



## CVC Advisors (U.S.) Inc. Part 2A of Form ADV Brochure

712 Fifth Avenue, 43rd Floor New York, New York 10019  
[www.cvc.com](http://www.cvc.com)

March 27, 2024

This brochure provides information about the qualifications and business practices of CVC Advisors (U.S.) Inc. ("**CVC U.S.**"). If you have any questions about the contents of this brochure, please contact Raj Hussain at +44 207 420 4245. 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. CVC U.S. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

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

## 2. Material Changes

This brochure was updated on March 27, 2024. There have been no material changes to this brochure since the last annual update filed on March 31, 2023; however, Items 4, 5, 8, 10 and 11 have been updated to reflect: (i) certain recent changes in the ownership of CVC U.S.; (ii) additional investment advisory relationships; (iii) certain additional disclosures relating to fees and compensation; and (iv) certain additional disclosures relating to risk factors and conflicts of interest. CVC U.S. routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

### 3. Table of Contents

Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	5
Item 6.	Performance Based Fees and Side-by-Side Management	15
Item 7.	Types of Clients	15
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss	16
Item 9.	Disciplinary Information	57
Item 10.	Other Financial Industry Activities and Affiliations	57
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	59
Item 12.	Brokerage Practices	72
Item 13.	Review of Accounts	72
Item 14.	Client Referrals and Other Compensation	72
Item 15.	Custody	73
Item 16.	Investment Discretion	73
Item 17.	Voting Client Securities	73
Item 18.	Financial Information	74
Item 19.	Requirements for State-Registered Advisers	74

## 4. Advisory Business

CVC U.S., a Delaware corporation, is wholly-owned by CVC Advisers (Luxembourg) Sàrl ("**CVC Advisers Luxembourg**"), which is principally held, through various intermediate subsidiaries, by CVC Capital Partners Advisory Group Holding Foundation, a foundation incorporated under the laws of Jersey, Channel Islands ("**CVC Advisory Holding Foundation**" and together with its subsidiaries the "**CVC Advisory Business**"). CVC Advisory Holding Foundation is controlled by CVC Holdings Limited, which is also its sole beneficiary. CVC Holdings Limited is wholly owned, indirectly through an intermediate subsidiary, by CVC Capital Partners SICAV-FIS S.A. CVC Nominees Limited holds the shares in CVC Capital Partners SICAV-FIS S.A. as a nominee. These changes are the result of an internal reorganisation of the CVC network above Advisory Holding Foundation.

CVC U.S. is part of CVC. As used in this brochure, the term "**CVC**" includes CVC Advisory Holding Foundation, CVC Capital Partners SICAV-FIS S.A., CVC Credit Partners Group Holding Foundation, and their respective subsidiaries and affiliates from time to time, but does not include portfolio companies of the investment funds advised by them. References herein to "CVC" include CVC U.S. unless the context otherwise requires. CVC's private equity business is primarily engaged in advising and managing private equity funds that generally acquire controlling or significant minority interests in European, North American and Asian businesses. CVC's global private equity platform includes investment professionals across 25 countries in Europe, the Americas and the Asia-Pacific region. CVC and its predecessors have operated as an independent investment advisory business since 1993.

CVC Advisers Jersey Limited ("**CVC Advisers Jersey**")<sup>1</sup> is a limited company incorporated in Jersey, Channel Islands. CVC Advisers Jersey acts as investment adviser to certain CVC private equity funds (each, a "**CVC Capital Fund**" or "**CVC Fund**" or "**Fund**"). Local CVC-affiliated sub-advisers organized in Europe, Asia and the Americas (including CVC U.S.) make investment recommendations to CVC Advisers Jersey investment committees (the "**Investment Committees**") and cost approval committees (the "**Cost Approval Committees**" and, together with the Investment Committees, the "**Committees**") indirectly through CVC-affiliated adviser entities. Specifically, CVC U.S. indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey. Each of CVC Advisers Company (Luxembourg) Sàrl ("**CVC Advisers Company Luxembourg**") and then through CVC Advisers Private Equity Limited ("**CVC Advisers PE**") performs administrative functions, facilitates the collation of advice from CVC U.S. and forwards these recommendations to CVC Advisers Jersey (with respect to CVC Capital Funds in an active investment period).

In particular, under a written investment advisory agreement (the "**Sub-Advisory Agreement**"), CVC U.S. indirectly makes investment recommendations for certain CVC Capital Funds with respect to investments in the United States and the rest of North America. CVC U.S. has no authority to make investment decisions for the CVC Capital Funds. That investment authority resides with the general partner or, where applicable, the portfolio manager of the relevant CVC Capital Fund and is exercised from a place of business outside of the United States. Under the Sub-Advisory Agreement, CVC U.S. further engages in ongoing monitoring and supervision of the North American investments made by the relevant CVC Capital Funds. In addition, certain CVC U.S. employees are members of the Committees for certain CVC Capital Funds. In no case do CVC U.S. personnel constitute a majority of any Committee.

CVC U.S. provides sub-advisory services to the following CVC Capital Funds:

- CVC Growth Partners I ("**Growth Fund I**");
- CVC Growth Partners II ("**Growth Fund II**");
- CVC Growth Partners III ("**Growth Fund III**");
- CVC Strategic Opportunities I ("**Strategic Opportunities Fund I**");
- CVC Strategic Opportunities II ("**Strategic Opportunities Fund II**");
- CVC Strategic Opportunities III ("**Strategic Opportunities Fund III**");
- CVC Capital Partners Fund VI ("**Fund VI**");

<sup>1</sup> CVC Advisers Jersey has filed with the SEC as an exempt reporting adviser.

- CVC Capital Partners Fund VII (“**Fund VII**”);
- CVC Capital Partners Fund VIII (“**Fund VIII**”); and
- CVC Capital Partners Fund IX (“**Fund IX**”).<sup>2</sup>

Growth Fund I, Growth Fund II and Growth Fund III are referred to herein collectively as the “Growth Funds” and each as a “Growth Fund” and Strategic Opportunities Fund I, Strategic Opportunities Fund II and Strategic Opportunities Fund III are referred to herein collectively as the “Strategic Opportunities Funds” and each as a “Strategic Opportunity Fund.”

A Fund that is no longer in an active investment period is referred to as a “Mature Fund.” The sub-advisory services that CVC U.S. provides to the Mature Funds are limited to ongoing monitoring, exit recommendations, and follow-on investment recommendations. CVC U.S. no longer advises any investments in a Mature Fund. A Fund that is in an active investment period is referred to as a “Current Fund.” At present, the “Current Funds” for which CVC U.S. provides sub-advisory services are Fund VIII, Fund IX, Strategic Opportunities Fund II and Growth Fund II.

As of December 31, 2023, CVC U.S. is deemed to have non-discretionary regulatory assets under management of approximately \$15,328,690,802. CVC U.S. does not have investment decision-making authority for any client.

## 5. Fees and Compensation

Under the Sub-Advisory Agreement, CVC Advisers Company Luxembourg pays to CVC U.S. a fee equal to (i) its pre-tax cost base plus (ii) a margin of 5%. “Pre-tax cost base” means costs incurred by CVC U.S. in the provision of its advisory services, net of any third-party income including, but not limited to, director fees, monitoring fees, break fees, exit fees or other similar fees which will reduce the fee paid to CVC U.S. (as discussed in more detail below), and before deduction of certain taxes. In addition, CVC Advisers Company Luxembourg pays CVC U.S. an annual performance fee determined by reference to the performance of CVC U.S. regarding advisory services it provides relative to the performance of the other local sub-advisers in the CVC Advisory Business. This fee is paid quarterly in advance. The Sub-Advisory Agreement provides that upon termination of the Sub-Advisory Agreement, CVC U.S. shall repay to CVC Advisers Company Luxembourg, the unearned portion (computed on the basis of the number of days elapsed), if any, of any fees previously paid to CVC U.S.

CVC U.S. fees are not paid directly by the CVC Capital Funds but, rather, are paid to CVC U.S. by CVC Advisers Company Luxembourg. CVC Advisers Company Luxembourg benefits from the management fee paid by the CVC Capital Funds. Expenses for which CVC U.S. is reimbursed by CVC Advisers Company Luxembourg include CVC U.S.’s operating costs and expenses related the acquisition, monitoring, or disposition of CVC Capital Fund investments. The relevant CVC Capital Fund will ultimately reimburse CVC Advisers Company Luxembourg for the portion of costs and expenses reimbursed by CVC Advisers Company Luxembourg to CVC U.S. that would be considered partnership expenses, as provided in the respective CVC Capital Funds’ governing documents and as described in detail below. Expenses borne by CVC are limited to those items specifically enumerated in the partnership agreements (such as rent for office space, office furniture and salaries of its employees) of the relevant CVC Capital Fund, and all other costs and expenses in operating a Fund are borne by the investors. The amount of fees and expenses borne by the investors in a Fund can be substantial and reduce the actual returns realized by investors on their investment in a CVC Capital Fund (and reduce the amount of capital available to be deployed by such Fund in investments).

### *Types of Expenses charged to CVC Capital Funds*

Three general categories of expenses are allocated to and among CVC Capital Funds. These categories are: (1) organizational and operating expenses, (2) investment sourcing and diligence expenses and (3)

<sup>2</sup> Each of the CVC Capital Funds comprises multiple parallel fund and co-investment vehicles formed for regulatory, tax or other reasons. When used in this brochure, the terms CVC Capital Funds, Growth Fund I, Growth Fund II, Growth Fund III, Strategic Opportunities Fund I, Strategic Opportunities Fund II, Strategic Opportunities Fund III, Fund VI, Fund VII, Fund VIII and Fund IX include those parallel vehicles, as the context may require. Additionally, reference to “Partnership” in this brochure means each limited partnership or separate limited partnership forming part of a CVC Capital Fund.

ongoing expenses of portfolio companies and intermediate holding vehicles (“IHVs”). The offering and governing documents of each CVC Capital Fund contain greater detail on the type of expenses that can be charged to such CVC Capital Fund, but a summary of each category is provided below.

CVC has adopted a Global Fees and Expense Policy that generally provides that CVC will seek to allocate expenses and fees equitably across all relevant CVC Capital Funds in accordance with CVC’s contractual and fiduciary obligations. CVC reserves the right to use its good faith discretion in determining the proper allocation of expenses between CVC and the relevant CVC Capital Fund(s) or between two or more CVC Capital Funds in any manner that is fair and reasonable in the circumstances (including in a manner that may be contrary to the guidelines contained in the Global Fees and Expense Policy), based on its good faith consideration of relevant factors and in accordance with its contractual and fiduciary obligations.

### **Organizational Expenses**

Each Partnership, except any parallel partnership as may be formed in relation to any CVC Fund for the purposes of the CVC house commitment and/or any CVC associate scheme, bears its proportion of all fees, costs and expenses (together with any applicable tax) incurred directly or indirectly in connection with the offering and establishment of the relevant CVC Fund, up to the specific capped amount stipulated in the relevant Fund’s governing documents, plus relevant taxes (the “**Organizational Expenses**”). Each investor will indirectly bear its pro-rata share (based on its commitments) of each relevant Fund’s Organizational Expenses. Any amounts in excess of the capped Organizational Expenses will be for the account of the applicable general partner and, to the extent such amounts have been paid by the Fund, will be offset against the management fee. Placement agent fees or expenses (if any) are borne by CVC and are not borne by any CVC Capital Fund.

Examples of Organizational Expenses are: legal, accounting and filing expenses incurred in connection with the organization and establishment of any CVC Fund and the related general partner – including but not limited to the marketing and offering of interests in such Fund, advertising, printing, wholesaling and other fundraising expenses associated with the admission of an investor and investor-related services and other similar costs, travel and travel-related and entertainment expenses incurred in connection with the Fund’s fundraising and investment activities, premium meals, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers). Typically, CVC’s external legal counsel costs associated with the establishment and fundraising of a Fund take up the entire amount of the Organizational Expenses which may be charged to such Fund.

### **Operating Expenses**

Each Partnership bears its proportion of all fees, costs, expenses and liabilities (together with any applicable value-added tax (“**VAT**”)) incurred directly by a Fund or indirectly (through an acquisition vehicle established in connection with an investment or through a portfolio company) relating to the ongoing administration, operation of and business of such Fund as permitted by each Fund’s governing documents, including those relating to:

- Its operation, management and administration;
- Marketing, advertising, printing, wholesaling and other fundraising expenses associated with the admission of an investor and investor-related services and other similar costs, travel and travel-related and entertainment expenses incurred in connection with a Fund’s fundraising and investment activities, premium meals, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers).
- Information technology system expenses (including the costs of acquiring, developing, implementing and maintaining specialty and custom computer software and hardware and other technological systems for the benefit of a Fund, its investors, or a portfolio investment or potential investment; Expenses and fees generated in the course of organizing, making, holding, developing (including compliance with any applicable environmental, social and



governance and climate change related requirements), managing, monitoring, refinancing, maintaining, administering, restructuring, structuring, operating and negotiating joint venture arrangements and platform investments, including with respect to transactions that are not consummated, such Fund's allocable share of expenses and fees incurred in the course of making investments;

- Expenses of dissolving, liquidating or terminating a Fund, any other fees and expenses approved by a Fund's advisory board, expenses associated with a Fund, and other similar fees and expenses, as well as any other fees or expenses incurred by CVC U.S. or such Fund in connection with such Fund's operations that are not specifically set forth above as being paid by CVC;
- Employees, delegates, independent agents, lawyers, accountants, appraisers, nominees, consultants, intermediaries, valuers, lenders, banks, administrators, custodians, depositaries, auditors, investment professionals, financial advisers and/or other financial institutions, data providers, expert network firms and other professional service providers or advisors, including finders, investment bankers, tax advisers and brokers (including legal fees and regulatory compliance costs incurred in connection with the engagement of any such professionals for a Fund), who, in each case, may be CVC entities and/or CVC personnel provided that such CVC entities and/or CVC personnel are engaged on arm's length terms;
- Compliance with disclosure, reporting and similar obligations under a Fund's governing documents (including reporting in relation to tax, environmental, social and governance ("**ESG**") and climate change related matters) or under any applicable law or regulation (including related technology costs);
- All abort costs and the administration, reporting, custody, management, operation, termination, liquidation and winding up of a Fund;
- Tax, legal, accounting, consulting, regulatory, compliance costs (including in relation to environmental, social and governance and climate change related matters) in respect of a Fund and its investments;
- Any administrators, custodians and depositaries (who, in each case, may be CVC entities and/or CVC personnel, provided that such CVC entities and/or CVC personnel are engaged on arm's length terms) in relation to the safeguarding, administering and/or holding (or similar) of the assets of a Fund and/or the performance of any functions of a custodian and/or depositary contemplated by the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers and its implementing measures or any national private placement regime in any jurisdiction (the "**AIFM Directive**");
- Valuations, certificates and investor reporting;
- Fund borrowings, and other indebtedness or undertakings and hedging activities (including interest on and fees and expenses arising out of all fund borrowings) and related fees, costs and expenses related to such borrowings, including expenses and fees of lawyers, accountants and other professional advisors and bridge financing expenses and guarantees (which may be payable to another Fund co-investing in the bridge transaction or to CVC or an affiliate, in each case being the entity providing the bridge financing);
- Bank fees for the operation of accounts and taxes, and ongoing tax and regulatory compliance costs (including the cost of making filings with regulators on behalf of a Fund);
- Printing and distributing quarterly reports and the audited accounts to investors;
- Fees, costs and expenses incurred in relation to maintaining professional indemnity insurance and directors' and officers' insurance. This excludes the cost of any director and officer indemnity insurance maintained by CVC which covers CVC executives for both portfolio

companies or CVC's own corporate entities. The cost of such director and officer indemnity insurance is borne by CVC;

- Maintaining professional indemnity insurance and directors' and officers' insurance as well as in relation to any litigation or other proceedings, investigations or audits involving or relating to a Fund and the amount of any judgment or settlement entered into in connection therewith. This excludes the cost of any director and officer indemnity insurance maintained by CVC which covers CVC executives for both portfolio companies or CVC's own corporate entities. The cost of such director and officer indemnity insurance is borne by CVC;
- All taxes and all fees, duties, penalties or other charges levied by any other governmental agency or regulatory body against a Fund or payable by a Fund in connection with its investments or otherwise and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund, expenses incurred in connection with tax preparation and filings;
- Advisory board meetings (including the reasonable out-of-pocket expenses incurred by its members, legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist in connection with attending meetings of the advisory board) and annual investor meetings for a Fund which typically include expenses of meals, events, entertainment and travel and accommodation costs (and the cost of attendance by CVC personnel); and
- Any amendments, side letters (including "most favoured nations" provisions) and other constituent or related documents of a Fund and the respective general partner (including costs and expenses relating to investor and advisory board consent, waiver or compliance and compliance monitoring-related materials).

### ***Investment Sourcing and Diligence Expenses***

Prior to making an investment, expenses are typically incurred to source and conduct due diligence related to the investment opportunity and include the fees, costs and expenses of identifying, researching, investigating (including conducting diligence), evaluating, structuring, financing, and negotiating potential investments in relation to such opportunity.

Investment sourcing and diligence expenses are expected to include fees costs, expenses and liabilities (together with any VAT or goods and services tax) relating to:

- Investment related activities (including sourcing, researching, negotiating, acquiring, holding, monitoring, developing (including compliance with any applicable ESG and climate change related matters, including ESG ratings services) and disposing of actual and potential investments);
- Legal, finance, accounting, consulting, IT, HR, insurance, executive and industry advisers, M&A advisers, and other professional advisory services;
- Abort costs;
- Debt financing and investment banking fees;
- Attending conferences or similar meetings to source and evaluate investment opportunities related to a specific situation where the investment team has investment committee approval to incur costs even if such expenses are not related to a specific transaction (including the evaluation of potential investments, regardless of whether such investment is ultimately consummated);
- Service providers and other third parties, research and other information (including, but not limited to, research costs allocated by CVC U.S.'s investment professionals and third-party



groups, and including data and information service subscriptions, related systems and services from data providers and data management software and including any research or other service that may be deemed to be bundled for the benefit of such Fund), as well as the information technology systems used to obtain such research and other information, third-party diligence software and service providers, subject and industry-matter research and experts;

- Research related to a specific situation where the investment team has investment committee approval to incur costs; and
- Certain travel and accommodation costs relating to carrying out the due diligence of an investment for all consummated and aborted investments for a Fund.
- Travel and related expenses described herein are expected to include, without limitation, first class and/or business class airfare and / or private charter, where appropriate (and in accordance with internal procedures), accommodation and ground transportation, meals (including, as applicable, closing dinners and mementos, and social and entertainment events with portfolio company management, clients, borrowers, brokers and service providers).

Transactional expenses (i.e., due diligence) related to a potential investment are generally either capitalised as part of the acquisition cost of the relevant investment for consummated investments or treated as sourcing and diligence expenses for investments that are not consummated (i.e. aborted).

### ***Ongoing Expenses of Portfolio Companies and Intermediate Holding Vehicles***

Ongoing expenses that are specific to a portfolio company are expected to be borne by the relevant portfolio company directly. When the portfolio company bears an expense directly, each direct and indirect equity owner of such company will indirectly bear a portion of such expenses, including the Funds. Expenses will also be borne by: (1) IHVs or other vehicles through which certain, but not all, of the direct and indirect equity owners of the portfolio company invest; or (2) the Funds.

Examples of ongoing portfolio company expenses include but are not limited to:

- Costs (including administrative and filing fees) of maintaining the holding structure for portfolio investments;
- Portfolio and risk management expenses (including hedging transactions and related costs);
- Bank financing costs; and
- Travel, entertainment and related expenses; and
- Expenses of any actual or potential litigation or other dispute, investigation or inquiry related to any portfolio company or any actual or potential portfolio investment (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation and the appointment of any agents for service of process on behalf of such portfolio company or CVC) and other extraordinary expenses related to any portfolio investment (including fees; professional indemnity insurance and directors' and officers' insurance coverage for litigation expenses; and costs and expenses classified as extraordinary expenses under generally accepted accounting principles in the United States).

### ***Services by CVC and/or CVC personnel***

CVC and/or CVC personnel may provide certain services to a portfolio company or IHV of an administrative nature, including the provision and arrangement of office space, the provision of directors, local personnel (including salary and benefits), tax administrative services (including in respect of reporting required pursuant to any existing or future tax reporting regime) and other general administrative services (including in respect of any reporting required pursuant to any existing or future

legal or regulatory reporting regime). In addition, CVC and/or CVC personnel may incur, charge, attribute or allocate fees, costs and expenses related to the provision of other in-house services (including any related costs incurred in connection therewith) including, without limitation, fund administration, reporting, legal services, regulatory services, accounting services, ESG and sustainability-related services (including transaction-related expenses, expenses in connection with the collection and benchmarking of data and preparation of filings, reports, disclosures and notices prepared in connection with the SFDR and any other similar legislation or regulation, and portfolio monitoring expenses), tax services (e.g., tax compliance, tax oversight, tax structuring and tax reporting), information technology, hedging, currency and treasury management, transfer pricing, and other similar services) to or for the benefit of a Fund, a portfolio company or IHV, which could be allocated to a Fund in accordance with CVC Capital Partners' expense allocation policy. CVC may determine the cost of such in-house services by reference to the aggregate annual compensation (including, without limitation, salary, bonus, benefits, profit interests, payroll taxes, equity interests of other incentive-based compensation) of the personnel performing such services, plus an estimate of the overhead and other fixed costs allocable to such personnel, and the approximate amount of time spent by the relevant personnel in providing such services, in each case, in its discretion.

