speak at or attend conferences and programs for potential investors interested in investing in private funds and other events that are sponsored by

various investment bankers, broker-dealers or others. Through such capital introduction and other events, prospective investors have the opportunity to meet with Revelstoke. Neither Revelstoke nor any Client compensates these investment bankers, broker-dealers or others for organizing such events or for investments ultimately made by prospective investors attending such events other than registration, sponsorship, membership or other similar fees paid to attend such events.

Revelstoke does not recommend or select other investment advisers for its Clients.

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

### **Code of Ethics**

High ethical standards are essential for the success of Revelstoke and for maintaining the confidence of its investors. As fiduciaries, Revelstoke and its supervised persons have a legal obligation to put Clients' interest ahead of their own. Revelstoke has adopted a Code of Ethics (the "Code") which establishes rules of conduct for all supervised persons. The Code is designed to govern personal securities trading activities in supervised person accounts. The Code is based upon the principle that Revelstoke and its supervised persons owe a fiduciary duty to the Clients to conduct their affairs, including their personal securities transactions, to avoid: (i) serving their own personal interests ahead of Clients; (ii) taking inappropriate advantage of their position with the Firm; and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

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

Adherence to the Code is considered a basic condition of employment by Revelstoke and is designed to ensure that the high ethical standards maintained by Revelstoke continue to be applied. Upon initial hire and at least once a year, each Revelstoke supervised person is required to acknowledge and agree to be bound by the Code. Supervised persons who violate the Code of Ethics are subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of which they become aware.

Revelstoke will provide a copy of the Code to any prospective or existing investor upon request to Blake Bennett, Revelstoke's Chief Compliance Officer at [bbennett@revelstokecapital.com](mailto:bbennett@revelstokecapital.com) or (303) 953-7438.

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

Revelstoke, its affiliates and certain employees and/or their family members have invested in the Clients; the Firm has exempted such persons from all or a portion of the carried interest and certain expenses. Revelstoke does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of investors in such Clients.

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

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

Cross transactions occur where an adviser or an affiliate arranges a transaction (*i.e.*, acts as a broker) between two or more clients managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the asset) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Adviser Act Section 206(3). In the context of Revelstoke's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Client to another. Agency cross transactions can arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to Revelstoke.

In the event Revelstoke were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of the participating client(s); (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory committee(s) or investors, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction. During 2023, Fund III completed its syndication of an investment to a Co-Investment fund. Revelstoke followed the above procedures with regard to this transaction.

## **Conflicts of Interest**

Revelstoke has adopted rules intended to detect and prevent conflicts of interest that arise when supervised persons own, buy or sell securities. If any matter arises that Revelstoke determines in its



good faith constitutes an actual conflict of interest, Revelstoke will take such actions as are necessary or appropriate, and as permitted by any applicable Governing Documents, to address the conflict. The Governing Documents include a description of what Revelstoke believes to be the most significant conflicts of interest associated with an investment in that Client. Some of these conflicts are summarized in Item 8 above.

### **Employee Personal Trading**

In rare cases, Revelstoke's business has the potential to provide Revelstoke and its supervised persons with access to material non-public ("inside") information. The Code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated. Supervised persons and their covered family members are permitted to undertake securities transactions in their personal accounts, subject to certain limitations as outlined in the Code. However, supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information or communicating material non-public information about such securities to others. Because Revelstoke's business focuses primarily on private market investments, it is uncommon for Revelstoke to have access to any material non-public information. Regardless, the Firm maintains a restricted list of issuers about which it has, or may have, material non-public information. Pre-clearance is required by supervised persons and their covered family members for certain personal securities transactions, including trading in restricted list securities, initial public offerings and limited offerings. In addition, supervised persons are required to file certain reports and link certain brokerage accounts to the Firm's compliance software to enable monitoring of personal trading by the Chief Compliance Officer or his designee.

The principals and employees of Revelstoke carry on investment activities for their own accounts and for family members, friends or others, and give advice and recommend securities which can differ from advice given to, or securities recommended or bought for, the Clients, even if their investment objectives are the same or similar. In addition, principals and employees are permitted to buy securities in transactions offered to but rejected by the Clients or that are outside the investment mandate of the Clients. For example, in an effort to build relationships with founders and companies, supervised persons at times are expected to make personal investments that are not at that time appropriate for a Client, such as those that are too small and/or too early stage, in order to form deeper connections with such companies, get insight into their industries and ecosystems over time, and further develop their networks and relationships with the founders, CEOs and boards of such endeavors. All such employee private investments are subject to pre-approval and review by the Chief Compliance Officer.