CVC takes into account a variety of considerations when determining the extent to which fees, costs and expenses are to be allocated to a Fund (and the extent to which fees, costs and expenses may be allocated to any other CVC Funds), and uses methods that it believes are fair and reasonable. CVC's in-house expense calculation and allocation processes are expected to rely on certain judgments and assessments that in turn are based on information and estimates from various inputs, and the calculations and allocations that result may not be exact. In addition, relevant comparisons may not be available (or obtaining them may otherwise not be feasible) for a number of reasons, including as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services. Any methodology, or choice among methodologies, involves potential conflicts of interest which will not necessarily be resolved in a Fund's favor, and the use of any particular methodology may lead a Fund to bear relatively more costs in certain instances and relatively less costs in other instances compared to what the Fund would have borne if a different methodology had been used. In the future, CVC may use additional or different methodologies to allocate fees, costs and expenses in a manner that it determines to be fair and reasonable. CVC and/or such CVC personnel may receive an arm's length fee from a Fund or the relevant portfolio company or IHV (as applicable) in return for providing the services described in the preceding paragraph and CVC and/or such CVC personnel will not be required to account to such Fund for any such fees nor will such fees be subject to an offset against the management fee paid by such Fund which would otherwise apply to, for example, directors' fees.

### ***Portfolio Company Fees and Offsets***

#### *Portfolio Company Fees*

##### *Current Funds*

For Current Funds, 100 percent of the Partnership's proportion of any portfolio company fee received by any CVC entity or CVC personnel and which is attributable to an investment by such Partnership is offset (after reduction of any amount equal to any deductible value added, or goods and services tax) against future management fees.

##### *Mature Funds*

For Mature Funds, the Partnership's proportion of any portfolio company fee is subject to an offset as defined in the relevant limited partnership agreement. Typically, the Partnership portion of all director fees are 100 percent offset against the management fee.

Fee Income (as defined below) is generally allocated to the Funds based on their proportional investment in the portfolio company. The portion of any portfolio company Fee Income not allocated for the benefit of the Funds (that is, allocated to non-fee-paying funds or investors, including co-investors) is generally retained by CVC as stipulated in the relevant Fund's limited partnership agreement without any corresponding offset to a Fund's management fee.

Any non-cash portfolio company fee received will typically be converted into its cash value at the date of receipt, exercise or realization (as applicable).

If CVC U.S. or any of its personnel receives any third-party income including, but not limited to, directors' fees, monitoring fees, management fees, break fees, exit fees or other similar fees (collectively referred to as "**Fee Income**"), CVC Advisers Company Luxembourg will reduce the fee paid to CVC U.S. as provided in the underlying fund documents, and a corresponding reduction with respect to such Fee Income will be made to the management fees payable by the CVC Capital Funds.

The proportion of any portfolio company Fee Income which is attributable to any investment vehicle through which CVC invests alongside a CVC Capital Fund (i.e. the sponsor commitment) is not subject to management fee offset.

Any fee received by CVC which relates to: (i) any "administration services" provided by CVC to a portfolio company or IHV in connection with the provision and arrangement of office space, the provision of directors, local personnel, tax administrative services or other general administrative services; and (ii) any service provided by any CVC entity as underwriter and/or any CVC entity investing as principal on arm's length terms in any offering or placement of debt and/or equity securities or instruments issued by a portfolio company or IHV, is not subject to management fee offset. The aggregate amounts of such fees received by CVC are disclosed annually to the CVC Capital Funds' respective advisory boards.

#### Excess Portfolio Company Fees

The general partner of the applicable CVC Fund will initiate a process to repay any excess portfolio company fee received by such CVC Fund which has ceased to charge a management fee back to such Fund's limited partners, subject to individual limited partners elections not to receive excess offset as made and agreed to in their relevant Fund side letters. Any excess offset not distributed to limited partners will be paid over to the CVC Capital Partners Foundation, who will allocate the excess offset to charities which have a measurable impact on the lives of disadvantaged children and young people in the communities where CVC operates.

#### Accelerated Monitoring Fees

In the event that an accelerated monitoring fee is paid to CVC upon the occurrence of an initial public offering or other exit for a particular investment (i.e., if a CVC Capital Fund invests alongside another sponsor that takes such a fee), then the Fund's proportion of such fee, unless waived by CVC, will be 100 percent offset against the management fee payable by the relevant Funds (if a management fee is payable) or, as stipulated in the relevant Fund limited partnership agreement.

#### Attending Portfolio Company Meetings

#### Mature Funds

Reasonable travel and out of pocket expenses incurred by CVC personnel in connection with them acting as a director for a Growth Fund I or a Strategic Opportunities Fund I or a Fund VI or a Fund VII portfolio company generally are recharged to the relevant portfolio company in accordance with the relevant transaction document. Such fees are not offset against the management fees for the relevant CVC Capital Fund and are typically recharged directly by CVC local offices to the portfolio companies. In addition, the relevant Fund documents provide that reasonable travel and out of pocket expenses incurred by CVC personnel who are not directors of a portfolio company in respect of ongoing monitoring of the portfolio company or IHV will be charged to the applicable CVC Capital Fund as a Partnership expense without offset against the management fee.

In circumstances where Growth Fund I, Strategic Opportunities Fund I or Fund VI is invested alongside another sponsor or third party investor in a club deal, then CVC expects to charge non director travel and out of pocket expenses of CVC personnel directly to the portfolio company instead of re-charging the cost as a Partnership expense to the applicable CVC Capital Fund, to ensure that CVC Capital

Fund investors only pick up their proportionate costs instead of 100 percent of the cost related to the ongoing monitoring of a portfolio company. Such expenses will not be offset against the management fee of the relevant CVC Capital Fund.

In respect of certain Mature Funds, out-of-pocket travel expenses incurred by CVC personnel for ongoing monitoring of the portfolio companies or IHV have been and/or will be charged to the portfolio company or IHV directly. Such fees are not offset against the management fees for the relevant CVC Capital Fund and are typically recharged directly by CVC local offices to the portfolio companies or IHVs.

#### Current Funds

As it relates to Fund VIII, Fund IX, Growth Fund II and Strategic Opportunities Fund II. CVC personnel or a CVC entity will be entitled to be reimbursed directly by the relevant portfolio company or IHV for reasonable travel and reasonable out of pocket expenses in connection with acting as a director or other officer of such portfolio company or IHV or otherwise in respect of monitoring such portfolio company or IHV and such expenses will not be credited against the management fee of the relevant CVC Fund.

#### ***Aborted Deals and Allocation of Investment-Related Expenses***

Once a determination is made by the relevant Committee that a deal will no longer be pursued, or the deal is no longer available to a Fund (e.g., the bid was not successful), it is classified as a dead or “aborted” deal and associated costs are classified as “Abort Costs.” Examples of such Abort Costs include fees and expenses of any legal, financial, accounting, consulting or other advisers or lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not consummated; any travel and accommodation expenses by CVC personnel for the Current Funds; any travel and accommodation expenses for third party providers and any deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, unconsummated transactions.

#### Allocation of Investment-Related Expenses

1. Expenses attributable to an investment opportunity that is presented to a Fund are for the account of that Fund, provided that the Fund’s general partner has authorised the expenditure. In the event the general partner has not approved a particular expense, the cost is borne by CVC and not recharged to the relevant CVC Fund.
2. If an opportunity is rejected by one Fund and an investment in that opportunity is subsequently made by another Fund within three months of the first Fund rejecting that opportunity, the Fund that makes the investment bears all costs related to the investment, including those incurred before the first Fund rejected it. These costs will ultimately become a part of the acquisition cost of the completed investment. If no Fund makes the investment within three months of the date on which the first Fund rejects that opportunity, then the costs incurred by the first Fund remain with the first Fund and are borne in accordance with paragraph 1 above.
3. If a Fund initially rejects an opportunity but the investment is ultimately allocated to that Fund (e.g. because the forecast internal rate of return changes significantly prior to the Final Investment Recommendation (“**FIR**”) approval), expenses related to the investment will be for the account of that Fund and ultimately become a part of the acquisition cost of the completed investment.
4. Expenses attributable to an investment that is allocated to two or more Funds will be allocated to each Fund pro rata in line with each Fund’s participation in the investment.
5. Pre-Preliminary Investment Recommendation (“**Pre-PIR**”) expenses incurred on deals aborted before the deal reaches the Preliminary Investment Recommendation (“**PIR**”) stage are to be borne by the CVC Fund of the investment team requesting those expenses. If the investment

teams of more than one CVC Fund are working on the transaction, and the expenses were requested by both teams, each CVC Fund will be allocated its portion of the expenses pro rata to its proposed participation.

### ***Co-Underwriting and Co-Investment Opportunities***

Co-underwriting and co-investment opportunities, when available, are made outside of and are in addition to CVC Fund investors' commitments to the relevant Fund. All co-underwriting and co-investment opportunities are made available by CVC on a discretionary, investment-by-investment, basis in accordance with the general partner's or, where applicable, the portfolio manager's, decision (based on the Investment Committee's recommendation) regarding the amount that the Fund should underwrite and/or hold in that investment.

Each of these processes is further explained in CVC's Co-Investment Process Memorandum and it should be noted that, at all times, CVC retains full discretion regarding the availability and allocation of these investment opportunities amongst investors.

#### **Pre-Signing Co-Underwriting**

CVC will typically require co-underwriting investors to pay their share of any Abort Costs, provided that CVC retains discretion to proceed with a co-underwriting investor arrangement in which Abort Costs would not be shared where CVC has determined it is in the best interest of the Fund to proceed on that basis and is permitted by applicable law and in such cases, the relevant Fund would bear such Abort Costs.

#### **Post-Signing Co-Investment**

If completion of a co-investment syndication occurs post-closing of the transaction, investors will be required to pay on completion of the co-investment syndication, a holding charge equivalent to (i) if funded through a capital call facility, an amount equal to the interest paid on the facility; or (ii) if funded through a capital call, an amount equal to the preferred return, in each case for the period commencing on the date on which the transaction closed and ending on the date on which the co-investment syndication completes. The holding charge amount is collected and paid to the relevant Fund to compensate Fund investors for underwriting the transaction from the date of investment to the date of the co-investment. However, CVC can elect not to charge the holding charge provided that all investors are treated in the same equitable manner.

Typically investors participating in a post-signing co-investment opportunity would not be required to bear any Abort Costs in the event that the relevant investment does not proceed to completion and instead the relevant CVC Fund would bear such Abort Costs.

CVC may, but is not required to, charge carried interest, management fees and/or other fees to co-investing investors.

### ***Industrial Advisers***

From time to time CVC retains industry experts, senior advisors, operating advisors, senior managers and other professional advisers or other such terms that may be used from time to time ("**Industrial Advisers**"), which may be employees and former employees of CVC, affiliates of CVC, employees of such affiliates, portfolio companies of the Funds, third party consultants (including specialized consultants, advisers, industry specialists, external executives, industry advisory roundtable members, and similar professionals) in:

- assessing and sourcing deals in a specific industry sector;
- assisting the CVC investment teams in the due diligence on specific investment opportunities;



- taking on a management role in a portfolio company;
- serving on boards as a director or senior advisor; and/or
- assisting with the recruitment of talent to the portfolio companies.

The terms of engagement for Industrial Advisers, including the financial package, are generally agreed between the Industrial Adviser and CVC at the time of engagement. Each consulting agreement is negotiated individually, depending upon anticipated advisory services, and may differ between the Industrial Advisers. These consulting agreements may be updated from time to time, taking into account considerations such as, but not limited to, performance or current market practices for similar consulting services. It is expected that the services provided by the Industrial Advisers will expand over time.

CVC bears the cost of fees incurred for services provided to CVC by Industrial Advisers under the consulting agreements and in certain circumstances provide administrative support to the Industrial Adviser in connection with the individual's work for CVC (i.e., office space, back office support and services). In certain limited circumstances, CVC agrees to make a charitable donation to a not-for-profit organization chosen by the Industrial Adviser instead of paying his/her retainer in cash. The nature of the relationship with each such Industrial Adviser and the time devotion requirements of each such Industrial Adviser may vary significantly. In certain cases, Industrial Advisers have attributes of CVC personnel (for instance, they may have dedicated office space, receive back office support, participate in general meetings or events for CVC personnel, have CVC e-mail address or business cards), even though they are not employees, affiliates or personnel of CVC.

The expertise of these individuals is from time to time made available to portfolio companies, in which case an appropriate amount may be charged to the relevant portfolio company under a separate agreement between the individual and that portfolio company. Such individuals may also serve on portfolio company board of directors or as executive officers and, in such circumstances they are expected to charge the portfolio company directly for such services.

Any remuneration, whether in the form of a consulting fee, director's fee, equity grant or other compensation received by an Industrial Adviser for such service will be retained by that person and is not subject to reimbursement to any CVC Capital Fund by way of a management fee offset or otherwise. In addition, Industrial Advisers may receive a finder's fee (which may be a percentage of the total enterprise value of the transaction) for sourcing an investment opportunity or consultancy fee under a separately negotiated agreement for sourcing and performing due diligence on a specific target company and such fee will typically be borne by the relevant CVC Capital Fund and not by CVC.

As determined by the relevant Investment Committee, in some cases Industrial Advisers are offered the opportunity to co-invest with CVC Capital Funds in connection with investments with which they are involved or receive an equity participation in such investment which generally will reduce the amount invested by the CVC Fund. Industrial Advisers do not pay management fees or carried interest in connection with these co-investments and are generally not charged Abort Costs.

There are circumstances in which former CVC personnel are invited to act, or to continue to act, as a director or officer (or similar) of, or to provide other services to, a portfolio company following the cessation of their employment with CVC or engagement with CVC. Such former CVC personnel are permitted to retain all directors' fees, monitoring fees and other compensation received by them in respect of acting as a director or officer (or similar) of, or providing other services to, a portfolio company and any such amounts received after the date upon which such CVC personnel ceased to be an officer, director, member, manager or employee of CVC is not subject to reimbursement to any CVC Capital Fund by way of a management fee offset or otherwise.

The governing documents of each CVC Capital Fund include detailed information regarding the fees paid by that Fund. Investors should review the governing documents and offering materials for the CVC Capital Funds in which they are invested to fully understand the total amount of fees that could be paid by the CVC Capital Funds and, indirectly, their limited partners.



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

As discussed in Item 5 (Fees and Compensation), CVC U.S. is paid for its sub-advisory services on a cost-plus basis, as provided in the Sub-Advisory Agreement. In addition, as discussed in Item 5 (Fees and Compensation), CVC U.S. also receives an annual performance fee determined by reference to the performance of CVC U.S. regarding advisory services it provides relative to the performance of the other local sub-advisers in the CVC Advisory Business. These fees are paid to CVC U.S. from the management fees paid by the CVC Capital Funds. CVC, its affiliates and certain personnel (including certain CVC U.S. personnel) receive a portion of the carried interest to which CVC is entitled in respect of the CVC Capital Funds. The fact that the carried interest is based on performance of the CVC Capital Funds creates an incentive for the CVC U.S. investment professionals to recommend, and CVC Advisers Jersey or the general partners and/or portfolio managers of the CVC Capital Funds (as applicable) to make, investments that are more speculative than would otherwise be the case.

The CVC Capital Funds vary in size, investment objectives, geographical focus, acceptable risk levels, return targets, and permissible asset classes. As a result, most investment opportunities will be allocated exclusively to only one of the CVC Capital Funds. Certain investments, however, may be appropriate for more than one CVC Capital Fund. As a non-discretionary sub-adviser, CVC U.S. has no authority over investment allocations. While CVC U.S. investment teams may make recommendations regarding the CVC Capital Fund(s) for which a particular investment is suitable, allocation decisions are recommended by the Committees to the general partners and/or portfolio managers in accordance with CVC's allocation policies and procedures, which seek to allocate investment opportunities among clients in a fair and equitable manner (which may result in Funds not participating and/or not participating to the same extent in such investment opportunity), in accordance with its allocation policies. Allocation of such opportunities by CVC requires it to make subjective judgments, which involves inherent conflicts that will not necessarily be resolved in a fund's favor and risks that assumptions regarding investment opportunities will not ultimately prove correct (conflicts of interests are further addressed under Item 11 below).

Opportunities may arise for individual investors, or other third parties, to co-invest in parallel with a CVC Capital Fund on terms to be agreed, which are expected to provide for lower management fees and carried interests than those paid by CVC Capital Funds, or no management fee. As a sub-adviser, CVC U.S. has no authority with respect to the allocation of co-investment opportunities, which are solely in the discretion of the general partner or portfolio manager, as recommended by the Committees, as appropriate. There is no guarantee that any CVC Capital Fund investor will be granted co-investment opportunities.

## 7. Types of Clients

CVC U.S. indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey. Each of CVC Advisers PE and CVC Advisers Company Luxembourg performs administrative functions, facilitates the collation of advice from CVC U.S. and forwards these recommendations to CVC Advisers Jersey. CVC Capital Funds operate as pooled investment vehicles. Investors in the CVC Capital Funds may include, among others, public pension plans, investment vehicles (e.g., funds of funds), financial institutions, sovereign wealth funds, private sector pension funds, endowments, foundations, and high net worth individuals. All investors are required to be "accredited investors" (as defined in Regulation D promulgated under the Securities Act of 1933) or otherwise be permitted to invest under applicable securities laws.

CVC U.S. does not have a minimum size for a CVC Capital Fund but minimum commitments may be established for investors in the Funds. The general partner or portfolio manager of each CVC Capital Fund may in its sole discretion permit the Fund to make investments below the minimum amounts set forth in the governing documents of such CVC Capital Fund and subject to any applicable regulatory requirements.

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

The CVC Capital Funds are private equity funds focused on control-oriented equity investments in private companies. The Growth Funds focus on investments in middle-market, growth-oriented technology companies operating in the software and technology-enabled business services sectors, in North America and Europe. The Strategic Opportunities Funds focus on high-conviction investments in quality assets that do not meet the investment criteria typically required by traditional private equity funds. Fund VI, Fund VII, Fund VIII and Fund IX are not limited by sector, and focus on investments in fundamentally sound, well-managed, cash-generative upper middle-market businesses in Europe and North America.

### ***Origination of Potential Investment Opportunities***

Consistent with CVC's global approach to sourcing private equity investments, CVC U.S. seeks to develop and maintain a pipeline of potential investments in North America and to position CVC Capital Funds as a favored buyer of a target company. CVC U.S. indirectly makes investment recommendations to the Committees regarding a broad range of potential North American investment opportunities. The Committees consider these potential investments alongside recommendations from other CVC sub-advisory affiliates globally and the Committees seek to select the most attractive investments that meet the strict investment criteria as set out in the governing documents and offering materials for the CVC Capital Funds.

To facilitate their identification and development of investment opportunities, CVC U.S. investment professionals seek to maintain close relationships with corporations, management teams, family owners, governments and portfolio company employees, both directly and via their large network of experienced senior executives and local Industrial Advisers, typically leading business people based locally.

### ***Investment Recommendations***

At the appropriate time, the CVC U.S. investment team will prepare a Pre-PIR and/or PIR, which is the initial proposal to the relevant Cost Approval Committee. If the preliminary investment recommendation is recommended by the Cost Approval Committee and approved by the general partner or portfolio manager of the relevant CVC Fund, the CVC U.S. investment team will typically be authorized to incur a specified amount in due diligence expenses directly or via CVC Capital Partners Services S.à r.l., by engaging third parties, with a view to progress the opportunity to the next stage and respond to any questions or issues raised by the Cost Approval Committee. The expenses are typically recharged to portfolio companies or acquisition vehicles for consummated deals and/or to the applicable CVC Capital Funds on abort.

After thorough due diligence and revisions to the recommendation as appropriate, the CVC U.S. investment team will submit a FIR, which represents the formal investment recommendation to the relevant Investment Committee.

The Investment Committee will consider whether a proposed investment is of sufficient quality, and determine whether to approve it. CVC Advisers Jersey, through its Investment Committees, advise the relevant general partner or portfolio manager with respect to investment recommendations, and the general partner or portfolio manager has discretion to approve or reject the investment. The general partner or portfolio manager is then responsible for directing relevant personnel to effect approved transactions.

### ***Monitoring of Investments***

If a CVC Capital Fund makes an investment that CVC U.S. has recommended, the CVC U.S. investment team retains the responsibility on a day-to-day basis for monitoring the investment until disposition. CVC Advisers Jersey, through the relevant portfolio committees of the general partners and portfolio managers and Investment Committees, independently review the progress of the

investments made and may instruct CVC U.S., as sub-adviser, to take remedial actions, as appropriate.

### ***Value Creation***

Under the Sub-Advisory Agreement, CVC U.S. assists CVC Advisers Jersey, in applying its operational, managerial, industry and functional expertise and effecting operational improvements defined in the value creation plan for the investment. The CVC U.S. investment professionals who recommend an investment will remain involved throughout the time a CVC Capital Fund owns that investment, including by working closely with the management team, as appropriate, in an effort to ensure that the company performs at its full potential.

### ***Exiting Investments***

CVC U.S. regularly reviews the investments it oversees for potential exits. On a semi-annual basis, CVC U.S. investment teams are required to prepare exit analyses, which set out updated forecasts for the performance of each portfolio company, forecast future value for all current investments, and present how and when each investment could be exited.

When the CVC U.S. investment team responsible for an investment considers that it is appropriate to exit the investment, the team submits a recommendation to the responsible Investment Committee. The exit completion process follows the same procedures as are followed in the initial investment process. The decision whether to exit an investment solely rests with the relevant general partner or portfolio manager .

### ***Risk Factors and Potential Conflicts of Interests***

While CVC U.S. does not have authority to make investment decisions on behalf of the CVC Capital Funds, in its role as a sub-adviser, CVC U.S. makes investment recommendations in accordance with the CVC Capital Funds' respective investment strategies and restrictions, as set out in their offering materials and governing documents. Below is a summary of the key risk factors associated with an investment in the CVC Capital Funds.

The summary below is not a complete or exhaustive list or explanation of all risks involved in an investment in the CVC Capital Funds. Prospective and existing investors are advised to review the offering materials and other constituent documents for a more detailed and complete description of the investment, operational and other actual and potential risks associated to a particular CVC Capital Fund, including various legal, regulatory and tax risks applicable to investing in the particular CVC Capital Fund.

### **Suitability of Investment**

Investing in the CVC Capital Funds is not suitable for all investors. An investment is suitable only for expert investors. An investor must have the financial ability and experience to understand, the willingness to accept, and the financial resources to withstand, the extent of the investor's exposure to the risks and lack of liquidity inherent in an investment in the CVC Capital Funds. Investors should consult their professional advisers to assist them in making their own legal, tax, accounting, ERISA and financial evaluation of the merits and risks of investment in the CVC Capital Funds in light of their own circumstances and financial condition.

### **Nature of Investment; Carried Interest**

The CVC Capital Funds' investment portfolios consist primarily of securities issued by privately-held companies. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk which may result in substantial losses, including the loss of an investor's entire investment. An investment in the CVC Capital Funds is speculative and long-term with no certainty of return. The value of an interest in a CVC Capital Fund (and the distributions in

respect of it) can fluctuate downward as well as upward, and an investor may suffer a financial loss in connection with its investment in the CVC Capital Funds.

Investments and acquisitions are by their nature subject to risk. While CVC U.S. intends to recommend investments that have estimated returns commensurate with the risks undertaken, there can be no assurance of success.

The fact that CVC, its affiliates and certain personnel receive carried interest based on the performance of a CVC Capital Fund creates an incentive for CVC Advisers Jersey or the general partners and/or portfolio managers of the CVC Capital Funds to make investments that are more speculative than would otherwise be the case.

Investors will have no opportunity to control the day-to-day operations, including investment and disposition decisions, of the CVC Capital Funds. To do so would risk such investors losing their limited liability.

The CVC Capital Funds may invest in companies that are underperforming, with the aim of reversing such underperformance. There can be no guarantee such underperformance will be overcome.

Investors admitted to a CVC Capital Fund at closings subsequent to the effective date of such CVC Capital Fund who participate in any then-existing investments of the CVC Capital Fund will dilute the interest of existing investors in such investments. Although any such new investors will be required to contribute their pro-rata share of previously made capital contributions, there can be no assurance that this contribution will reflect the fair value of the CVC Capital Fund's existing investments at the time of such contributions.

#### Illiquidity - Restrictions on Transfers and Withdrawals

Many of the CVC Capital Funds' investments are expected to be highly illiquid and are expected to only attract a limited number of prospective buyers. Accordingly, investments are expected to often be difficult to value and to sell or otherwise liquidate and their realizable value may be less than their intrinsic value. There can be no assurance that the CVC Capital Funds will be able to realize such investments in a timely manner. Consequently, the timing of cash distributions to investors is uncertain and unpredictable. Investments are expected to be difficult to value and the disposition of such investments is expected to require a lengthy time period. Dispositions may also take the form of distributions of securities to CVC Capital Fund investors. While investments may be sold at any time, it is not generally expected that this will occur for a number of years after an investment is made. In addition, in some cases the CVC Capital Funds may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. Moreover, a CVC Capital Fund may make Investments which may not be advantageously disposed of prior to the date that such CVC Capital Fund will be dissolved, either by expiration of the such CVC Capital Fund's term or otherwise. Although CVC expects that investments will either be disposed of prior to dissolution of the relevant CVC Capital Fund or be suitable for in-kind distribution at dissolution, a CVC Capital Fund may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution.

An investment in the CVC Capital Funds requires the financial ability and willingness to accept substantial risk and illiquidity. There will be no public market for interests in the CVC Capital Funds and none is expected to develop. The interests in the CVC Capital Funds will not be redeemable. Investors may not be able to liquidate their investments before the end of a CVC Capital Fund's term.

#### Illiquid and Long-Term Investments of the Strategic Opportunities Funds

Investment in the Strategic Opportunities require a long-term commitment with no certainty of return. Most of the investments will be highly illiquid, with a long holding period which may be up to 15 years or more, and there can be no assurance that the Strategic Opportunities Funds will be able to realise such investments in a timely manner. Although investments by the Strategic Opportunities Funds may generate some current income, the return of capital and the realisation of gains, if any, from an investment generally will occur only upon the partial or complete disposition or refinancing of such

investment. While an investment of the Strategic Opportunities Funds may be sold at any time, it is not generally expected that this will occur for a number of years after the investment is made, and it may not be possible to dispose of all investments prior to the end of the terms of the Strategic Opportunities Funds. It is unlikely that there will be a public market for the securities held by the Strategic Opportunities Funds at the time of their acquisition. Therefore, no assurance can be given that, if the relevant general partner or portfolio manager is determined to dispose of a particular investment held by a Strategic Opportunities Fund, it could dispose of such investment at a prevailing market price, and there is a risk that disposition of such investments may require a lengthy time period or may result in distributions in kind to investors. Although a general partner or portfolio manager may expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, a Strategic Opportunities Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. A Strategic Opportunities Fund will generally not be able to sell its investments through the public markets unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Additionally, there can be no assurances that such Strategic Opportunities Fund's investments can be sold on a private basis. In addition, in some cases Strategic Opportunities Funds may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time.

### Concentration

Each CVC Capital Fund has a broad investment charter, and there are only a few formal constraints on the type of investments in which a CVC Capital Fund may invest. In addition, because of the time it may take to source appropriate investments, a CVC Capital Fund's portfolio will not necessarily be diversified. One risk of having a limited number of investments is that the aggregate returns realized by investors may be substantially adversely affected by the unfavorable performance of a small number of such investments. Furthermore, to the extent that the total commitments are less than the targeted amount, a CVC Capital Fund may invest in fewer portfolio companies and therefore be less diversified. If certain investments perform unfavourably, for a CVC Capital Fund to achieve above-average returns, one or a few of its investments must perform very well. There are no assurances that this will be the case. In addition, investors have no assurance as to the degree of diversification of a CVC Capital Fund's investments, either by geographic region, industry or asset type. To the extent a CVC Capital Fund concentrates investments in a particular industry, security, geographic region or asset type, its investments will become susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto.

If a CVC Capital Fund concentrates on businesses in basic service industries, rather than investments across a full range of industry sectors, any economic downturn in such service industries may impact such CVC Capital Fund's value.

Following its initial investment in a given portfolio company, a CVC Capital Fund may have the opportunity to increase its investment in such portfolio company. There is no assurance that such CVC Capital Fund will make follow-on investments or that such CVC Capital Fund will have sufficient funds to make all or any such investments. Any decision by a CVC Capital Fund not to make follow-on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment, may result in a lost opportunity for such CVC Capital Fund to increase its participation in a successful portfolio company, may result in such CVC Capital Fund'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, may result in a loss of value for such CVC Capital Fund.

### General Economic and Market Conditions

Turmoil such as that recently experienced by the U.S. and global financial markets as a result of the COVID-19 pandemic, and such as that which markets endured during the global financial crisis of 2008, illustrates the risk that the financial markets can experience uncertainty, volatility and instability, potentially for protracted periods of time. Lending and the global credit markets continue to experience substantial volatility, disruption, liquidity shortages and to some extent financial instability. Global financial markets have experienced considerable and prolonged declines in the valuations of equity and



debt securities and periodic acute contraction in the availability of credit. There can be no assurances that conditions in the global financial markets will not worsen and/or adversely affect one or more of a Fund's investments (including with respect to performing under or refinancing their existing obligations), its access to capital or leverage, its ability to effectively deploy its capital or realize investments on favourable terms or its overall performance. Please see "*Recent Developments in the Banking Sector*" and "*Public Health Risks and Deterioration in Market Conditions*" below for additional important considerations regarding global economic conditions. The success of a Fund's activities will be affected by the continued economic volatility as well as general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in applicable laws and regulations (including laws relating to taxation of a Fund's investments), trade barriers, consumer spending patterns, currency exchange controls, continued technology disruption, tax reform or other significant policy changes as well as national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts, security operations or public health considerations).

A Fund's investment strategy and the availability of opportunities satisfying such Fund's risk-adjusted return parameters relies in part on the continuation of certain trends and conditions observed in the financial markets and in some cases the improvement of such conditions. Trends and historical events do not imply, forecast or predict future events and, in any event, past performance is not necessarily indicative of future results. There can be no assurance that the assumptions made or the beliefs and expectations currently held by the general partner of a Fund will prove correct and actual events and circumstances may vary significantly.

Recent volatility in the global financial markets and political systems of certain countries may have adverse spill-over effects into the global financial markets generally and the U.S. in particular. Moreover, a recession, slowdown and/or sustained downturn in the global economies (or any particular segment thereof) or weakening of credit markets will adversely affect a Fund's profitability, impede the ability of a Fund's portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit investments on favourable terms. Any of the foregoing events could result in substantial or total losses to a Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular portfolio company's capital structure. CVC itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry in particular or of the U.S. and/or global economies generally.

#### Fund Closing

The general partner of a Fund shall be under no obligation to proceed with a closing until it determines, in its absolute discretion, that a sufficient level of commitments has been raised to enable a Fund to pursue its strategic objectives. If a Fund does not hold a first closing, investors will not be admitted to the Fund and no funds will be drawn down from investors.

#### Environmental, Social and Governance Matters

To the extent CVC U.S. takes into account ESG considerations, it is only one of many factors CVC U.S. will consider in recommending an investment and there is no guarantee that CVC U.S. will successfully implement and recommend investments in companies that create positive ESG impact while enhancing long-term shareholder value and achieving financial returns. To the extent that CVC U.S. engages with companies on ESG-related practices and potential enhancements thereto, such engagements may not achieve the desired financial and social results, or the market or society may not view any such changes as desirable. Successful engagement efforts on the part of CVC U.S. will depend on CVC U.S.'s skill in properly identifying and analyzing material ESG and other factors and their impact-related value, and there can be no assurance that the strategy or techniques employed will be successful. Considering ESG qualities when evaluating an investment may result in the selection or exclusion of certain investments based on CVC U.S.'s view of certain ESG-related and other factors, and carries the risk that CVC may underperform funds that do not take ESG-related factors into account because the market may ultimately have a different view of a particular company's performance than that anticipated by CVC.



Consideration of ESG factors may affect CVC U.S.'s exposure to certain companies, sectors, regions, countries or types of investments, which could negatively impact CVC U.S.'s performance depending on whether such investments are in or out of favor. Applying impact investing goals to investment decisions is qualitative and subjective by nature, and there is no guarantee that the criteria utilized by CVC or any judgment exercised by CVC U.S. will reflect the beliefs or values of any particular investor. In evaluating a company, CVC U.S. is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause CVC U.S. to incorrectly assess a company's ESG practices and/or related risks and opportunities. ESG-related practices differ by region, industry and issue and are evolving accordingly, and a company's ESG-related practices or CVC U.S.'s assessment of such practices may change over time.

In addition, CVC, the Funds and its portfolio companies are subject to increasing scrutiny from regulators, elected officials, stockholders, investors and other stakeholders with respect to ESG matters. Certain investors, including public pension funds, have placed increasing importance on the impacts of investments made by the private funds to which they commit capital, including with respect to climate change, among other aspects of ESG. Conversely, certain investors have raised concerns as to whether the incorporation of ESG factors in the investment and portfolio management process may be inconsistent with the fiduciary duty to maximize return for investors. Such increasing scrutiny with respect to ESG matters could constrain capital deployment opportunities for the Funds, increase the amount of expenses charged to Funds and impose limitations, costs and burdens on Fund portfolio companies.

#### Climate Change

The Funds may acquire investments that are located in, or have operations in, areas that are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include increased storm intensity and severity of weather (e.g., floods or hurricanes), sea level rise, fires, and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

#### Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of CVC, service providers to CVC or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. CVC has controls and procedures through which they seek to minimise the risk of such misconduct occurring. However, no assurances can be given that CVC will be able to identify or prevent such misconduct.

### Geo-Political Risk, including Russian Invasion of Ukraine

On February 21, 2022, Russian President Vladimir Putin ordered the Russian military to invade two regions in eastern Ukraine (the Donetsk People's Republic and Luhansk People's Republic regions). On February 22, 2022, the United States, United Kingdom and European Union announced sanctions against Russia. On February 24, 2022, President Putin commenced a full-scale invasion of Russia's pre-positioned forces into Ukraine, including Russia's forces pre-positioned in Belarus. In response, the United States, United Kingdom, European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus, as well as a number of Russian Oligarchs. Additional sanctions, export controls, and other measures continue to be adopted as the conflict continues. For example, in September and October of 2022, following the purported annexation by Russia of four territories of Ukraine, several nations imposed additional sanctions, export controls, and other measures against Russia and those outside of Russia that provided political or economic support for the purported annexation. Russia's invasion of Ukraine, the resulting displacement of persons both within Ukraine and to neighbouring countries and the increasing international sanctions could have a negative impact on the economy and business activity globally (including in the countries in which the CVC Capital Funds invest), and therefore could adversely affect the performance of the CVC Capital Funds' investments. Furthermore, given the ongoing nature of the conflict between the two nations and its ongoing escalation (such as Russia's decision to place its nuclear forces on high alert and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the CVC Capital Funds and the performance of its investments or operations, and the ability of the CVC Capital Funds to achieve their investment objectives. Furthermore, if after subscribing to the CVC Capital Funds, an investor is included on a sanctions list, the CVC Capital Funds may be required to cease any further dealings with the investor's interests until such sanctions are lifted or a license is sought under applicable law to continue dealings. Although CVC and its affiliates expend significant effort to comply with the sanctions regimes in the countries where it operates, one of these rules could be violated by the CVC Capital Funds' activities or investors, which would adversely affect the CVC Capital Funds.

Furthermore, geopolitical relations may further worsen between the U.S. government (as well as other governments) and China over Taiwanese sovereignty which may have significant macroeconomic effects on the global economy (including, but not limited to, currency fluctuations and/or other adverse effects on international markets, international trade agreements and/or other existing cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise)). To the extent that this situation escalates, there could be additional significant impacts on the industries and sectors in which the CVC Capital Funds seeks to make investments, the jurisdiction of investments and other adverse impacts on investments or the CVC Capital Funds more generally. In addition, geopolitical and trade disputes may develop between other countries, which may have similar or more pronounced risks and consequences for the CVC Capital Funds and/or their investments.

### Israel/Hamas Conflict

On October 7, 2023, Hamas (which controls the Palestinian territory of Gaza) commenced an assault on Israel. As of the date of this document, Israel and Hamas remain in active armed conflict. In response, the United States has announced sanctions and other measures against Hamas-related persons and organisations, and the United States and/or other countries may announce further sanctions related to the ongoing conflict in the future. The ongoing conflict and rapidly evolving measures in response to such conflict could have a negative impact on the economy and business activity globally (including in countries in which the CVC Capital Funds invest and/or in countries in which CVC and/or any of its service providers or their respective affiliates maintain operations). This could, in turn, adversely affect the performance of the CVC Capital Funds and their investments. Further, the severity and duration of the conflict and its future impact on global economic and market conditions (including, for example, oil prices) are impossible to predict, and, as a result, the situation presents material uncertainty and risk with respect to the CVC Capital Funds and the performance of their investments or operations, and the ability of the CVC Capital Funds to achieve their investment objectives.

## Privatisations

CVC Capital Funds may invest in state-owned enterprises that have been or will be transferred from government to private ownership. It is impossible to predict whether any further privatisations will take place or what the effects of such privatisations may be. There can be no assurance that any privatisations will be undertaken or, if undertaken, that such plans will be successfully completed. There can also be no assurance that, if a privatisation is undertaken on a private placement basis, the relevant CVC Capital Funds will have the opportunity to participate in the investing consortium. Investors should be aware that changes in governments or economic factors could result in a change in a country's policies on privatisation. Should these policies change in the future, it is possible that governments may determine to return projects and companies to state ownership. In such a situation, the level of compensation that would be provided to the owners of the private companies concerned cannot be accurately predicted but could be substantially less than the amount invested in, or the fair value of, such companies.

## Inflation

Inflation and rapid fluctuations in inflation rates are having, and may in the future continue to 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 may be adversely affected. Portfolio companies may have revenues linked to some extent to inflation, including, without limitation, by government regulations and contractual arrangement. As inflation rises, a portfolio company may earn more revenue but may incur higher expenses. As inflation declines, a portfolio company may 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. In an attempt to stabilize inflation, countries may impose wage and price controls or otherwise intervene in the economy. 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 be a serious problem in the future and thus have an adverse impact on CVC Capital Funds' returns.

## Technology Sector-Focused Investment Strategy of the Growth Funds

The Growth Funds invest primarily in software and technology-enabled business services companies, rather than investing across a full range of industry sectors. Any economic downturn in the technology sector may impair the value of the Growth Funds' investments. Concentration in a single industry is expected to involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns.

The technology sector is challenged by various factors, including rapidly changing market conditions and/or participants, new competing products, services and/or improvements in existing products. The Growth Funds' portfolio companies will compete in this volatile environment. 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. Instability, fluctuation, or an overall decline within the technology sector will likely not be balanced by investments in other industries not so affected, as the Growth Funds' investments are or will be concentrated in the technology, technology-enabled, and related growth sectors. In the event that the technology sector as a whole declines, returns to investors are expected to decrease.

## Difficulty and Cost of Locating Suitable Investments

There is no guarantee that suitable deal flow will be available so that the CVC Capital Funds will be able to invest the aggregate commitments during their commitment periods or that any such investments will be successful. The success of the CVC Capital Funds depends on the ability of CVC U.S. and its affiliated foreign sub-advisers to identify, and the ability of CVC Advisers Jersey to

recommend and general partners and/or portfolio managers to select, effect and realize appropriate investments. The availability of investment opportunities generally will be subject to market conditions. In particular, in light of changes in such conditions, certain types of investments may not be available to a particular CVC Capital Fund on terms that are as attractive as the terms on which opportunities were available to other CVC Capital Funds historically. Accordingly, the CVC Capital Funds may make only a limited number of investments. Since these investments may involve a high degree of risk, poor performance by a few could significantly affect the return to investors. To the extent that any of the aggregate commitments are not invested, the CVC Capital Funds' potential for return may be diminished. No assurances can therefore be given that the target returns of the CVC Capital Funds will be achieved.

#### Control Positions

CVC Capital Funds will generally take majority, concentrated and/or control positions in its portfolio companies. CVC generally designates directors to serve on the board of directors of the intermediate holding company of a portfolio company group and its material sub-committees. The exercise of control over a portfolio company imposes additional risks of liability for environmental damage, product defects, failure to supervise management, violation of government regulations and other types of liability in which the limited liability generally characteristic of business operations may be ignored. However, there are expected to be circumstances where a CVC Capital Fund is or becomes a minority investor and is not in a position to protect its interest effectively. Please see "Minority Positions" below for additional information.

Portfolio companies are expected to have substantial variations in operating results from period-to-period, face intense competition, and/or experience failures or substantial declines in value at any stage. Membership on the board of directors of a portfolio company can result in personal actions in litigation both in such situations and in other circumstances. The CVC Capital Funds may be liable to make payments to cover liabilities arising from such actions.

In certain instances, a CVC Capital Fund may invest in portfolio companies alongside financial, strategic or other third-party co-investors. Investments alongside co-investors will involve additional risks which may not be present in investments where a co-investor is not involved, including the possibility that a co-investor(s) may have interests or objectives that are inconsistent with those of the particular CVC Capital Fund or may be in a position to take actions contrary to that CVC Capital Fund's investment objectives or may have financial difficulties that negatively impact such investment. Also, a particular CVC Capital Fund may in certain circumstances be liable for the actions of its third-party partners or co-investors. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements.

#### Minority Positions

The CVC Capital Funds are expected to hold minority positions in certain portfolio companies or acquire securities that are subordinated vis-à-vis other securities as to economic or management rights or other attributes. The CVC Capital Funds are expected to therefore have limited ability to protect their position in, or liability arising from, such companies and are not always expected to be in a position to protect their position, or liability arising from, such companies and are not always expected to be in a position to protect their interests effectively, particularly if such portfolio companies pursue objectives which are inconsistent with those of the CVC Capital Funds.