### **Item 12 – Brokerage Practices**

Section 206 of the Advisers Act requires Revelstoke to act in the best interests of its investors. A part of that obligation is to seek to obtain best execution for Revelstoke Clients. Typically, the Clients' investments in portfolio companies are private transactions directly negotiated between prospective portfolio companies (or their representative) and Revelstoke and are not facilitated by broker-dealers

engaged by Revelstoke or the Clients. However, portfolio companies periodically engage broker-dealers or investment bankers to perform various services, such as assisting in capital raising, merger and acquisition activity or the sale of a portfolio company. On occasions when a Client owns a publicly traded portfolio company, the company will engage a broker-dealer to assist in the purchase or sale of shares of securities. Revelstoke has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Clients. In executing transactions, Revelstoke will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Client(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, Revelstoke selects a broker-dealer or investment banker with the overall aim of maximizing returns for the Client. Selection of a broker-dealer or investment banker is based on Revelstoke's judgment regarding a variety of factors, including but not limited to: Revelstoke's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that can be restrictive or illiquid in nature; the type and size of the transaction involved the value of research provided (if any); and commission rates, among other factors.

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

Revelstoke does not receive soft dollar benefits in connection with securities transactions, does not receive investor referrals in connection with selecting or recommending broker-dealers or investment bankers for its Clients and does not have any directed brokerage arrangements. In the event Revelstoke were to aggregate the purchase or sale of securities for Client accounts, it would do so on a pro rata basis.

### **Item 13 – Review of Accounts**

#### **Portfolio Review**

Revelstoke's team of investment professionals closely monitors and conducts monthly reviews of Client investments and maintains ongoing oversight of the investments. These reviews include,

without limitation, sales trends, margins, profitability, debt to equity ratios, material business developments, competitive landscape and discussions with management. The team generally includes principals and other investment professionals of Revelstoke at differing levels of seniority. Moreover, with regard to portfolio company investments, partners of Revelstoke monitor portfolio company performance through regular management meetings, as well as detailed reviews of specific portfolio companies that occur as needed. Decisions as to when to purchase or sell a portfolio company are made by the investment committee.

Revelstoke reviews all Client accounts on at least a quarterly basis and periodically checks to confirm that each investment is maintained in accordance with its stated business objectives. The Chief Compliance Officer would perform additional reviews in the event that a portfolio company needed subsequent financing, in the event of a potential acquisition or liquidity event or if there were a serious performance issue.

### **Investor Reporting**

Revelstoke generally will provide to its investors on behalf of the Funds the following written reports: (i) audited financial statements annually within 120 days of fiscal year end, prepared according to generally accepted accounting principles (“GAAP”) as promulgated by the Financial Accounting Standards Board, accompanied by a report of the independent certified public accountant; (ii) unaudited financial statements for the first three quarters of each fiscal year; (iii) annual tax information necessary for each investor’s U.S. tax returns (K-1); and (iv) quarterly valuations of Fund investments based on the Firm’s established valuation policy.

Investors in the Affiliate Funds receive annual audited financial statements and periodic investor letters. Investors in the Co-Investment Funds receive unaudited quarterly financial statements and/or annual audited financial statements as agreed upon with investors in each Co-Investment Fund on a case-by-case basis.

All reports are sent to investors in either a physical copy or are delivered electronically, as per each investor’s preference, and are distributed by either the Firm (for certain Affiliate Funds and the Co-Investment Funds) or through the third-party administrator (for the Funds). The Firm also has contact with investors (*e.g.*, personal visits, telephone, video conference or email) throughout the year as requested or as conditions warrant.

In the course of conducting due diligence or otherwise, investors periodically request information pertaining to Revelstoke’s investments and track record. Revelstoke responds to these requests, and in answering such requests provides information that is not generally made available to other investors who have not requested such information. While Revelstoke does not have an obligation to update any such information provided, the Firm endeavors to provide the information requested in the most current form available. Additionally, as it pertains to existing investors, upon request or pursuant to contractual obligations, certain investors receive additional information and reporting that other investors do not receive. As a result, certain investors will have more information about a Client than

other investors. Revelstoke will ensure that the disclosure of preferential information rights complies with the Private Fund Rule commencing with its effective date in September 2024.

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

As described in Item 5, above, Revelstoke or its affiliates receive certain fees and reimbursements in connection with Clients' investments and portfolio companies. Specifically, pursuant to agreements entered into with the portfolio companies held by the Clients, Revelstoke is, in some cases, entitled to receive fees similar to, but not exclusive of, directors' fees, transaction fees, closing fees, consulting fees, monitoring fees, financial-advisory fees, break-up fees, management fees, investment banking fees, reimbursements or other similar fees. Generally, and solely to the extent a management fee is payable, an allocable percentage of such fees (but not reimbursements) is offset against the management fee as per each Client's Governing Documents.

These types of fee arrangements present potential conflicts of interest and provide Revelstoke with an incentive to recommend investments based on compensation received rather than the best interests of the Clients. To help mitigate this potential conflict of interest, an allocable portion of such benefits received by Revelstoke or its employees in connection with services rendered to portfolio companies or transactions of the Clients (with the exception of reimbursements) are offset against (and therefore reduce) management fees payable by the Clients, to the extent described above in Item 5 and as detailed in the relevant Governing Documents. The receipt of such fees does not reduce or offset management fees for Clients that do not pay management fees.