#### Investments in Less Established Companies

Certain of CVC's Funds, such as the Growth Funds have and will invest a portion of their assets in the securities of less established companies and early stage companies. Investments in such early stage companies are expected to involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by a Growth Fund, such securities are expected to be subject to more abrupt and erratic market price movements than those of larger, more established companies.

High growth companies may face intense competition, including competition from companies with greater financial resources, more extensive development, manufacturing, marketing and service capabilities, and a larger number of qualified managerial and technical personnel. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies are also expected to have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, future growth is expected to be dependent on additional financing, which may not be available on acceptable terms when required. Start-up enterprises are not expected to have significant or any operating revenues and any such investment should be considered highly speculative and may result in the loss of a Growth Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Growth Fund's other investments. In addition, less mature companies could be deemed to be more susceptible to irregular accounting or other fraudulent practices. In the event of fraud by any company in which the fund invests, the applicable Growth Fund may 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 the Growth Funds' other investments.

#### Borrowings and Leverage; Credit Facilities

Portfolio companies in which the CVC Capital Funds invest are expected to incur debt. Such portfolio company leverage generally magnifies both the CVC Capital Funds' opportunities for gain and risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets, which state is difficult to accurately forecast. During times when credit markets are unfavorable, it is expected to be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of the relevant Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the relevant CVC Capital Fund is expected to suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such CVC Capital Fund. Furthermore, should the credit markets be unfavorable at the time a CVC Capital Fund determines that it is desirable to sell all or a part of a portfolio company, such CVC Capital Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which the CVC Capital Funds will invest generally will not be rated by a credit rating agency. Certain CVC Capital Funds enter into credit facilities (sometimes referred to as "subscription facilities") the collateral for which are the undrawn commitments of investors in the relevant CVC Capital Fund. Typically, a CVC Capital Fund will borrow under these credit facilities to fund the initial cost of investment (for either a new investment or a follow-on investment) with any amounts outstanding being repaid by the CVC Capital Fund drawing capital from its investors. These credit facilities are used to delay the date on which the investor capital is called and they are not used to lever the CVC Capital Funds. In addition, these credit facilities may be used for other purposes including, without limitation, to (i) cover CVC Capital Fund management fees and expenses, (ii) cover any shortfall in capital contributions resulting from default, excuse or exclusion, (iii) cover any temporary cash flow deficit of a CVC Capital Fund or to meet any obligation of a CVC Capital Fund, (iv) make hedging arrangements in connection with acquisitions and divestments of portfolio companies, and (v) to make or facilitate distributions to limited partners (and thereby enable such limited partners to receive distributions earlier).

The four main effects of these credit facilities are:

1. Initial Rate of Return ("IRR") – the IRR for the relevant CVC Capital Fund is likely to be higher than it otherwise would be without fund borrowing. This is because it is calculated based on the dates on which the capital is drawn from and returned to investors, and the use of the capital call facility to make or facilitate either investments in portfolio companies or distributions to investors has the effect of shortening the period of this calculation; however, the interest expense and other costs of any such borrowings will be a CVC Capital Fund expense and, accordingly, will decrease net returns of the Fund;



2. Preferred Return – the accrued preferred return is likely to be lower as it is based off the date on which the investor capital is drawn and the use of the capital call facility is to shorten the period of this calculation;
3. Money on Money (“MoM”) - funding an investment with a credit facility reduces the overall capital gain given the interest expense and associated costs is an additional expense of the fund. This results in the relevant fund reporting a lower MoM multiple to investors; and
4. Carried Interest – a lower capital gain will reduce the amount of carry that a CVC Capital Fund generates given carried interest is typically calculated as the lower of (i) 20% of the total capital gain and (ii) the delta between the actual capital gain and the preferred return.

Certain of these effects are expected to provide an incentive for CVC Capital Funds to use a credit facility to fund the initial cost of an investment or to fund distributions to limited partners (for example, to be able to use a higher IRR in marketing presentations) when doing so may not necessarily benefit the Fund or its limited partners. The use of such credit facilities by the CVC Capital Funds is fully disclosed in the quarterly reporting provided to investors and the quarterly reporting presents both the actual IRR generated by the relevant CVC Capital Fund and an illustrative IRR showing what it would have been had the credit facilities not been used.

A CVC Capital Fund will also pledge its assets (including unused capital commitments) and guarantee the indebtedness of others, including portfolio companies and entities through which investments by such CVC Capital Fund are directly or indirectly held, for the same general purposes for which credit facilities may be used (as described above). Although there are typically limitations regarding the time borrowings by CVC Capital Funds under credit facilities may remain outstanding, there are generally no limitations on the amount of time guarantees by CVC Capital Funds or borrowings of portfolio companies, or entities through which portfolio investments are directly or indirectly held, may remain outstanding, and the interest expense and other costs of any such borrowings and guarantees will generally be CVC Capital Fund expenses and, accordingly, will decrease the net returns of CVC Capital Funds. Guarantees given by CVC Capital Funds are generally not treated as borrowings that are subject to limitations under the governing documents of CVC Capital Funds, even though such guarantees (and similar arrangements) pose many of the same leverage-related risks and conflicts that such limitations are intended to address.

Certain CVC Capital Funds (or holding companies underneath such CVC Capital Funds) may enter into net asset value facilities, the collateral for which can be one or more assets of such CVC Capital Funds.

#### Interest Rate Risk

In response to recent higher than normal inflationary pressures, several central banks across the globe, including the European Central Bank, the Bank of England the Federal Reserve System of the United States, have recently raised their base rates of interest, have indicated that further increases to their base rates of interest are likely in the near future and are in the process of commencing a programme of quantitative tightening which is expected to cause government bond yields, which are often used in the calculation of market interest rates for lending products, to increase.

A Fund's investments will expose it to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. In addition to higher than normal inflationary pressures, factors that can affect market interest rates include, without limitation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorders and instability in domestic and foreign financial markets. There could be significant unexpected movements in interest rates, which movements could have adverse effects on investments and the economy as a whole. In light of the foregoing, and more generally, a Fund may expect that it will periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other, which could adversely affect its performance. Furthermore, increases in market interest rates may reduce the attractiveness of a Fund to prospective investors as this may increase the opportunity cost of investors investing in such Fund and consequently could reduce such Fund's ability to make new or certain types of investments and implement capital expenditure.



More generally, a Fund could periodically experience imbalances in the interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other. In a changing interest rate environment, the general partner of a Fund may not be able to manage this risk effectively. If the general partner of a Fund is unable to manage interest rate risk effectively, such Fund's performance could be adversely affected. A Fund is permitted to (but is not required to) seek to hedge interest rate risk of its investments (e.g. through the use of caps and/or swaps), however due to developments surrounding the regulation of over-the-counter (OTC) derivatives, such Fund's ability to hedge interest rate risk could be limited.

A Fund's investments and assets can be leveraged. As such, movements in the level of interest rates (and therefore the cost of funding a Fund's investments) can affect the returns from these assets more significantly than other assets in some instances. The structure and nature of the debt encumbering an investment can therefore be an important element to consider in assessing the interest rate risk of the investment. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk. Due to the nature of a Fund's investments, the impact of interest rate fluctuations could be greater for such Fund's assets than for the economy as a whole in the country in which the interest rate fluctuations occur.

### Currency Risk

Some of the CVC Capital Funds' reference currency may be the Euro and for some others it may be U.S. dollars, while investments are likely also to be made and realised in other currencies. Changes in rates of exchange may have an adverse effect on the value, price or income of the investments in the Funds and in addition the Funds will incur costs in converting investment proceeds from one currency to another. The value of an investment may fall substantially as a result of fluctuations in the currency of the country in which the investment is made as against the value of the Euro and U.S. dollars. The general partners of the Funds may (but is not obliged to) endeavour to manage currency exposures into Euros or U.S. dollars (as appropriate), by using appropriate hedging techniques where available and appropriate. The Funds may incur costs related to currency hedging arrangements and use of such arrangements could, in certain circumstances, cause the Funds to be considered to be leveraged for the purposes of the AIFM Directive (with the consequences described above). There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that any such hedging arrangements will be successful in managing currency exposures.

Movements in the foreign exchange rate between Euros/U.S. dollars and the currency applicable to a particular investor may have an impact upon such investor's returns in their own currency of account.

There is a risk that default of certain participating member states of the European Union may lead to the collapse of the Eurozone as it is constituted today or that certain member states of the European Union may cease to use the Euro as their national currency. In such circumstances, the relevant general partners may determine that the Euro is no longer an appropriate currency for a Fund, in which case the relevant general partner may convert any drawdowns and distributions into such other currency or currencies as the relevant general partner reasonably determines, following consultation with the advisory board. This could have an adverse effect on a Fund, the performance of its investments and its ability to fulfil its investment objectives.

### Valuation Risks

There is no actively traded market for most of the securities owned by the Funds. A majority of the CVC Capital Funds' investments are fair valued by their respective general partners, based on a review from their Portfolio Committee and advice from CVC Advisers Jersey or an affiliated party. When estimating fair value, CVC will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments and will make certain assumptions about future events. There can be no assurance that investments will ultimately be realized for amounts equal to, or greater than, these valuations, or that the past performance information based on such valuations will accurately reflect the realization value of such investments. The actual realized returns generated by unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, and any related transaction costs and performance data.

Valuations are subject to determinations, judgements and opinions, and other third parties or investors may disagree with such valuations. With respect to the Funds, the exercise of discretion in valuation by CVC gives rise to conflicts of interest, including (without limitation) in relation to the impact of valuations (including, for instance, the determination of when an investment should be written down or written off) on CVC's track record (including its ability to raise capital for future CVC funds), the performance allocation in certain Funds, and the amount and timing of performance fees and calculation of management fees. There could be circumstances where CVC is incentivized to determine valuations that differ from the actual fair value of such investments.

Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of investments will affect the amount and timing of the distribution of carried interest and, under certain circumstances, the amount of management fees payable by the Funds. A reduction in the fair value of an investment for reporting and U.S. GAAP purposes will not necessarily result in a reduction of the acquisition cost of an investment, including for purposes of calculating management fees or carried interest, as applicable, as such a reduction will ordinarily only occur when CVC determines that the investment has permanently declined in value compared to its acquisition cost pursuant to the terms of the relevant Fund's partnership agreement. For the avoidance of doubt, the acquisition cost of an investment will not be deemed to have permanently declined in value merely because the balance of probabilities indicates that an investment, more likely than not, has lost value; rather, a write down will only occur for purposes of the partnership agreements where the General Partner determines that a decrease in an investment's value below its cost is permanent. Such valuation methodologies may change over time and have subjective elements, and the determination of whether and when an investment has permanently declined in value will involve subjective judgements on the part of CVC. Valuation methodologies will also involve assumptions and opinions about future events, which may or may not turn out to be correct and third parties and investors may disagree with such assumptions or opinions. Valuation methodologies may permit reliance on a prior period valuation of particular investments. Ultimate realisation of the value of an investment depends to a great extent on economic, market and other conditions beyond CVC's control. There may be no retroactive adjustment in the valuation of any investment or the management fees and/or carried interest distributions paid by a Fund to the extent any valuation proves to not accurately reflect the realisable value of an investment (as reflected in the investment's acquisition cost), even if that retroactive adjustment would benefit a Fund and/or its investors. In addition, the valuation of certain types of investments such as early-stage companies may be less predictable than later-stage companies or companies in other sectors with more observable valuation inputs or readily available market pricing. Moreover, certain financial challenges specific to these types of investments, such as the inherent uncertainty in the evaluation of the cost, risk and time of research and development, the outcomes of marketing testing, receipt of regulatory approvals (if applicable), and achievement of key milestones, may further adversely affect the reliability of the valuations of a Fund's investments. The valuation of investments may also affect the ability of CVC to raise a successor fund to the Funds or to market other future funds managed by CVC. Because CVC has the right to receive management fees and carried interest from the Funds, the existence of such compensation presents conflicts of interest. For example, it creates an incentive on the part of the General Partner, in the exercise of its subjectivity, to refrain from or delay in determining that an investment has permanently declined in value and to select and/or apply valuation methodologies in a manner that maximises the amount of Management Fees and carried interest that CVC receives. In addition, there may be circumstances where the general partner or portfolio manager of a Fund is incentivised to defer realisation of investments, make more speculative investments, seek to deploy capital commitments at an accelerated pace and/or hold investments longer and/or determine valuations that may be higher (or lower) than the actual fair value of investments, which generally remains in the sole discretion of CVC.

The management fee is payable through the term of the Funds (and may be payable during any extensions of the term). Prospective investors should also be aware that the management fee will be calculated on a basis that generally is not tied to the Funds' then-current net asset value. As described in the partnership agreements governing the Funds, [for all or part of a Fund's term], it will pay a management fee based on the aggregate acquisition cost (reduced by the amount by which an investment has permanently declined in value compared to its acquisition cost) of investments made or to be made by the Funds and that have not been realised. Although the management fee may be paid in respect of investments not yet made by the Funds, there can be no assurance such amounts will ultimately be invested. Investors should note that acquisition cost for this purpose will include, and the

management fee will accrue on, fees, costs and expenses which CVC determines to be associated with the acquisition of an investment notwithstanding that such amounts are eligible to be treated as “partnership expenses” under the partnership agreements governing the Funds. In addition, the Funds may pay management fees in respect of investments for which there is little ongoing activity. Additionally, the management fee may be waived, in whole or in part (whether by a flat discount or a percentage discount, or otherwise), with respect to one or more limited partners.

CVC will value the Funds’ assets. CVC may engage qualified valuers to assist in these determinations, however, it is not required to do so. Given the nature of the Funds’ investments, valuation may be difficult. There may be a relative scarcity of market comparables on which to base the value of the Funds’ assets.

#### Loans to Portfolio Companies and Use of Hedging Arrangements

General partners of CVC Capital Funds will, from time to time, pre-fund the initial set-up costs of an investment by either advancing a loan to an IHV or paying up share capital in an IHV.

In the case of a general partner making a loan to an IHV: the loan is typically formally documented and is made on an interest free basis; the loan is either (i) paid directly to the IHV, or (ii) paid to a third party e.g. in situations where a setup related cost (e.g. a regulatory filing fee) needs to be funded by the IHV before the IHV has established a bank account; the loan is repaid prior to, or contemporaneously with, the particular CVC Capital Fund’s acquisition of the investment, either (i) by the IHV, once its shares have been transferred to such CVC Capital Fund and it receives funding from such CVC Capital Fund; or (ii) by way of an assignment of the loan to such CVC Capital Fund at cost.

In the case of a general partner paying up share capital in an IHV, such general partner is reimbursed prior to the relevant CVC Capital Fund’s acquisition of the investment when the shares in the IHV are transferred at cost to such CVC Capital Fund.

In certain cases, when lending (or purchasing shares) in a currency other than the reference currency of a general partner, upon the repayment of the loan (or transfer of the shares), such general partner may generate an FX gain or loss.

#### Risks Regarding Disposal of Portfolio Investments

A CVC Capital Fund may make investments that may not be advantageously disposed of prior to the date that the CVC Capital Fund is terminated, either by expiration of the CVC Capital Fund’s term or otherwise. Although CVC expects that the majority of investments will be disposed of prior to termination or be suitable for distribution in-specie at termination, the relevant general partner has a limited ability to extend the term of the relevant CVC Capital Fund, and the relevant CVC Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time or value as a result of termination.

Privately held companies generally maintain less comprehensive financial information than listed companies. Therefore, CVC U.S. may make investment recommendations, and CVC Advisers Jersey or general partners or portfolio managers (as appropriate) may make investment decisions, and monitor such investments, after reviewing information which is less comprehensive than that available to an investor in a listed public company. A public market for investments may never develop, and it may be difficult for the CVC Capital Fund to liquidate investments or find prospective buyers in the private market.

#### Indemnification; Hedge Clauses

The transactional nature of the business of the CVC Capital Funds exposes the CVC Capital Funds to risks of third-party litigation. Under the CVC Capital Funds’ governing documents, the CVC Capital Funds will generally be responsible for indemnifying CVC for costs incurred with respect to litigation. Such liabilities may be material. For example, CVC may be subject to derivative or other similar claims brought by shareholders of portfolio companies. A CVC Capital Fund may also indemnify third party service providers and counterparties, subject to applicable laws and the terms of its partnership agreements. The indemnification obligations of a CVC Capital Fund would be payable from the assets

of the Fund, including the undrawn commitments of the investors. CVC may recall distributions previously made to an investor, subject to certain limitations set forth in the partnership agreements. In addition, because CVC Capital Funds may advance the costs and expenses of an indemnitee pending the outcome of the particular matter (including determination as to whether or not the person was entitled to indemnification or engaged in conduct that negated such person's entitlement to indemnification), there may be periods in which a CVC Capital Fund advances expenses to an individual or entity not aligned with or adverse to such CVC Capital Fund. These indemnification obligations may impair the financial condition of a CVC Capital Fund and its ability to acquire assets or otherwise achieve its investment object or meets its obligations.

The governing documents for the Funds generally contain provisions (sometimes referred to as "hedge clauses") that provide that CVC and its agents have no responsibility or liability for any loss incurred by the Funds or any investor arising in connection with their activities on behalf of, or their association with, the Funds provided that such exculpation will not apply: (i) where such person acted in bad faith, was fraudulent or acted with willful misconduct; and (ii) with respect to any matter resulting from such person's gross negligence or material breach of the applicable Fund documents, save where the relevant actions are undertaken in good faith and in reliance upon and in accordance with the advice of reputable legal counsel, where appropriate, or other qualified professional advisers. Hedge clauses are limited by, among other things, Section 206 of the Advisers Act, which the SEC has interpreted to impose certain duties on investment advisers that are not waivable.

The determination of the whether CVC is entitled to be indemnified, or the applicability of a hedge clause to particular conduct, by CVC, may create a conflict of interest with a Fund. However, notwithstanding this potential conflict of interest, CVC will make any such determination in good faith.

#### Amendment of the Partnership Agreements

The terms of the partnership agreements governing the Funds (including, but not limited to, the investment restrictions applicable to the Funds) may be amended, varied and or waived with the consent of investors representing more than 50% of total commitments, or, in certain limited circumstances as more particularly set out in the partnership agreements governing the Funds, by the general partners without the consent of investors. In circumstances where the partnership agreements may be amended, varied and or waived without the consent of investors, investors will not receive advance notice of such amendments, variations or waivers and will have no right to object to the implementation of such amendments, variations or waivers. In circumstances where the partnership agreements may be amended, varied and or waived with the consent of investors representing more than 50% of total commitments, investors will receive advance notice of such amendments, variations or waivers but each prospective investor should note that if it does not give its consent to, or otherwise objects to such amendments, variations or waivers, such amendments, variations or waivers may nevertheless be implemented if investors representing more than 50% of total commitments have given their consent.

#### CVC Personnel

CVC and its partners, executives and investment professionals may invest in or alongside a particular CVC Capital Fund from time to time. Whilst such CVC commitment should generally align the interests of CVC and such persons with the interests of the particular CVC Capital Fund and its investors; situations could arise in which CVC or such persons have interests which conflict with the interests of the particular CVC Capital Fund and its investors notwithstanding such CVC commitment. In addition, CVC personnel may trade in securities or other instruments for their own accounts, subject to restrictions and reporting requirements as may be required by law and subject as provided in the partnership agreements and to any other restrictions implemented from time to time by CVC with respect to such trading activity (including CVC's Code of Ethics). Such trading activity may include buying or selling securities or other instruments in which a particular CVC Capital Fund has invested or in securities or other instruments in investment opportunities which were considered by a CVC entity for recommendation to the particular CVC Capital Fund but which that particular CVC Capital Fund turned down. CVC personnel may also have other separate interests relating to investment opportunities that have been recommended to a particular CVC Capital Fund by any of the CVC entities and turned down, including through directorships, subject to relevant policies and procedures implemented by CVC from



time to time with respect to such interests. A conflict of interest may arise because through such investing CVC personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by CVC entities with respect to a potential investment by the particular CVC Capital Fund. In such circumstances, the investing CVC personnel will not share in, or reimburse the particular CVC Capital Fund or any CVC entity for, any expenses incurred in connection with presenting the investment opportunity to that particular CVC Capital Fund. In addition, the terms offered to CVC personnel in respect of such investment opportunity and the circumstances in which such terms are offered may vary from the terms which were offered to the particular CVC Capital Fund, and the circumstances that existed at the time of such offer to the particular CVC Capital Fund, in respect of such investment opportunity.

### Fund Expenses

The Funds will pay and bear all expenses related to its operations. The amount of these partnership expenses will be substantial and will reduce the actual returns realised by investors on their investment in the Funds (and will reduce the amount of capital available to be deployed by the Fund in investments). Fund expenses include recurring and regular items, as well as extraordinary expenses which may be hard to budget or forecast. As a result, the amount of expenses ultimately borne by the Funds at any one time may exceed expectations. As described further in the partnership agreements governing the Funds, fund expenses encompass a broad range of expenses and include all expenses of operating the Fund and its portfolio companies and other related entities, including, for example, any entities used directly or indirectly to acquire, hold, or dispose of any one or more investment(s) or otherwise facilitate the Funds' investment activities. Although the costs and expenses of forming and organising the Funds' entities are separately categorised, ongoing partnership expenses to be borne by the partners and not classified as organisational expenses include costs that relate to organisational matters, such as travel and related expenses of the CVC Advisers Jersey or the general partner, legal, audit and filing fees, costs for capital raising and investor-related services, costs for diligencing potential investors, costs and expenses of administering side letters entered into with investors (including the process of distributing and implementing applicable elections pursuant to the "most-favoured-nations" provisions in the partnership agreements governing the Funds) and other similar costs. Expenses to be borne by the general partners and/or the CVC Advisers Jersey and other CVC entities are only limited to those items specifically enumerated in the partnership agreements governing the Funds (such as rent for office space, office furniture and salaries of its employees), and all other costs and expenses in operating the Funds will be borne by the investors. Fund expenses may also include, among other things, expenses related to investor reporting (including tax reporting and reporting in relation to environmental, social and governance and climate change matters) and notices, expenses incurred in preparing a Fund's accounts, expenses related to meetings of investors and the advisory board, expenses related to compliance-related matters and regulatory filings (including, without limitation, in relation to environmental, social and governance and climate change related matters), regulatory filings of the general partner, CVC Advisers Jersey and their respective affiliates relating to a Fund and its activities, reporting on Form ADV or Form PF or other reports to be filed in connection with the requirements of the SEC or U.S. Commodity Futures Trading Commission and reports, disclosures, filings and notifications prepared, and service providers appointed, in connection with the laws, rules, regulations or similar requirements of jurisdictions in which a Fund engages in activities (or in which any prospective investor is domiciled or established), including any notices, reports, and/or filings (including those in connection with the offering of interests) in accordance with the AIFM Directive or any national private placement regime in any jurisdiction (including reporting required pursuant to Annex IV of the AIFM Directive and any related regulations), fees, costs and expenses charged by, or specifically attributed or allocated by, the general partner, CVC Advisers Jersey, any other CVC entity or any CVC personnel to provide, without limitation, fund administration, reporting, legal services, regulatory services, accounting services, ESG and sustainability-related services (including transaction-related expenses, expenses in connection with the collection and benchmarking of data and preparation of filings, reports, disclosures and notices prepared in connection with the SFDR and any other similar legislation or regulation, and portfolio monitoring expenses), tax services (e.g., tax compliance, tax oversight, tax structuring and tax reporting), information technology, hedging, currency and treasury management, transfer pricing, and other similar services) to or for the benefit of a Fund, a portfolio company or IHV, expenses, charges and/or related costs incurred by a Fund, the general partner, CVC Advisers Jersey, any other CVC entity or any CVC personnel in connection with such provision of such services to a Fund (or specifically allocated



thereto) that the general partner determines to be allocable to a Fund in accordance with CVC Capital Partners' expense allocation policy (provided that the engagement of any CVC entity and/or CVC personnel to provide any such services is on arm's length terms). Expenses associated with the investigation, negotiation, structuring, acquisition, holding, monitoring, development (including compliance with any applicable environmental, social and governance and climate change related requirements) and disposition of investments, including, without limitation, any brokerage, financing, custody or hedging costs and travel and entertainment expenses in connection with a Fund's investment activities will be borne by a Fund (and indirectly by the investors). To the extent not reimbursed by a third party, all third-party expenses incurred in connection with a proposed investment that is not ultimately made or a proposed disposition that is not actually consummated, including legal, tax, accounting, travel and entertainment, advisory, consulting and printing expenses and any liquidated damages, reverse termination fees or similar payments may be borne by a Fund (and allocated pro rata to all partners, without taking into account any applicable excuse or exclusion rights of any investor). From time to time, the general partner of a Fund will be required to decide whether costs and expenses are to be borne by the Fund on the one hand or the general partner on the other, and/or whether certain costs and expenses should be allocated between or among the Fund, on the one hand, and one or more other CVC Funds, on the other. Certain expenses may be suitable for both the Fund and a participating other CVC Fund and borne only by such fund, or, as is more often the case, expenses may be allocated among each participating other CVC Fund and the Fund even if the expenses relate only to particular vehicle(s) and/or investor(s) therein where permitted by applicable law. The general partner of a Fund will make such allocation judgements in its fair and reasonable discretion, notwithstanding its interest in the outcome, and may make corrective allocations should it determine that such corrections are necessary or advisable. Travel, entertainment and related expenses described herein may include, without limitation, first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including, as applicable, closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with portfolio entity management, customers, clients, borrowers, brokers and service providers). Investors should note that the management fee is required to be paid even if the Fund experiences net losses in a particular year or over the term of the Fund. Please see Item 5 for additional information.

#### Side Letters

The general partners enter into side letters or other similar agreements with particular investors in connection with their admission to CVC Capital Funds without the approval of any other investor, which have the effect of establishing rights under or supplementing the terms of the partnership agreements with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such rights or terms in any such side letter or other similar agreement are expected to include, without limitation, (i) excuse rights applicable to particular investments (which will increase the percentage interest of other investors in, and contribution obligations of other investors with respect to, such investments) or withdrawal and/or related rights with respect to the CVC Capital Fund generally in certain limited regulatory and/or policy related circumstances, (ii) reporting obligations of the general partner and/ or the investment manager, (iii) waiver of certain confidentiality obligations, (iv) management fee discounts, (v) consent of the general partner to certain transfers by such investor, (vi) preferential access to co-investment opportunities, or (vii) rights or terms necessary in light of particular legal, regulatory or public policy characteristics of an investor. Certain side letters grant certain investors the right to nominate a member to a CVC Capital Fund's advisory board; such membership may result in preferential access to confidential Fund information. Such side letters will permit such investors to take actions on the basis of information not available to other investors that do not have the benefit of such agreements. Any rights or terms established in a side letter with an investor will govern solely with respect to such investor (and any of such investor's assignees or transferees if so specified in the side letter) and will not require the approval of any other investor. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund. As a sub-adviser, CVC U.S. has no role in negotiating or entering into side letters.

## Reliance on the General Partner, CVC U.S. and Portfolio Company Management

Control over the investment activity of the CVC Capital Funds will be vested entirely with the general partner or the portfolio manager based on advice received from CVC Advisers Jersey, and the CVC Capital Funds' future profitability will depend largely upon the business and investment acumen of CVC investment professionals. Investors will not have an opportunity to review the portfolio companies and the terms of a CVC Capital Fund's investment prior to investing in the CVC Capital Fund. Investors will not have the opportunity to evaluate the relevant economic, financial and other information which will be utilized by the general partner and the portfolio manager in selecting, structuring, monitoring and disposing of investments. Investors will therefore be relying on the ability of the general partner and the portfolio manager to select the investments to be made.

Investors generally have no right or power to take part in the management of the CVC Capital Funds, and as a result, the investment performance of the CVC Capital Funds will depend significantly on the advice of CVC Advisers Jersey and the actions of the general partners and/or portfolio managers, as appropriate. Although CVC Advisers Jersey and their affiliated local advisers (including CVC U.S. with respect to North American investments) will monitor the performance of each CVC Capital Fund investment, it will primarily be the responsibility of each portfolio company's management team to operate the portfolio company on a day-to-day basis. Although the CVC Capital Funds generally intend 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. Additionally, there can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, such investment and the CVC Capital Fund may be adversely affected thereby.

Additionally, certain CVC investment professionals are expected to be appointed to the boards of directors of particular portfolio companies of a particular CVC Capital Funds as a result of which an investment professional may have an interest in, or owe a duty to, a portfolio company which conflicts with such investment professional's interest in, or duty to, either the particular CVC Capital Fund or its other portfolio companies. More generally, the interests of one or more portfolio companies of any other CVC Capital Fund may conflict or compete with the interests of any one or more portfolio companies of the particular CVC Capital Fund, which could give rise to conflicts of interests in connection with that particular CVC Capital Fund's and such other CVC Capital Fund's activities in respect of such portfolio companies.

Further, the functions and duties that CVC and its investment professionals undertake on behalf of the Funds will not be exclusive. CVC investment professionals will devote such time as the general partner or portfolio manager deems necessary to carry out the investment activities and operations of a Fund. CVC investment professionals will continue to work on activities and operations of CVC Advisers Jersey, the general partners and portfolio managers of CVC Capital Funds, other CVC entities or other CVC funds and their respective affiliates (the "**Interested Parties**") and conflicts of interest may arise in allocating time, services or functions among such Interested Parties and the Funds. Further, CVC investment professionals who will provide advice to the general partners and/or portfolio managers of the CVC Funds, and CVC Advisers Jersey may also provide advice to the investment advisor, investment manager, portfolio manager or general partner of other CVC funds. This may present a conflict of interest if such investment professionals pursue the interests of the CVC Capital Funds and any other CVC fund simultaneously. Time spent on these other initiatives diverts attention from the investment activities and operations of the Funds, which could negatively impact the Funds and the investors. Furthermore, CVC and CVC investment professionals may derive financial benefit from these other activities, including fees and performance-based compensation.

CVC, from time to time, hires short-term or long-term personnel (including interns or secondees) who are connected or associated with an investor, a portfolio company or a service provider. Although reasonable efforts are made to mitigate any potential conflicts of interest with respect to such hires, there is no guarantee that CVC can control all such potential conflicts of interest, and conflicts could arise as a result of any such hires. CVC could receive benefits from arrangements, including arrangements at no or reduced cost, with secondees or interns employed by service providers or vendors (including law firms) (or affiliates thereof) that are engaged by CVC to provide services to, or

whose employees serve as secondees or interns to, a CVC Capital Fund (or its portfolio companies) that bears the compensation, fees or expenses associated with such services, secondees or interns. It is possible that service providers or vendors, in determining whether to provide secondees or interns to CVC at no or reduced cost, take into consideration the overall volume of work that CVC engages them to perform for CVC Capital Funds and/or their portfolio companies. In the case of CVC hiring interns or secondees from an investor, the experience and knowledge received by the intern or secondnee could give the investor preferential visibility into CVC's business as compared to other CVC Capital Fund investors, although any such interns or secondees would generally be subject to restrictions with respect to the sharing of confidential information relating to CVC.

CVC personnel may be seconded to an investor, a portfolio company or a service provider. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne (in whole or in part) by CVC or the organization for which the personnel are working or both and if a portfolio company pays such cost, it will be borne directly or indirectly by the particular CVC Capital Fund. If CVC pays salaries or covers expenses associated with such secondees and interns, it may seek reimbursement from the organization for such amounts. CVC could receive benefits from these arrangements at no cost, which could give CVC an incentive to favor the organization for which the personnel are working. A contractual arrangement established pursuant to a broader strategic relationship between an investor and CVC, which may provide knowledge sharing, training and/or secondment arrangements, is typically not extended to other investors under the "most favoured nations" clause of side letters.

#### Retail Fund

CVC may form additional investment strategies in the future, including retail funds established to invest in and/or alongside CVC Funds (a "Retail Fund"). CVC will be entitled to economic benefits with respect to such Retail Funds. A number of potential conflicts of interest may arise as a result of the investment activities of one or more of such Retail Funds. Whilst it is not expected that a Retail Fund will have an overlapping investment policy with the fund, it is possible that a Retail Fund could invest alongside the fund in an investment and such co-investment may give rise to conflicts of interest. For example, CVC may have a financial incentive or otherwise benefit from the relevant Retail Fund participating in such investment. Whilst any investment by a Retail Fund alongside the fund will be allocated on a fair and reasonable basis as described above, any such allocation requires CVC to make subjective judgements, which involves inherent conflicts and risks that assumptions regarding investment opportunities will not ultimately prove correct. Furthermore, participation by a Retail Fund in an investment may reduce the opportunity for other co-investors (including the co-investment vehicle) to participate in such investment. In addition, a Retail Fund could acquire interests in the CVC Capital Fund as a limited partner. This may give rise to conflicts of interest between, on the one hand, the CVC Capital Fund and, on the other hand, the relevant Retail Fund, for example in connection with the negotiation of the terms of the relevant Retail Fund's participation in the CVC Capital Fund and/or side letter provisions. Any side letter negotiated with a Retail Fund may not be subject to election by other investors in the CVC Capital Fund through the "most favoured nation" provisions of the partnership agreements. In addition, as a limited partner in the fund, a Retail Fund would not be considered a CVC Limited Partner or CVC Entity pursuant to the partnership agreements and therefore such Retail Fund may participate in investor votes and consents in respect of the CVC Capital Fund, which may give rise to a conflict of interest. As the Retail Funds will likely be managed by a CVC Entity which is not the general partner of the CVC Capital Funds in which they invest, such CVC Entity will likely be obligated to prioritise the interests of the Retail Fund and the investors in such Retail Fund when participating in any investor vote or consent in respect of the CVC Capital Fund, which may not align with the interests of the CVC Capital Fund or the other investors in the CVC Capital Fund. Furthermore, whilst a CVC Entity managing a Retail Fund may have certain fiduciary or other duties to the Retail Fund and the investors in such Retail Fund, CVC may have a financial incentive or otherwise benefit from a Retail Fund voting in a particular way in respect of investor vote or consent in respect of the CVC Capital Fund. Furthermore, CVC may have a financial incentive or otherwise benefit from the relevant Retail

Fund becoming a limited partner in the CVC Capital Fund. Such financial incentive or other benefit could, for example, result in prospective investors in the CVC Capital Fund being scaled back or receiving a lower allocated commitment than they otherwise would.

#### Parallel Investment Vehicles

CVC reserves the right to establish one or more separate managed accounts or parallel investment vehicles ("**Parallel Investment Vehicles**") for the benefit of certain investors, which may employ investment strategies that are the same as or that overlap with those of one or more CVC Capital Fund or have the same or similar investment objectives as one or more CVC Capital Funds and have terms that differ from those of such CVC Capital Funds. Parallel Investment Vehicles may have terms that are more beneficial than those of the CVC Capital Funds alongside which it invests. For any investments that fall within the investment objectives of the relevant CVC Capital Funds and the Parallel Investment Vehicles, such Parallel Investment Vehicles will generally invest and divest in each such investment at substantially the same time and on substantially the same terms pro rata based on available capital, unless the relevant general partner or portfolio manager determines in good faith that a different allocation or terms are reasonably necessary or appropriate due to legal, regulatory, tax, accounting and other considerations (which may include investment limitations, investor preferences and/or other reasons). While CVC will seek to allocate investments among the relevant CVC Capital Fund and the Parallel Investment Vehicles, certain Parallel Investment Vehicles may not necessarily participate in each investment as a result of the terms of the governing agreement of a relevant Parallel Investment Vehicle, legal, tax, regulatory or other considerations, which will from time to time result in an increase or decrease in a CVC Capital Fund's allocable share of such investment. The terms of Parallel Investment Vehicles (including the economic terms, investment limitations and veto rights with respect to investments, investment period and suspension rights related thereto, diversification parameters, co-investment and any board or governance rights afforded to limited partners of Parallel Investment Vehicles) may materially differ from, and may in some instances be more favorable to the limited partners of Parallel Investment Vehicles than, the terms of the relevant CVC Capital Funds. Such different terms will from time to time create potential conflicts of interests for the relevant general partner, portfolio manager or their affiliates, including with respect to the allocation of investment opportunities. In particular, the carried interest charged and/or management fees paid by the relevant CVC Capital Funds may be less than or exceed the amount of carried interest charged and/or management fees paid by a Parallel Investment Vehicle. Such variation may create an incentive for CVC to allocate a greater percentage of an investment opportunity to such CVC Capital Funds or such Parallel Investment Vehicles.

#### Co-Investment Opportunities

In certain situations a CVC Capital Fund may not take up an entire investment opportunity or retain an investment in full and the general partner may determine that one or more parties should participate in such investment alongside the particular CVC Capital Fund at the time such investment is made or following a syndication process. Any such co-investment opportunities are offered at the discretion of the general partner and, whilst such opportunities may be offered to investors in that particular CVC Capital Fund, the general partner has no obligation to do so. The general partner may put their own interests ahead of those of the investors in that particular CVC Capital Fund in determining the allocation of co-investment opportunities. Transaction-specific returns, and an investor's overall returns from its exposure to any portfolio companies, are expected to be affected significantly by the extent to which such investor is offered and chooses to participate in co-investment opportunities (including a Retail Fund). The performance of co-investments will not be aggregated with that of the particular CVC Capital Fund, including for purposes of determining the carried interest or management fees. The general partner and any other CVC entity shall be entitled to charge a management profit share (or similar) and/or carried interest in relation to any such co-investment opportunity and shall be under no obligation to account to the particular CVC Capital Fund for any such fees. This will create an incentive to allocate a share of an investment to co-investors (including a Retail Fund) where fees received by CVC in respect of such co-investment are not credited against the management fees in circumstances where such fees would be so credited had the entire investment been allocated to the particular CVC Capital Fund.



In addition, co-investment vehicles may be formed to make investments alongside a CVC Capital Fund. In such cases, the co-investment vehicle will have a priority right to make co-investments in some or all of the investments made by such CVC Capital Fund. The existence of such a priority right will significantly reduce or eliminate co-investment opportunities available to the investors.

In the event the general partner or portfolio manager determines to offer an investment opportunity to co-investors, there can be no assurance that the general partner or portfolio manager will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the CVC Capital Fund or that expenses incurred by the CVC Capital Fund with respect to the syndication of the co-investment will not be substantial, and the CVC Capital Funds bear the risk that any or all excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a CVC Capital Fund and as a result, may take a different view from CVC U.S. as to appropriate strategy for an investment or may be in a position to take a contrary action to a CVC Capital Fund's investment objective. In the event that the general partner or portfolio manager is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the CVC Capital Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear the entire portion of any fees, costs and expenses related to such investment, which could make the CVC Capital Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a CVC Capital Fund's overall investment returns. Therefore, it is possible that a CVC Capital Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

CVC or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a CVC Capital Fund. Any such vehicle will be established at CVC or its affiliates' sole discretion and CVC and its affiliates have no obligation to offer a similar opportunity to any other investor.

Please refer to Item 5 for further details.

#### Risk of Default by Investors

Any default by an investor in advancing capital in respect of its commitments to a CVC Capital Fund could have an adverse impact upon the CVC Capital Fund's ability to complete a transaction and/or could increase the relative exposure of non-defaulting investors to such transactions.

#### Disclosure of Confidential Information

The general partner, CVC Advisers Jersey, other CVC entities and / or certain investors in a Fund may be required by law or otherwise to disclose certain confidential information relating to an actual or potential portfolio company of a Fund. Such disclosure may alter a Fund's competitive advantage in finding attractive investment opportunities, limit the ability of a Fund to realise its investment in any such portfolio company, affect the price that a Fund is able to obtain upon any subsequent realisation or may otherwise adversely affect a Fund.

Some of the interests in a Fund will be held by investors, such as public pension plans and listed investment vehicles, which are subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that the general partner of a Fund determines that information that an investor would otherwise be entitled to receive could be disclosed by such investor as a result of such investor being subject to laws in the nature of freedom of information acts, or as a result of it being a public authority or owned by a public authority or subject to public disclosure laws, statutes, statutory instruments, regulations or policies and the disclosure of such information would not be in the best interests of a Fund, the general partner, CVC Advisers Jersey, other CVC entities, any portfolio



company and / or any of their respective subsidiaries or associates, the general partner shall have the right not to provide such investor with any information that such investor would otherwise be entitled to receive or have access to. Without limiting the foregoing, in the event that any party seeks the disclosure of information relating to a Fund and/or any entity in which an investment is made under a public records access law or any such similar law, the general partner of the Fund may, in its discretion, initiate legal action and/or otherwise contest such disclosure, which may or may not be successful, and any expenses incurred therewith will be borne by the Fund.

#### Governing Law, Jurisdiction and Sovereign Immunity

The partnership agreements of the Jersey partnerships of Funds will be governed by the laws of Jersey and provide for disputes to be determined by the England and Wales or Jersey courts. The Funds are international funds, and the general partners will admit investors to the Funds notwithstanding that they may be established and based outside of England and Wales or Jersey, and may have either no assets or only limited assets in these jurisdictions.

Furthermore, certain investors admitted to the Funds may enjoy sovereign or other immunities and privileges under Jersey or foreign law or may claim to be or insist on being restricted in their ability to submit to the jurisdiction of particular courts and tribunals, including those designated in the partnership agreements governing the funds. These factors may make it substantially more difficult for the general partners or the other parties to the partnership agreements governing the Funds to enforce the contractual obligations of an investor in a Fund, if necessary, by obtaining a judgment or arbitration award and by enforcing that judgment or award against the investor's assets in England and Wales or Jersey or elsewhere. In addition, certain investors in the Funds may, as a matter of local law applicable to them, require that legal proceedings be brought against them in certain foreign jurisdictions or before arbitral tribunals and the general partners may agree in such investors' side letters to submit to such jurisdictions when required to by applicable law. Accordingly, there may be circumstances in which the Jersey partnerships of the Funds submit to the jurisdiction of courts (or arbitral tribunals) outside of England, Wales or Jersey. This may increase the risks, costs and expenses of any litigation significantly. In certain cases, these other jurisdictions may operate in a manner and under legal doctrines that increase the risks to the Funds. For example, some foreign courts have the ability to impose damages in excess of losses incurred. In such a case, a court would have the ability to increase any awards payable by the Fund to account for punitive or other non-economic damages. In addition, foreign courts may have commercial disputes determined by a jury, which can lead to unpredictable results.