When raising capital for a new Client, Revelstoke typically enters into placement agent arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming an investor in a Client. Fees for the placement agent generally include a retainer fee as well as a fee based on a percentage of capital committed by investors introduced by the placement agent, including those investors in a prior Client previously introduced by the placement agent who becomes an investor in a subsequent Client. Any fees and expenses payable to a placement agent will be borne by Revelstoke indirectly through an offset against the management fee and the cost of any such fees will be borne entirely by Revelstoke and not by any affected investor; however, 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 Client as part of organizational expenses. As some Clients do not pay management fees, any such reduction will not benefit such Clients.

#### **Item 15 – Custody**

Revelstoke is deemed to have custody over the Clients' assets because General Partner, Manager or relying adviser, as applicable, are not operationally independent from Revelstoke and generally have full discretion and control over Client investments and cash, including their ability to deduct fees from Client accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), the Firm has

elected to undergo an annual GAAP financial statement audit by a Public Company Accounting Oversight Board (“PCAOB”) registered and inspected independent accounting firm, which Revelstoke delivers (or will deliver, in the case of newly closed Clients) to the Clients and their underlying investors within 120 days of the fiscal year end. In addition, upon the final liquidation of a Client, Revelstoke will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Client to all underlying investors promptly upon completion of the audit. Investors in the Clients should carefully review such financial statements.

Revelstoke does not accept physical custody of Client assets (other than certain privately offered securities to the extent permitted by the Advisers Act); called capital is directly deposited or wired into the respective Client’s qualified custodial bank accounts and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. Revelstoke receives monthly custodial statements from such qualified custodian(s). For more information about the Clients’ qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

### **Item 16 – Investment Discretion**

Revelstoke is retained on a fully discretionary basis on behalf of the Clients and is authorized to determine and direct the execution of portfolio transactions pursuant to the terms of each Client’s Governing Documents. Revelstoke has discretionary authority, with certain limitations, to buy and sell securities and other investments on behalf of the Clients and to determine the amount of such investments to be bought and sold. The terms upon which Revelstoke or an affiliate serves as an investment adviser for the Clients is established at the time each investor retains Revelstoke as their investment adviser.

To become an investor in a Client, a prospective investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or other similar documents). Such documents generally contain a power of attorney that grants Revelstoke or the applicable Client’s General Partner certain powers related to the orderly administration of the affairs of the Clients. Once an investor executes these documents, with limited exceptions, such as certain conflicts of interest as discussed elsewhere in this Brochure, Revelstoke is not required to contact investors prior to transacting any business.

Generally, Revelstoke’s only restrictions with respect to managing a Client, such as (but not limited to) the type of securities in which a Client is permitted to invest, will be contained in the relevant Client’s Governing Documents. However, an investor can seek to impose limitations on Revelstoke’s authority through a side letter agreement and the Firm can choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon Revelstoke’s investment authority with respect to an investor’s investment must be presented to Revelstoke in writing and agreed to by Revelstoke and such investor.

## **Item 17 – Voting Client Securities**

By virtue of its Clients' Governing Documents, Revelstoke has the authority to vote proxy statements on behalf of the Clients. However, given the nature of Revelstoke's advisory business, the Clients seldom hold public securities; the majority of "proxies," if any, received by Revelstoke will be written shareholder consents or similar instruments for the private companies in the Clients' portfolios. Specifically, from time to time, portfolio companies request Revelstoke (usually through the General Partner of the applicable Client) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, Revelstoke considers factors that could affect the value of the investment and will act in the manner that it believes maximizes the value of its long-term investment in portfolio companies.

Revelstoke has adopted proxy voting policies and procedures pursuant to Advisers Act Rule 206(4)-6 which seek to ensure that it votes proxies in the best interest of its Clients with a goal towards maximizing overall value. Revelstoke believes its interests generally are aligned with those of its Clients' investors through the principals' beneficial ownership interests in the Clients. In the event that there is or may be a conflict of interest in voting proxies, the Firm will address the conflict using several alternatives, including by seeking the approval or concurrence of an advisory committee on the proposed proxy vote, or through other alternatives deemed appropriate by the relevant General Partner. Client investors cannot direct how Revelstoke votes proxies or shareholder consents, nor is Revelstoke required to seek investor approval or direction when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by Revelstoke (including operating partners) often sit on the boards of portfolio companies to which Revelstoke provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. Revelstoke does not consider such service on portfolio company boards or its receipt of board fees to create a material conflict of interest in voting proxies with respect to such companies.

Revelstoke will provide a copy of its proxy voting policy as well as how public proxies were voted, if any, to any existing investor upon request to Blake Bennett, Revelstoke's Chief Compliance Officer, at [bbennett@revelstokecapital.com](mailto:bbennett@revelstokecapital.com) or (303) 953-7438.

## **Item 18 – Financial Information**

Revelstoke does not require or solicit pre-payment of more than \$1,200 in fees per Client, six months or more in advance, has no financial condition that impairs its ability to meet contractual commitments to Clients and has never been the subject of a bankruptcy petition.