#### Conflicting Investor Interests

Investors may have conflicting investment, tax and other interests with respect to their investments in a CVC Capital Fund, including conflicts relating to the structuring of investment acquisitions and dispositions. The conflicting interests of individual investors may relate to or arise from, among other things, the nature of investments made by the CVC Capital Fund, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with decisions made with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to an investor's individual tax situations. In selecting and structuring investments appropriate for a CVC Capital Fund, CVC Advisers Jersey, in conjunction with the Fund's general partner or portfolio manager, will consider the investment and tax objectives of the CVC Capital Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

Due in part to the fact that potential investors in a CVC Capital Fund (including purchasers of a limited partner's interests in a secondary transaction) or co-investment opportunity (see above) may ask different questions and request different information, CVC may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

#### Public Company Holdings

A CVC Capital Fund's investment portfolio may contain securities issued by publicly held companies. Such investments may subject the CVC Capital Fund to risks that differ in type or degree from those

involved with investments in privately held companies. Such risks include but are not limited to greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the CVC Capital Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members, including CVC investment professionals, and increased costs associated with each of the aforementioned risks.

#### Drawdowns

Investors who fail to comply with a capital call notice may suffer significant financial penalties and be subject to various default remedies. The partnership agreements governing the Funds may provide for significant adverse consequences in the event that an investor defaults on its obligations to contribute amounts to the Funds pursuant to its commitment or other payment obligations set forth in the partnership agreements governing the Funds, subscription agreements or other Fund documents. Commitments to the Funds will be drawn down over time. Failure to meet such a payment obligation when called may result in sanctions against the defaulting investor, including the payment of default interest, compulsory transfer of interests at significantly less than fair market value, or forfeiture of all or a portion of the defaulting investor's interest, as more particularly set out in the partnership agreements governing the Funds. The general partners of the Funds may also borrow to cover shortfalls in capital contributions, the costs of which will be allocated to the defaulting investor.

#### Pay-to-Play Laws, Regulations and Policies

A number of states and public pension plans have adopted "pay-to-play" laws, regulations or policies which prohibit, restrict or require disclosure of payments and certain contacts with state officials by individuals and entities seeking to do business with state entities, including investments by or advising public retirement funds. The SEC also has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government plan investor for two years after a contribution is made by the adviser or certain of its executives or employees to certain elected officials or candidates. If CVC Advisers Jersey, a general partner of a Fund, or their respective employees or affiliates fail to comply with pay-to-play rules whether or not such non-compliance was intentional any such non-compliance could have an adverse effect on a Fund by, for example, providing the basis for the withdrawal of the affected government plan investor and could be the basis for a violation of an applicable regulation.

#### Absence of Regulatory Oversight

Notwithstanding that an affiliate of the CVC Advisers Jersey, CVC U.S. is registered as an investment adviser under the U.S. Advisers Act, and that a Fund may be considered similar in some ways to an investment vehicle, CVC Advisers Jersey is not required and does not intend to register as such under the U.S. Advisers Act and a Fund is not required and does not intend to register as such under the Investment Company Act of 1940 and, accordingly, investors are not afforded the protections of the Investment Company Act of 1940 and certain restrictions on registered investment companies under the Investment Company Act of 1940 will not be applicable to a Fund. CVC Advisers Jersey qualifies for an exemption from the registration requirements of the U.S. Advisers Act but it files reports with the SEC as an "exempt reporting adviser" pursuant to the terms of the registration exemption on which it relies. Provisions of the U.S. Advisers Act that apply only to registered investment advisers do not apply to exempt reporting advisers. A Jersey partnership of a Fund may be initially classified as a Jersey Private Fund and, in due course following the first closing, such Jersey partnership will be classified as an Expert Fund in Jersey. In each case this means that protections which the regulator in Jersey would require in respect of a fund which is available to retail investors may not be required.

#### Registration under the U.S. Commodity Exchange Act

Registration with the U.S. Commodity Futures Trading Commission (the "CFTC") as a "commodity pool operator" or any change in a Fund's, its general partner's or its affiliates' operations (including, without limitation, any change that causes the general partner or its principals to be subject to certain specified covered statutory disqualifications) necessary to maintain the general partner's or CVC Advisers Jersey ability to rely upon an exemption from registration could adversely affect a Fund's ability to implement

its investment program, conduct its operations and/or achieve its objectives and subject a Fund to certain additional costs, expenses and administrative burdens. Furthermore, any determination by the general partner of a Fund to cease or to limit holding or investing in interests which may be treated as "commodity interests" in order to comply with the regulations of the CFTC may have a material adverse effect on a Fund's ability to implement its investment objectives and to hedge risks associated with its operations.

### Regulatory Risk

Before making an investment, a thorough due diligence of compliance with statutory and corporate requirements by the portfolio company will be completed by the relevant CVC-affiliated sub-advisers, including CVC U.S. The relevant portfolio committee is charged with review of risks over the period of a CVC Capital Fund's investment. However, none of CVC U.S., CVC Advisers Jersey, or any general partner or portfolio manager can give any assurance that the portfolio company is, and will continue to be, fully compliant with all necessary regulations. This risk is more significant in the case of unlisted companies than listed companies. Additionally, unlisted companies are not regulated by equivalent levels of disclosure and investment protection regulations that apply to listed companies. Also, changes in regulatory conditions may adversely affect the marketability and financial performance of certain investments, which in turn may affect the distributions which the CVC Capital Fund receives from such investments. Regulatory restrictions may reduce the number of investment opportunities available to the CVC Capital Funds or result in a CVC Capital Fund being unable to pursue certain elements of its investment strategy.

CVC Capital Funds may make investments in portfolio companies operating in industries that are subject to greater amounts of regulation than other industries generally. These more highly regulated industries may include energy, healthcare, financial services (including banking and mortgage servicing), insurance, transportation (e.g. aviation) and also businesses that serve primarily customers that are governmental entities. Investments in portfolio companies that are subject to (or whose primary customers are subject) greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures and/or regulatory capital requirements in the case of banks or similarly regulated entities. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines and other disciplinary measures. A portfolio company also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business. Additionally, certain portfolio companies may have a unionised work force or employees who are covered by a collective bargaining agreement, which could subject any such portfolio company'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 experiences labor relations problems. Upon the expiration of any of such portfolio company's collective bargaining agreements, it may be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities may be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Additionally, any such problems may bring scrutiny and attention to the relevant CVC Capital Fund itself, which could adversely affect such CVC Capital Fund's ability to implement its investment objectives.

In addition, CVC U.S., CVC Advisers Jersey, or the general partner or portfolio manager may be subject to competition or other regulatory restrictions that arise as a result of investments held by other CVC Capital Funds. Such restrictions may prevent or otherwise limit a CVC Capital Fund from proceeding with an investment opportunity where the acquisition of the relevant portfolio company would result in a concentration of ownership and/or control by such CVC Capital Fund, or otherwise result in a breach of applicable competition or other regulatory restrictions. Such competition or other regulatory restrictions may reduce the number of investment opportunities available to a CVC Capital

Fund or result in a CVC Capital Fund being unable to pursue certain elements of its investment strategy.

#### Cyber Security Breaches and Disaster Recovery

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. CVC's, the CVC Capital Funds', the portfolio companies' and our service providers' information and technology systems may be vulnerable to damage or interruption from cyber security breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, modify or prevent CVC from accessing private and sensitive information, including non-public personal information related to investors (and their beneficial owners) and material non-public information. Although CVC has implemented, and portfolio companies and service providers may implement or already have implemented, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. CVC does not control the cyber security plans and systems put in place by third party service providers, and such third-party service providers may have limited indemnification obligations to CVC and to portfolio companies, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in CVC's, the CVC Capital Funds' and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and their beneficial owners), material non-public information and the intellectual property and trade secrets of CVC and/or portfolio companies and other sensitive information in the possession of CVC and portfolio companies. CVC, the CVC Capital Funds and/or a portfolio company could be required to make a significant investment to remedy the effects of any such failures, harm their reputations, subject them and their respective affiliates to legal claims and adverse publicity and otherwise affect their business, financial performance and, indirectly, the performance of the CVC Capital Funds.

Such incidents could cause the Funds, CVC or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. In addition, CVC may incur substantial costs related to investigation of the origin and scope of a cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

#### Foreign Investment Controls

Foreign investment in securities of companies in certain of the countries where a CVC Capital Fund could invest is restricted or controlled to varying degrees. These restrictions or controls may at times limit or preclude foreign investment above certain ownership levels or in certain assets, asset classes or sectors of the country's economy. A CVC Capital Fund may utilise investment structures to comply with such restrictions, but there can be no assurance that a foreign government will not challenge the validity of these structures or change laws in a way that reduces their effectiveness, imposes additional governmental approvals, restricts or prohibits a CVC Capital Fund's investments or taxes, or restricts or otherwise prohibits repatriation of proceeds. These restrictions or controls may limit the

potential universe of buyers of an asset, thereby reducing the demand for assets a CVC Capital Fund seeks to sell. For example, the Committee on Foreign Investment in the United States may determine a foreign entity cannot buy an asset being sold by a CVC Capital Fund in the United States.

#### Anti-Money Laundering Regulatory Developments

In January 2024, the U.S. Corporate Transparency Act and its beneficial ownership information reporting requirements (collectively, the “CTA”) became effective, requiring certain legal entities to report beneficial ownership information to the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”). The CTA will impose increased compliance costs, regulatory obligations, and reporting burdens on CVC Capital Funds.

In February 2024, the United States Department of the Treasury’s Financial Crimes Enforcement Network (“FinCEN”) proposed a rule which would require registered investment advisers (“RIAs”) and investment advisers that report to the SEC as exempt reporting advisers (“ERAs”) to implement an anti-money laundering program, file suspicious activity reports, and to maintain additional records related to such activities. It is unknown at this time whether the SEC and FinCEN will adopt these proposals, with or without amendments, and the timing of adoption. If the rule is adopted, it would impose increased compliance costs, regulatory obligations, and reporting burdens on investment advisers, including CVC Capital Funds.

#### Investments in Emerging Markets

A portion of a CVC Capital Fund’s capital may be deployed in emerging market countries, which may heighten the risks described above as emerging markets tend to be more prone to various risks as compared to developed countries. Risks associated with the following are particularly material in emerging markets: political affairs, corporate governance, judicial independence, political corruption, exchange controls, and changes in rules and regulations and interpretation of them. Accordingly, emerging markets are more volatile and the costs and risks associated with investments in them are generally higher than for investments in other countries. The legal systems of some emerging markets countries may lack transparency or could limit the protections available to foreign investors, and the Partnership’s investments may be subject to nationalisation and confiscation without fair compensation. While CVC intends, where deemed appropriate, to manage the relevant CVC Capital Fund in a manner that will minimise exposure to the foregoing risks (although CVC does not in the ordinary course expect to hedge currency risks), there can be no assurance that adverse developments with respect to such risks will not adversely affect the investments of a CVC Capital Fund that are in or subject to the laws of those countries.

#### Environmental Matters

Environmental laws, regulations and regulatory initiatives play a significant role in certain industries and can have a substantial impact on investments in these industries. For example, global initiatives to minimise pollution have played a major role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of segments of the industry. Certain industries will continue to face considerable oversight from environmental regulatory authorities and significant influence from non-governmental organizations and special interest groups. A CVC Capital Fund may invest in investments that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs on investments or potential investments. Compliance with such current or future environmental requirements does not ensure that the operations of a CVC Capital Fund’s investments will not cause injury to the environment or to people under all circumstances or that a CVC Capital Fund’s investments will not be required to incur additional unforeseen environmental expenditures. Environmental hazards could expose the investments to material liabilities for property damages, personal injuries or other environmental harm, including costs of investigating and remediating contaminated properties. Moreover, failure to comply with regulatory or legal requirements could have



a material adverse effect on a portfolio company or project, and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Any noncompliance with these laws and regulations could subject a CVC Capital Fund and its properties to material administrative, civil or criminal penalties or other liabilities. Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as a CVC Capital Fund) subject to environmental liability. However, an investor may reduce its risk of such personal liability by avoiding activities with respect to a CVC Capital Fund's investments other than as specifically contemplated by the partnership agreements.

Additionally, as consensus builds that global warming is a significant threat, initiatives seeking to address climate change through regulation of greenhouse gas emissions have been adopted by, are pending or have been proposed before international and regional regulatory authorities. Many industries (e.g., manufacturing, transportation and insurance) face various climate change risks, many of which could conceivably materially impact them. Such risks include (i) regulatory/litigation risk (e.g., changing legal requirements that could result in increased compliance costs, changes in business operations, the discontinuance of certain operations and related litigation); (ii) market risk (e.g., declining market for products and services seen as greenhouse gas intensive); and (iii) physical risk (e.g., risks to plants or property owned, operated or insured by a company posed by rising sea levels, increased frequency or severity of storms, drought and other physical occurrences attributable to climate change). These risks could result in unanticipated delays or expenses, especially for electricity, and, under certain circumstances, could prevent or impede completion of investment activities once undertaken, any of which could have an adverse effect on a CVC Capital Fund.

Certain regions in which CVC Capital Funds invest or conduct activities related to investments may be particularly sensitive to weather and climate conditions. Prolonged changes in climatic conditions could have a significant impact on the revenues, expenses and conditions of certain investments. While the precise future effects of climate change are unknown, it is possible that climate change could affect precipitation levels, cause droughts, affect wind levels, annual sunshine levels, sea levels and the severity and frequency of storms and create or substantially contribute to other severe weather events and increased volatility in seasonal temperatures. In the event that climate change causes sea levels to rise, certain investments might be forced to incur expenses to prevent assets from being damaged or rendered unusable by such rising sea levels. Moreover, if the evidence supporting climate change continues to mount, various regulatory agencies may enact more restrictive environmental regulations. These more restrictive regulations could materially impact the revenues and expenses of an investment. Damage resulting from extreme weather may not be fully insured.

Certain regions in which CVC Capital Funds may invest or conduct activities related to investments are susceptible to natural disasters that could have a severe impact on the value of, and even destroy, assets in those regions. Health or other government regulations adopted in response to natural calamities may require temporary closure of corporate and governmental offices upon a disaster, which would severely disrupt a CVC Capital Fund's operations in the affected area. CVC Capital Funds' investments are therefore subject to significant geological risks that could lead to significant loss of life and economic loss. Such catastrophic losses may either be uninsurable or insurable at such high rates as to make such coverage impracticable. If such a major uninsured loss were to occur with respect to any CVC Capital Fund's investments, such CVC Capital Fund could lose both invested capital and anticipated profits.

#### Enhanced Scrutiny and Potential Regulation of Private Fund Industry

There continues to be significant legislative developments effecting the private equity industry and significant discussion regarding enhancing governmental scrutiny and/or increasing the regulation of the private investment fund industry. Future legislative, judicial or administrative action could adversely affect CVC Capital Funds' ability to achieve their investment objectives, as well as the ability of the CVC Capital Funds to conduct their operations. Legal, tax, and regulatory changes could occur during the terms of the CVC Capital Funds and adversely affect the CVC Capital Funds, their portfolio companies, or their partners.

In particular, in the United States, the alternative asset management and financial services industries are subject to enhanced governmental scrutiny and/or increased regulation, and a number of legislative initiatives have been signed into law affecting alternative investment firms, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) which among other things, requires registration with the SEC of advisers to private funds with assets under management of \$150 million or more (with certain limited exceptions) and imposes new reporting and recordkeeping obligations with respect to the private funds they advise. A key feature of the Dodd-Frank Act is the potential extension of prudential regulation by the Board of Governors of the Federal Reserve System (the “**Federal Reserve**”) to U.S. nonbank financial companies that are not currently subject to such regulation but that are determined to pose risk to the U.S. financial system. The Dodd-Frank Act defines a “nonbank financial company” as a company that is predominantly engaged in activities that are financial in nature. The U.S. Financial Stability Oversight Council (the “**FSOC**”), an interagency body created to monitor and address systemic risk, has the authority to subject such a company to supervision and regulation by the Federal Reserve (including capital, leverage and liquidity requirements) if the FSOC determines that such company is systemically important, in that its material financial distress or the riskiness of its activities could pose a threat to the financial stability of the United States. The Dodd-Frank Act does not contain any minimum size requirements for such a determination by the FSOC and it is possible that it could be applied to private funds, particularly large, highly leveraged funds, although no such funds have been designated as systemically important by the FSOC to date. If regulations were to extend the regulatory and supervisory requirements, such as capital and liquidity standards currently applicable to banks, or the CVC Capital Funds were considered to be engaged in “shadow banking,” either in the United States or in any other jurisdiction in which the CVC Capital Funds engage in investment activities, the regulatory and operating costs associated therewith could adversely impact the implementation of the CVC Capital Funds’ investment strategies and such funds returns and may become prohibitive.

The Dodd-Frank Act also imposes a number of restrictions on the relationship and activities of banking organizations with certain private equity funds and hedge funds and other provisions that affect the private equity industry, either directly or indirectly. Included in the Dodd-Frank Act is the so-called “Volcker Rule”, which takes the form of Section 13 of the Bank Holding Company Act of 1956, as amended. Among other things, the Volcker Rule, as amended by the Reform Act (as defined below), and together with its implementing regulations, generally prohibits any “banking entity” (generally defined as any insured depository institution, subject to certain exceptions, including for depository institutions that do not have, and are not controlled by a company that has, more than US\$10 billion in total consolidated assets or significant trading assets and liabilities, any company that controls such an institution, a non-U.S. bank that is treated as a bank holding company for purposes of U.S. banking law, and any affiliate or subsidiary of the foregoing entities) from sponsoring or acquiring or retaining an ownership interest in a private equity fund or hedge fund that is not subject to the provisions of the Investment Company Act of 1940 in reliance upon either Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940. The Volcker Rule also permits the Federal Reserve to require, by rule, that certain nonbank financial companies that have been designated as systemically important by the FSOC and subject to supervision by the Federal Reserve (as discussed above) comply with additional capital requirements for and additional quantitative limits with regards to such activities, although such nonbank financial companies are not expressly prohibited from engaging in sponsoring or investing in such funds. Prospective investors in a CVC Capital Fund that are banking entities should consult their bank regulatory counsel prior to making an investment.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the private equity industry generally and/or on the general partners and portfolio managers of the CVC Capital Funds, CVC Advisers Jersey, other CVC entities or the CVC Capital Funds, specifically. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on CVC or otherwise impede the CVC Capital Funds’ activities.

The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to significant provisions of, and key rules under, the Dodd-Frank Act and the U.S. Advisers Act, and by future government enforcement trends. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the “**Reform Act**”) was signed into law. Among other regulatory changes, the Reform Act, together with implementing regulations adopted by U.S. federal regulatory agencies in July 2019, amends various sections of the

Dodd-Frank Act, including by modifying the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than US\$10 billion in total consolidated assets or significant trading assets and liabilities. Also in 2019, U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation vehicles and family wealth management vehicles (the "**Covered Fund Amendments**"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments are expected therefore to expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments on the CVC Capital Funds and their activities remain uncertain. Prospective investors should note that any significant changes in, among other things, banking and financial services regulation, including the regulation of the asset management industry, could have a material adverse impact on the CVC Capital Funds and their activities. Any changes in the regulatory framework applicable to the CVC Capital Funds' business or the businesses of the portfolio companies, including the changes described above, may create uncertainty, require the attention of CVC's senior management or result in limitations on the manner in which the CVC Capital Funds' business is conducted. Therefore, there can be no assurance that any continued regulatory scrutiny or initiatives will not have an adverse impact on, or otherwise impede, the CVC Capital Funds' or CVC's activities.

While an affiliate of CVC Advisers Jersey, CVC U.S. is currently registered under the U.S. Advisers Act, the enactment of these reforms and/or other similar legislation affecting investment advisers could have an adverse effect on the private investment funds industry generally and on CVC and/or the CVC Capital Funds specifically and may impede the CVC Capital Funds' ability to effectively achieve their investment objectives.

In addition, as private equity firms and other alternative asset managers become more influential participants in the U.S. and global financial markets and economy generally, the private equity industry has been subject to enhanced public scrutiny and criticism by some politicians, regulators and market commentators. The SEC and other various U.S. federal, state and local agencies have been conducting inquiries into, and bringing enforcement and other proceedings regarding trading and other practices against, advisors, sponsors and distributors of investment companies and investment funds. For example, recently various U.S. federal, state and local agencies have been examining the role of placement agents, finders and other similar private equity service providers in the context of investments by public pension plans and other similar entities, including investigations and requests for information. In addition, elements of organised labour and other representatives of labour unions have embarked on a campaign targeting private equity firms on a variety of matters of interest to organised labour including with respect to affording favourable treatment or significant deference to organised labour and labour unions in dealings with portfolio companies. There can be no assurance that the foregoing will not have an adverse impact on CVC or the CVC Capital Funds or otherwise impede the CVC Capital Funds' activities. The general partners and portfolio managers of CVC Capital Funds and the CVC Advisers Jersey or their affiliates, like many other private equity firms, may from time to time receive requests or subpoenas in the ordinary course of its business. These requests may relate to a broad range of matters, including specific practices of the general partners of the CVC Capital Funds, CVC Advisers Jersey the securities in which the general partners and portfolio managers of the CVC Capital Funds' invests on behalf of their clients' or industry-wide practices. The costs of any such increased reporting, registration and compliance requirements can be substantial and also may be borne by the CVC Capital Funds. There can be no assurance that the foregoing will not have an adverse impact on the general partners and portfolio managers of the CVC Capital Funds, the CVC Advisers Jersey, other CVC entities or the CVC Capital Funds or otherwise impede such CVC Capital Funds' activities.

#### Regulatory Proposals with Respect to Private Funds and Investment Advisers

Under the U.S. Advisers Act, CVC U.S. is subject to various periodic reporting and compliance-related obligations are required (including, without limitation, the obligation to make certain regulatory filings

with respect to the CVC Capital Funds and its activities under the U.S. Advisers Act). In August 2023, the SEC voted to adopt previously proposed new rules and amendments to existing rules under the U.S. Advisers Act (collectively, the **"Private Fund Advisers Rules"**) specifically related to investment advisers and their activities with respect to private funds they advise. In particular, the Private Fund Advisers Rules will, among other changes, impose required quarterly reporting by registered investment advisers to investors in private funds they advise concerning detailed information on fund performance, investments, adviser-compensation, fees and expenses, valuation, capital inflows and capital outflows; require registered investment advisers to obtain an annual audit for private fund clients that meet the requirements of the existing U.S. Advisers Act custody rule; require registered investment advisers to obtain a fairness or valuation opinion, and make certain disclosures, in connection with adviser-led secondary transactions (also known as GP-led secondaries); restrict advisers from engaging in certain practices unless they satisfy certain disclosure requirements and, in some cases, consent requirements, which practices include, without limitation, charging regulatory or compliance fees or expenses, or fees or expenses associated with an examination, of the adviser or its related persons to private fund clients, seeking reimbursement for certain investigation-related expenses, reducing the amount of a general partner's clawback by actual, potential or hypothetical taxes applicable to the general partner, borrowing from a private fund client, and making non-pro rata fee or expense allocations; restrict advisers from engaging in certain forms of preferential treatment to private fund investors related to liquidity and information rights if they would be reasonably expected to have a material negative effect on other investors and otherwise require advisers to make certain disclosures regarding preferential treatment of investors; and prohibit an adviser from having a private fund client bear the costs of any fees or expenses related to an investigation resulting in a court or governmental authority imposing a sanction for violating the U.S. Advisers Act. The Private Fund Advisers Rules also impose additional requirements on advisers to document their annual compliance reviews in writing and retain additional required books and records relating to private funds they advise.

While the full impact of the Private Fund Advisers Rules cannot yet be determined, it is generally anticipated that these rules will have a significant effect on private fund advisers and their operations, including by increasing regulatory and compliance costs and burdens and heightening the risk of regulatory inquiries and actions (including public regulatory sanctions). CVC Capital Funds are expected to bear (either directly or indirectly through its portfolio companies) certain regulatory and compliance costs relating to the Private Fund Advisers Rules, which could include (without limitation) fees, costs and expenses incurred in connection with preparing and distributing to investors the quarterly statements required by the rules, soliciting and obtaining from investors any consents that may be required by the rules, providing investors with any notices or disclosures that may be required by the rules and obtaining and distributing to investors fairness or valuation opinions in connection with adviser-led secondary transaction (including fees paid to third parties engaged by CVC or the CVC Capital Funds to perform or assist with such actions or processes), which fees, costs and expenses are expected to be material. The Private Funds Rules could also divert time, attention and resources of CVC and its personnel away from managing the CVC Capital Funds' investment activities and overseeing its portfolio companies. Moreover, the Private Funds Rules could increase the risk of exposure of the CVC Capital Funds and CVC to additional regulatory scrutiny, litigation, censure and penalties for non-compliance or perceived non-compliance, which in turn would be expected to adversely (potentially materially) affect CVC's and the CVC Capital Funds' reputation, and to negatively impact CVC in conducting its business. For all of the foregoing reasons, the SEC's adoption of the Private Funds Rules could have a material negative impact on the operations and financial performance of CVC Capital Funds and its portfolio investments.

The Private Fund Adviser Rules are accompanied by amendments to the books and records and compliance rules under the Advisers Act that require, respectively, registered investment advisers to private funds to retain certain records evidencing their compliance with the Private Fund Adviser Rules and all registered investment advisers to document their annual compliance review. In addition, the SEC (in May 2023) and the SEC and CFTC jointly (in February 2024) adopted changes to Form PF, a confidential form relating to reporting by private fund advisers and intended to be used by the Financial Stability Oversight Counsel ("FSOC") for systemic risk oversight purposes, that expand existing reporting obligations. Such increased regulations and disclosure obligations generally increase costs for CVC Capital Funds, including if CVC is required to spend more time, hire additional personnel or buy new technology to comply effectively.



In May 2022, the SEC proposed amendments to rules and reporting forms to promote consistent, comparable, and reliable information for investors concerning investment advisers' incorporation of environmental, social, and governance (ESG) factors (the "**ESG Proposed Rule**"). The ESG Proposed Rule seeks to categorise certain types of ESG strategies broadly and require advisers to both provide census type data in Form ADV Part 1A and provide more specific disclosures in adviser brochures based on the ESG strategies they pursue.

The ESG Proposed Rule, if adopted, may result in material alterations to how the general partners and portfolio managers of the CVC Capital Funds operate their business and/or the CVC Capital Funds, as well as the general partners' and portfolio managers' implementation of the relevant CVC Capital Funds' strategies, and there can be no assurance that such alterations will not have a material adverse effect on the general partners and portfolio managers of the CVC Capital Funds, the CVC Capital Funds, their portfolio companies and/or their investors. To the extent permitted under the partnership agreements governing the CVC Capital Funds, the incremental costs of compliance by the relevant general partners and portfolio managers, the CVC Capital Funds, CVC Advisers Jersey and/or any other CVC entity with any new SEC rules may be borne by the CVC Capital Funds, which may be significant.

The scope and timing of any final rules and amendments with respect to these proposals is unknown. If adopted, even with modification, these rules and amendments would be expected to significantly increase compliance burdens and associated regulatory costs (which, to the extent permitted under the partnership agreements governing the CVC Capital Funds and consistent with applicable law, including the Private Funds Rules (once they become effective) will be treated as Fund expenses) and complexity and reduce the ability to receive certain expense reimbursements or indemnification in certain circumstances. This, in turn, would be expected to increase the need for broader insurance coverage by fund managers and increase the costs and expenses charged to the CVC Capital Funds and the investors. In addition, these amendments could increase the risk of exposure of the CVC Capital Funds, the general partners and portfolio managers of such CVC Capital Funds, CVC Advisers Jersey and/or any other CVC entity to additional regulatory scrutiny, litigation, censure and penalties for non-compliance or perceived non-compliance, which in turn would be expected to adversely (potentially materially) affect the reputation of CVC, the CVC Capital Funds, the general partners and portfolio managers of such funds and any other CVC entity, and to negatively impact the CVC Capital Funds in conducting their business (thereby materially reducing returns to investors) by, for example, diverting time, attention and resources of the general partners and portfolio managers and their personnel away from managing the CVC Capital Funds' activities and discouraging behaviour that generates high returns for the CVC Capital Funds (e.g., by driving senior investment personnel to be more risk-averse in their decision-making with respect to the relevant CVC Capital Fund). Further, as described above, as these amendments could impose limitations regarding preferential treatment of investors in private funds, the general partners and portfolio managers of CVC Capital Funds and their affiliates could potentially be prohibited from complying with certain side letter provisions and thereby deprive investors of the previously negotiated benefits of such agreements.

#### Recent Developments in the Banking Sector.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. In particular, recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. The recent developments may also have other implications for broader economic and monetary policy, including interest rate policy, and may impact the financial condition of banks and other financial institutions outside of the United States. For example, on March 19, 2023, it was announced that UBS Group AG would acquire Credit Suisse Group AG, with support from the government of Switzerland, following deterioration of the financial condition of Credit Suisse and on May 1, 2023, First Republic Bank was closed and the Federal Deposit Insurance Corporation ("**FDIC**") was appointed receiver by California regulators. Concurrently, the FDIC announced that JPMorgan Chase Bank would assume all of First Republic Bank's deposits and substantially all of its assets subject to a loss-share agreement with the FDIC. In addition, certain financial institutions—in particular smaller and/or regional banks—have



experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or will withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include the CVC Capital Funds and/or its portfolio companies) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, will be similarly impacted, and it is uncertain what steps (if any) regulators would take in such circumstances. As a consequence, for example, the CVC Capital Funds and/or their portfolio companies may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives, and limited partners may be impacted in their ability to honour capital calls and/or receive distributions. In addition, such bank failures or instability could affect, in certain circumstances, the ability of both affiliated and unaffiliated joint venture partners, co-investors, syndicate members or other parties to undertake and/or execute transactions with the CVC Capital Funds, which in turn would result in fewer investment opportunities being made available to the CVC Capital Funds, result in shortfalls or defaults under existing investments, or impact the CVC Capital Funds' ability to provide additional follow-on support to portfolio companies. In addition, in the event that a financial institution that provides credit facilities and/or other financing to the CVC Capital Funds or their portfolio companies closes or experiences distress, there can be no assurance that such bank will honour its obligations or that the CVC Capital Funds or such portfolio companies will be able to secure replacement financing or capabilities at all or on similar terms. There can be no assurances that the CVC Capital Funds or their portfolio companies will establish banking relationships with multiple financial institutions, and the CVC Capital Funds and their portfolio companies are expected to be subject to contractual obligations to maintain all or a portion of their respective assets with a particular bank (including, without limitation, in connection with a credit facility or other financing transaction). Uncertainty caused by recent bank failures and general concern regarding the financial health and outlook for other financial institutions could have an overall negative effect on banking systems and financial markets generally. There is a risk that these recent developments will also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect the CVC Capital Funds, their portfolio companies or their respective financial performance.

#### Market Stability

The operation of a CVC Capital Fund's investments may be affected by sovereign or political risk. Major disturbances such as wars, riots, strikes, blockades, acts of terrorism or outbreak of associated military or responsive action have the potential to adversely affect the costs or revenues of a CVC Capital Fund's investments, which could have a material adverse effect on the earnings of the CVC Capital Fund and its ability to make distributions.

General economic conditions, including interest rates, the availability of financing, the price of securities and participation of other investors in the financial markets may adversely affect the value and number of investments made by a CVC Capital Fund. There is a risk, particularly given the recent instability in the financial sector that counterparties may default on their contractual obligations to the CVC Capital Fund or its investments. Any such counterparty default would be likely to have an adverse effect on the value of the investments and on the returns to investors.

The public markets are currently experiencing significant volatility and many observers believe a global economic downturn or recession is possible. The extent and duration of such environment is currently unknown. A recession, slowdown and/or sustained downturn in the global economies (or any particular segment thereof) or weakening of credit markets will adversely affect a CVC Capital Fund's ability to effectively deploy capital, impede the ability of a CVC Capital Fund's investments to perform under or refinance their existing obligations, and impair a CVC Capital Fund's ability to effectively exit investments on favourable terms. Any of the foregoing events could result in substantial or total losses to a CVC Capital Fund in respect of certain investments, which losses will likely be exacerbated by the presence of leverage in a particular investment's capital structure. CVC itself could also be affected by difficult conditions in the capital markets and any overall weakening of the financial services industry in particular, or global economies generally.

## United Kingdom (“UK”) – Future Trade with the European Union (“EU”)

The withdrawal of the UK from the EU has resulted in some divergence between the laws and regulations applicable in the UK and the EU. This divergence is expected to increase over time and will as such, increase the compliance and regulatory burden of the CVC Capital Funds as the general partners of such funds will need to consider both systems to ensure compliance.

Although the arrangements between the UK and EU following the UK’s withdrawal provide for zero tariffs and zero quotas on all goods that comply with the appropriate rules of origin (subject to both parties maintaining a level playing field in areas such as environmental protection, social and labor rights, investment, competition, state aid, and tax transparency), market access for those firms that conduct cross-border trade in goods will fall below what the single market previously allowed. Non-tariff barriers, customs declarations, customs checks, restrictions on movements of employees, withdrawal of recognition of previously recognised professional qualifications, changes in the status of the UK vis-à-vis the EU for tax and VAT purposes, and other sources of friction have the potential to impair the profitability of a business, require it to adapt, or even relocate to operate through an establishment in the EU. Understanding and adapting to these new arrangements may result in increased operational and compliance burdens for the CVC Capital Funds. In addition, there may be an adverse effect on the CVC Capital Funds, the performance of their investments and its ability to fulfil their investment objectives (especially if its investments include, or expose it to, businesses that have historically relied on access to the single market for their custom or that have historically relied on sourcing goods, materials or labor from the single market).

## Public Health Risks and Deterioration in Market Conditions

The outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”), which the World Health Organization previously declared a public health emergency of international concern (“**PHEIC**”), has resulted in numerous deaths, adversely impacted global commercial activity, and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global ramifications of the outbreak rapidly evolved over the course of the pandemic, and many countries reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, factories, schools, retail stores, restaurants, hotels, courts and other public venues, vaccine mandates (e.g., for certain public sector employees) and other restrictive measures designed to help slow the spread of COVID-19. Certain countries and regions implemented a “dynamic COVID zero” or strict containment policy, and imposed and lifted lockdown measures with limited notice and with uncertain durations. Businesses at different times and to different degrees also implemented similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, created significant disruption in the global public and private markets, supply chains and economic activity and were especially impactful on transportation, hospitality, tourism, entertainment, healthcare, consumer and other industries, and it remains to be seen to the extent that certain market or societal adjustments associated with COVID-19 (for example, “work-from-home” trends and shifts to online consumer platforms) will continue. As a result, and due to the potential for future outbreaks of COVID-19, the potential impacts including global, regional or other economic recession or adverse market impacts that have already occurred, the likelihood of an ongoing and/or exacerbated impact is uncertain and difficult to assess.

Any future PHEIC or other public health emergency, including any new or variant outbreaks of COVID-19, SARS, H1N1/09 flu, avian flu, respiratory syncytial virus or RSV, other coronaviruses, Ebola or other existing or new epidemic diseases, or the threat thereof, could negatively impact the CVC Capital Funds and the portfolio companies and could meaningfully affect the CVC Capital Funds’ ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the CVC Capital Funds’ and their respective portfolio companies’ operational and financial performance will depend on many factors, including but not limited to the duration and scope of such public health emergency (as well as the availability of effective treatment and/or vaccination), the extent of any related travel advisories and voluntary or mandatory government or private restrictions implemented, the impact of such public health emergency on overall supply and demand, goods (including component parts and raw materials)

and services, investor liquidity, consumer confidence and spending levels, the extent of government support and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. For example, the shortage of workers and lack of key components and raw materials that resulted from the COVID-19 pandemic has contributed, and may continue to contribute to manufacturers and distributors being unable to produce or supply enough goods to meet increasing demands. The impact of these global supply chain constraints may not fully be reflected until future periods and may have an adverse impact on the CVC Capital Funds and their portfolio companies at a future point when COVID-19 may not be as prevalent in the public.

For this reason, valuations in this environment are subject to heightened uncertainty and subject to numerous subjective judgements even beyond what is traditionally the case, any or all of which could turn out to be incorrect with the benefit of hindsight. Furthermore, traditional valuation approaches that have been used historically may need to be modified in order to effectively capture fair value in the midst of significant volatility or market dislocation. The effects of a public health emergency may negatively impact the value and performance of a CVC Capital Fund's portfolio companies, such CVC Capital Fund's ability to source, manage and divest investments (including but not limited to circumstances where potential transactions are already signed but not closed) and such CVC Capital Fund's ability to achieve their investment objectives, all of which could result in significant losses to such CVC Capital Fund. In particular, a public health emergency like the COVID-19 PHEIC may have a greater impact on leveraged assets.

Any such disruptions may continue for an extended and uncertain period of time. In this regard, views and other forward looking statements expressed in this document are based upon assumptions that may not be valid during or following a public health emergency such as the COVID-19 PHEIC.

In connection with the impacts of the COVID-19 PHEIC and any future such public health crisis, the CVC Capital Funds are expected to incur heightened legal expenses which could similarly have an adverse impact to the CVC Capital Funds' returns. For example, but not by limitation, a CVC Capital Funds or portfolio company may be subject to heightened litigation and its resulting costs, which costs may be significant and are expected to be borne by such CVC Capital Fund and/or a portfolio company. There is also a heightened risk of cyber and other security vulnerabilities during the current public health emergency and any future one, which could result in adverse effects to a CVC Capital Fund or a portfolio company in the form of economic harm, data loss or other negative outcomes.

#### Economic Sanctions, Trade Controls and Anti-Corruption Considerations

Economic sanction laws and other trade controls in the United States, the European Union, the United Kingdom and other jurisdictions may prohibit CVC, CVC investment professionals and the CVC Capital Funds from transacting with or in certain countries and with certain individuals and companies. For example, in the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") administers and enforces laws, Executive Orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. These entities and individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs. The lists of OFAC prohibited countries, territories, persons and entities, including the List of Specially Designated Nationals and Blocked Persons, as such list may be amended from time to time, can be found on the OFAC website at [www.treas.gov/ofac](http://www.treas.gov/ofac). Other jurisdictions maintain different and/or additional economic and trade sanctions, including their own lists of prohibited countries, territories, persons and entities. In addition, certain economic sanction programs prohibit dealing with individuals or entities in certain countries or territories regardless of whether such individuals or entities appear on such lists. The United States and other jurisdictions also administer and enforce other trade controls, including export controls, that may prohibit or limit activities involving certain countries, entities, or individuals. These types of sanctions and trade controls may restrict the CVC Capital Funds' investment activities.

In some countries, there is a greater acceptance than in the United States of government involvement in commercial activities. CVC, CVC investment professionals and the CVC Capital Funds are

committed to complying with anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, a CVC Capital Fund may be adversely affected because of its unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for a CVC Capital Fund to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the U.S. Foreign Corrupt Practices Act (“**FCPA**”). In addition, the United Kingdom has continued to broadly enforce the UK Bribery Act of 2010 (“**UK Bribery Act**”). Affiliates of portfolio companies, particularly in cases where a CVC Capital Fund does not control such portfolio company, may engage in activities that could result in violations of the FCPA, the UK Bribery Act, or other applicable anti-corruption laws or anti-bribery laws.

Any determination that CVC has or may have violated economic sanctions, trade controls including export controls or the FCPA, the UK Bribery Act or other applicable anti-corruption laws or anti-bribery laws could subject CVC to, among other things, reputational harm, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect CVC’s business prospects and/or financial position, as well as the CVC Capital Funds’ ability to achieve their investment objective and/or conduct its operations. The CVC Capital Funds may also incur costs and expenses associated with inquiries or investigations relating to economic sanctions, trade controls including export controls or anti-corruption laws or anti-bribery laws.

#### Force Majeure Risk

The CVC Capital Funds and their portfolio companies may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, nationalization of industry and labor strikes). Force majeure events in any country in which the CVC Capital Funds’ target investments could have a material adverse effect on the economy in such country or globally and/or the business operations of portfolio companies in which the CVC Capital Funds invest. Force majeure events could adversely affect the ability of a CVC Capital Fund, a portfolio company or a counterparty to perform its obligations. The liability and cost arising out of a failure to perform obligations as a result of a force majeure event could be considerable and could be borne by a CVC Capital Fund or a portfolio company. In addition, the cost to investments or a CVC Capital Fund of repairing or replacing damaged assets resulting from such force majeure event could be material. Certain force majeure events, such as war, earthquakes, fires or an outbreak of an infectious disease, could have a broader negative impact on the global or local economy and international business activity generally, or in any of the countries in which a CVC Capital Funds may invest specifically, thereby affecting such CVC Capital Fund and CVC. Additionally, a major governmental intervention into an industry in light of a force majeure event or otherwise, including the nationalization of an industry or the assertion of control over one or more investments or its assets, could result in a loss to a CVC Capital Fund if an investment or portfolio company is affected (including if its investment is cancelled, unwound or acquired), and any compensation provided by the relevant government may not be what CVC believes to be adequate. Any of the foregoing may therefore adversely affect the performance of the CVC Capital Funds and their investments.

#### Natural Disasters

Certain regions in which the CVC Capital Funds invest, may invest or conduct activities related to investments are susceptible to natural disasters and disease outbreaks that could have a severe impact on the value of, and even destroy, assets in those regions. Health or other government regulations adopted in response to natural calamities may require temporary closure of corporate and governmental offices upon a disaster, which would severely disrupt a CVC Capital Fund’s operations in the affected area. Catastrophic losses may either be uninsurable or insurable at such high rates as to make coverage impracticable. If a major uninsured loss were to occur with respect to any CVC Capital Fund’s investments, such fund could lose both invested capital and anticipated profits.



## Terrorist Activities

The terrorist attacks on the U.S. on September 11, 2001, and subsequently in Paris, London, Madrid and elsewhere, together with the military response by the U.S., the UK, Australia and various other allied countries in Afghanistan, Iraq, Syria and elsewhere and other terrorist attacks of unprecedented scope have caused instability in the world financial markets and, in particular, have resulted in substantial and continuing economic volatility and social unrest in various regions of the world. Further terrorist attacks (including cyber sabotage or similar attacks) in major global cities, and any additional significant military or other response by the U.S., Europe or other countries could materially and adversely affect international financial markets and local economies alike. Any terrorist attacks, including biological or chemical warfare or cyber sabotage or similar attacks, that occur at or near significant strategic assets of a CVC Capital Fund's investments having a national or regional profile would likely cause significant harm to employees, property and, potentially, the surrounding community, and may result in losses far in excess of available insurance coverage. As a result of global events similar to those described above and continued terrorism concerns, insurers significantly reduced the amount of insurance coverage available for liability to persons other than employees for claims resulting from acts of terrorism, war or similar events. As a result of a terrorist attack or terrorist activities in general, the CVC Capital Funds may not be able to obtain insurance coverage and other endorsements at commercially reasonable prices or at all. Recourse to the CVC Capital Funds' service providers and other counterparties in the event of losses may be limited, and such losses may be borne by such CVC Capital Funds.

## European Commission Action Plan on Financing Sustainable Growth

The European regulatory environment for alternative investment fund managers and financial services firms continues to evolve and increase in complexity, making compliance more costly and time-consuming. In March 2018, the European Commission published an Action Plan on Financing Sustainable Growth (the "**Action Plan**"), setting up the sustainable finance strategy for the EU to transform the entire financial system and reorient capital flows towards sustainable investment. The reorientation of capital flows toward sustainable investment is to be achieved through the selection of appropriate investments by well-informed, or suitably advised, investors who may themselves be under an obligation to disclose to their own stakeholders how they integrate sustainability into their own decision-making. The Action Plan was updated in August 2020 and, in July 2021, the European Commission published a strategy for financing the transition to a sustainable economy.

It is difficult to predict whether the Action Plan will succeed in reorienting capital flows and, if it is successful, the impact it will have on the returns to investors. There is a risk that the value of investments made by a CVC Capital Fund in pursuing its investment strategies could be adversely affected over the life of such CVC Capital Fund by changes to economic conditions brought about by the Action Plan initiatives.

As part of the original Action Plan, the European legislators have adopted the Sustainable Finance Disclosure Regulation (2019/2088) (the "**SFDR**"), which took effect from 10 March 2021, and the Regulation on the establishment of a framework to facilitate sustainable investment (2020/852) (the "**Taxonomy Regulation**") which took effect from January 2022. Both the SFDR and the Taxonomy Regulation have since been supplemented by delegated legislation specifying detailed implementing and regulatory technical standards, including Commission Delegated Regulation (EU) 2022/1288 (commonly referred to as the "**RTS**"). The SFDR requires transparency with regard to the integration of sustainability risks and the consideration of adverse sustainability impacts in an alternative investment fund manager's processes and the provision of sustainability-related information with respect to AIFs. In addition, the Taxonomy Regulation establishes a framework (and detailed criteria in regulatory technical standards made under the Taxonomy Regulation) to determine whether an economic activity qualifies as an environmentally sustainable economic activity, and requires in-scope financial products to disclose whether, and if so, the degree to which is the financial product is invested in investments with exposure to such environmentally sustainable economic activities.

As of the date hereof, the full impact of the SFDR and the Taxonomy Regulation on the CVC Capital Funds continue to develop as guidance and clarifications are published by the European Commission and the European Supervisory Authorities. There could also be divergent interpretations of the



requirements at EU Member State level, and national guidance and supervisory activities have already emerged in certain Member States. CVC will therefore have to continue to monitor any developments to these regulations and their implementation. As implementation and supervisory practices develop, it is difficult to assess the impact on costs of compliance with the SFDR and the Taxonomy Regulation. Resources will need to be allocated to continue to assess how such entities are impacted and the effects of any additional compliance and reporting burdens.

In addition, on 14 September 2023 the European Commission published a consultation to gather information from stakeholders on the current implementation of the SFDR and to seek views on potential future changes to the regime, in particular in relation to the possibility of the establishment of a categorisation system for financial products. No final proposals have yet been set out but the consultation could lead to further changes to the SFDR. It is unclear to what extent any such changes could impact the CVC Capital Funds and/or whether transitional relief would be made available to financial products in existence prior to the date of such changes. It is unclear as to how any such future changes could impact CVC's ability to manage the CVC Capital Funds in line with their investment strategies or as to what additional costs could be borne by such funds.

Furthermore, a final report by the European Supervisory Authorities on proposed revisions to the RTS was published on December 4, 2023, including proposed changes to the disclosure framework for principal adverse impacts of investment decisions on sustainability factors and amendments to the existing disclosure templates for funds that promote environmental and/or social characteristics or which have sustainable investment or a reduction in carbon emissions as their objective. The proposed revisions to the RTS will not enter into force unless and until the proposals are adopted by the European Commission and pass through a non-objection process from the European Parliament and the Council of the European Union. If adopted, the proposed revisions to the RTS could result in increased costs to the CVC Capital Funds if CVC is required to adopt amendments to the funds pre-contractual disclosures and/or restrict the ability of CVC to achieve the CVC Capital Funds' investment objectives.

There is a risk that the Fund's SFDR classification will affect the pool of investors the Funds will be able to target.

In addition, on August 2, 2021, a number of delegated regulations that are part of the Action Plan were published in the Official Journal of the EU, which amend, amongst others, the MiFID II Delegated Regulation 2017/565 (the "**MiFID II Org Regulation**"), Commission Delegated Directive 2017/593 (the "MiFID II Delegated Directive" together with the MiFID II Org Regulation, "**Level 2 MiFID II**") and Commission Delegated Regulation (EU) 231/2013 ("**Level 2 AIFMD**"), on the integration of certain environmental, social and governance considerations and sustainability risks into certain organizational requirements and product governance. Further, the changes introduced to Level 2 MiFID II could have an impact on the ability of third party distributors or third party investment managers in the EU to recommend or to invest in the CVC Capital Funds on behalf of their clients. The Level 2 MiFID II obligations have applied since August 2, 2022 and November 22, 2022, respectively, while the Level 2 AIFMD obligations have applied since August 1, 2022.

The UK announced that it will not implement the SFDR into national law following the UK's withdrawal from the EU. Nonetheless, the UK has introduced ESG-related disclosure requirements for asset managers, including disclosures for certain UK asset managers that align to the recommendations of the Taskforce on Climate-related Financial Disclosures, which apply in full from 2024, and rules introduced in late 2023 (to apply from 2024 onwards) establishing a new regime for Sustainability Disclosure Requirements ("**SDR**") and investment labels, and including new naming and marketing requirements for funds that have sustainability characteristics. In general, the above UK ESG related disclosure requirements are expected to have limited direct impact on non-UK funds managed by non-UK asset managers (including the CVC Capital Funds) as they will apply only to UK authorized firms and do not currently extend to overseas funds; however, there could be an indirect impact on the CVC Capital Funds in circumstances where such funds are marketed to investors via a UK authorized firm acting as a placement agent or distributor (including an affiliate of CVC), as such firms are required to comply with an "anti-greenwashing rule", which may result in additional costs to the CVC Capital Funds and/or reputational risk to CVC, and may impact the way in which a distributor is able to market the CVC Capital Funds on behalf of CVC to UK investors. Nonetheless, there is still uncertainty as to

the potential indirect impacts of this SDR and investment labels regime on CVC and the CVC Capital Funds. The FCA has stated its belief that the regime would be enhanced by including additional funds within scope of the new SDR and investment labels regime, including overseas funds; however, this will require secondary legislation to be introduced by the UK government. If the UK's ESG related disclosure requirements were to become applicable to the CVC Capital Funds, this could result in additional regulatory costs to be incurred by the CVC Capital Funds.

Compliance with the SFDR, the Taxonomy Regulation and other applicable ESG-related rules is expected to result in increased legal, compliance, reporting and other associated costs and expenses which will be borne by the CVC Capital Funds, including costs and expenses of collecting and calculating data and the preparation of policies, disclosures and reports, in addition to other matters that relate solely to marketing and regulatory matters, and such costs and expenses may reduce investor returns. CVC and the CVC Capital Funds reserve the right to adopt such arrangements as they deem necessary or desirable to comply with any applicable requirements of the SFDR, the Taxonomy Regulation and any other applicable legislation or regulations related to the Action Plan.

#### Arrangements Between Portfolio Companies and/or Between Portfolio Companies and CVC Capital

Certain of the CVC Capital Funds' portfolio companies (each a "**CVC Operating Company**") are or will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of the same CVC Capital Fund, other investment funds or arrangements managed, operated and/or advised by CVC or with CVC which agreements, transactions or other arrangements may not have been entered into but for the service provider being a portfolio company of a Fund, and which may involve fees and/or servicing payments to CVC which are not subject to offset against management fees paid to CVC and/or may be subject to fee arrangements which would not have been applicable but for the association with CVC. These arrangements may involve commissions, servicing payments, discounts and/or other remuneration that may, directly or indirectly inure to the benefit of CVC, the CVC Capital Funds and affiliates or portfolio companies (including CVC Operating Companies). To the extent that a CVC Operating Company is providing a service to another portfolio company of that or another CVC Capital Fund, or to CVC, such CVC Operating Company will benefit. Whether between portfolio companies of different CVC Capital Funds or between a portfolio company and CVC, these arrangements may result in one (or the other) receiving a greater benefit at the expense of the other. Further, the benefits received by the particular CVC Operating Company providing the service may be greater than those received by the entity receiving the service, and in some cases, the benefit received by CVC may be greater than the benefit received by a portfolio company who also receives such services. CVC is not involved in the day to day management of such CVC Operating Companies, the respective management teams of the relevant CVC Operating Company and such transaction counterparty will independently make their own determinations with regard to any business transacted between them, CVC may request that such CVC Operating Companies pursue portfolio companies of CVC funds as potential customers. In addition, CVC may introduce portfolio companies of CVC funds to the CVC Operating Company and vice versa. CVC notes that these arrangements may impact the operations of one or more portfolio companies. In some cases, CVC representatives sit on the board of the relevant portfolio company(ies).

In addition, CVC and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

#### Sharing and Use of Portfolio Company Data

In addition, CVC receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics some of which is sometimes referred to as "big data". This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, CVC is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop strategies. CVC also intends to utilize such data for purposes of identifying new investment

opportunities for the Funds. Information from a portfolio company owned by a Fund may enable CVC to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for CVC and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to CVC (which expenses are indirectly borne by the Funds). CVC may enter into information sharing and use arrangements with portfolio companies and other sources of information that may limit the internal distribution and use of such data. CVC has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to CVC, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, CVC may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, CVC is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of CVC and other Funds.

The sharing and use of "big data" and other information present potential conflicts of interest and any benefits received by CVC or its personnel will not be subject to the management fee offset provisions or otherwise shared with a Fund or its investors. CVC has in the past utilized and is likely in the future to utilize such information to benefit CVC, its affiliates or certain Funds in a manner that may otherwise present a conflict of interest resulting from the particular facts and circumstances, but does not intend to specifically disclose such conflicts to the relevant Funds.

CVC and its affiliates may from time to time also enter into formal or informal arrangements with portfolio investments to facilitate the sharing of data and/or data analytics. Subject to applicable legal, regulatory and contractual requirements, these information sharing arrangements are designed to allow CVC, the Funds and the Funds' portfolio companies to better discern economic or other trends and developments. CVC believes that all Funds benefit from these arrangements in ways that would be impossible without the ability to aggregate data from across CVC's businesses and the Funds' portfolio companies. However, information sharing may involve conflicts of interest between the Funds and/or between the Funds and CVC. For example, data analytics based on inputs from one portfolio company may inform business decisions by other portfolio investments, or investment decisions by CVC and its affiliates, without the source of the data being directly compensated. It is difficult, if not impossible, to measure exactly the benefits any particular entity receives from these kinds of arrangements, or to provide specific and direct monetary compensation for such information. Therefore, CVC and its affiliates may utilize such data outside of Fund activities in a manner that may provide a material benefit to CVC, without directly compensating or otherwise benefitting the Funds. As a result, CVC may have an incentive to pursue investments (on its own behalf or on behalf of the Funds) based on the data that may be accessible as a result of owning such investments, and/or to utilize such data in a manner that benefits CVC and/or investments held by other Funds.

#### Service Providers and Value-Added Investors

Certain conflicts of interest may arise in respect of service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment or commercial banking firms), which may be CVC Operating Companies, and certain other advisors and agents of a CVC Capital Fund which may be investors and/or sources of investment opportunities and co-investors or counterparties in a particular CVC Capital Fund or other CVC Capital Funds and may also provide goods or services to or have business, personal, financial or other relationships with CVC and/or its affiliates or be entities in which CVC and/or a particular CVC Capital Fund has an investment (and payments by the relevant CVC Capital Fund and/or such entities may indirectly benefit CVC and/or such CVC Capital Fund). In particular, employees of CVC U.S. or its affiliates, and/or their family members or relatives in certain cases have ownership, employment, or other economic or other interests in certain services providers to a CVC Capital Fund or its portfolio company. These relationships may influence a general partner in deciding whether to select such a service provider to perform services for a particular CVC Capital Fund or in respect of any investment (the cost of which will generally be borne by the CVC Capital Fund) or

may influence CVC in deciding whether to recommend a service provider to a portfolio company of a CVC Capital Fund.

In addition, CVC expects to engage third parties as 'senior advisors' (or another similar capacity) in order to advise it with respect to existing investments, specific investment opportunities, and economic and industry trends. Such senior advisors may be former employees of CVC or third-party consultants. Such senior advisors may receive reimbursement of reasonable related expenses by portfolio companies or a CVC Capital Fund and may have the opportunity to invest in a portion of the equity available to a CVC Capital Fund for investment. If such senior advisors generate investment opportunities, such members may receive special additional fees or allocations comparable to those received by a third party in an arm's length transaction.

CVC currently retains a number of senior advisors who are experts in their respective fields, such as law and human resources. They are available to provide CVC with bespoke advice in respect of specific issues that arise within their fields of expertise. The individuals are not employees of CVC and instead are retained as consultants and their fees are charged in accordance with their consultancy agreements. Where work is done in respect of a specific investment or on behalf of a CVC Capital Fund, in accordance with the governing documents of the CVC Capital Funds, the fees are typically recharged to the relevant investment or CVC Capital Fund and, indirectly, the investors in such CVC Capital Fund. Such senior advisors are also available to provide advice to CVC with respect to matters that do not involve a fund or specific or prospective investment and any such work is charged to and paid for by CVC and is charged at the same rate as to an investment or a CVC Capital Fund. CVC bears the cost of providing administrative support to these individuals (e.g. office space, back office services). In addition, the expertise of these senior advisors may be made available to portfolio companies, in which case an appropriate charge to the portfolio company will be made under a separate agreement between the portfolio company and the senior advisor. CVC may retain additional senior advisors in the future on a similar basis and it is expected that the services provided by the senior advisors will expand over time.

The nature of the relationship with each such senior advisor and the time devotion requirements of each such senior advisors may vary significantly. In certain cases, advisers have attributes of CVC personnel (for instance, they may have dedicated office space, receive adviser administrative support services, participate in general meetings or events for CVC personnel, have CVC e-mail address or business cards), even though they are not employees, affiliates or personnel of CVC.

CVC and/or CVC personnel expect to provide certain services to a portfolio company or IHV of an administrative nature, including the provision and arrangement of office space, the provision of directors, local personnel (including salary and benefits), tax administrative services (including in respect of reporting required pursuant to any existing or future tax reporting regime) and other general administrative services (including in respect of any reporting required pursuant to any existing or future legal or regulatory reporting regime) in return for which CVC and/or CVC personnel will receive an arm's length fee. CVC and/or CVC personnel will not be required to account to a CVC Capital Fund for any such fees in so far as they relate to "administration services" and nor will such fees be subject to an offset against the management fee paid by a relevant CVC Capital Fund which would otherwise apply to directors' fees.

Notwithstanding the foregoing, investment transactions for a particular CVC Capital Fund that requires the use of a service provider (including a CVC Operating Company) generally will be allocated to service providers on the basis of the general partner's judgment as to factors such as best price or other similar factors, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the general partner believes to be of benefit to the particular CVC Capital Fund. Misconduct by service providers (such as the improper use or disclosure of confidential information which could result in litigation or serious financial harm, including limiting the particular CVC Capital Fund's business prospects or future activities), which the general partner may not be able to detect and prevent, could cause significant losses to the particular CVC Capital Fund. In certain circumstances, advisors and service providers, or their affiliates (including CVC Operating Companies), may charge different rates or have different arrangements for services provided to CVC, the general partner, the investment adviser or their respective affiliates as compared to services provided to the particular CVC Capital Fund and/or portfolio companies of a CVC Capital Fund, which may result in more favorable rates or arrangements than those payable by the particular CVC Capital



Fund or portfolio company. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the particular CVC Capital Fund and its portfolio companies are different from those used by CVC or its affiliates; CVC or its affiliates may pay different amounts or rates than those paid by the particular CVC Capital Fund and portfolio companies. This may result in more favorable rates applying in respect of CVC and its affiliates than those that apply in respect of the particular CVC Capital Fund and its portfolio companies.

#### Artificial Intelligence and Machine Learning Developments

Recent technological advances in artificial intelligence and machine learning technologies (collectively, “**AI Technologies**”), including, for example, the OpenAI ChatGPT application, create opportunities for CVC, its funds, investment vehicles and accounts and portfolio companies, as well as risks. CVC uses and may expand its use of AI Technologies in connection with its business and investment activities and expects its portfolio companies and investments will use such technologies. Actual usage of such AI Technologies will vary across its business, funds and portfolio companies and investments and CVC has assessed potential risks posed by use of AI Technologies and devised policies governing their use to help mitigate the risk. Guidance on managing key risks such as information security, data privacy, and intellectual property has been issued to all staff who are required to attest to reading and understanding the guidance as part of their quarterly compliance certifications.

Further, AI Technologies are highly reliant on the collection and analysis of large amounts of data and complex algorithms but it is not possible or practicable to incorporate all relevant data into models that AI Technologies utilize to operate, nor does CVC expect to be involved in the collection of such data or development of such algorithms in the ordinary course. Therefore, it is expected that data in such models will contain a degree of inaccuracy and error, and potentially materially so, and that such data as well as algorithms in use could otherwise be inadequate or flawed, which would be likely to degrade the effectiveness of AI Technologies and could adversely impact CVC, the Funds or the portfolio companies and investments to the extent they rely on the work product of such AI Technologies. The volume and reliance on data and algorithms also make AI Technologies, and in turn CVC, the Funds and the Funds’ portfolio companies and investments more susceptible to cybersecurity threats. In addition, CVC, the Funds and the Funds’ portfolio companies and investments could be exposed to risks to the extent third-party service providers or any counterparties use AI Technologies in their business activities. CVC will not be in a position to control the manner in which third-party products are developed or maintained or the manner in which third-party services utilising AI Technologies are provided. In addition, AI Technologies may be competitive with the business of portfolio companies or increase the potential for obsolescence of a portfolio company’s products or services (particularly as the capabilities of AI Technologies improve, and accordingly the increased adoption and use of AI Technologies may have an adverse effect on portfolio companies or their respective businesses.

Moreover, use of AI Technologies by any of the parties described in the previous paragraphs could include the input of confidential CVC information (including material non-public information and personal information) by third parties in contravention of non-disclosure agreements and, whilst CVC has imposed restrictions on the use of AI Technologies, the nature and availability of such technologies limits CVC’s ability to control all use and as a result CVC’s policies and/or non-disclosure agreements (as applicable) could be breached by CVC personnel or third parties. The use of AI Technologies, including potential inadvertent disclosure of confidential CVC information, could also lead to legal and regulatory investigations and enforcement actions.

AI Technologies and their current and potential future applications including in the private investment and financial sectors, as well as the legal and regulatory frameworks within which they operate, continue to rapidly evolve, and it is impossible to predict the full extent of current or future risks related thereto.

#### Software Code Protection

Source code may comprise a critical component to a portfolio company’s operations. If an unauthorised disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third parties to compete with such portfolio company’s products by copying functionality, which could adversely affect revenue and



operating margins. Unauthorised disclosure of source code could also increase security risks (e.g., viruses, worms and other malicious software programs that may attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cyber-security branches may include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

#### Dependence on Patents, Trademarks and Other Intellectual Property

Certain of a Fund's portfolio companies may depend on intellectual property rights, including patents, trademarks and trade secret protection. The ability to effectively enforce patent, trademark and other intellectual property laws may affect the value of these portfolio companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third parties. The presence of patents or other proprietary rights belonging to other parties may lead to the termination of a product or service developed or to be developed by a portfolio company.

There can be no assurance that a Fund's portfolio companies will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a portfolio company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from other jurisdictions could be significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonised patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

#### Third-Party Infringement Claims

A portfolio company may, from time to time, receive notices from others claiming such portfolio company has infringed their intellectual property rights. The number of these claims may grow because of the constant change in the technology industry, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may use 'open source' software in their products, or may use such software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property claims, portfolio companies may enter into royalty and licensing agreements on terms that are less favourable than currently available, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins to decline. In addition to money damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies. In some countries, an injunction can be issued before the parties have fully litigated the validity of the underlying patents.

### **9. Disciplinary Information**

CVC U.S. and its personnel have not been involved in any legal or disciplinary events in the past 10 years that would be material to an investor's evaluation of the firm or its personnel.

### **10. Other Financial Industry Activities and Affiliations**

CVC personnel are encouraged to discuss any perceived risks or concerns about CVC's business practices with their direct supervisor or members of CVC's Legal and Compliance teams. In addition, to enable CVC personnel to voice their concerns in an effective manner and show its commitment to the highest standards of openness, probity and accountability, CVC has implemented a Whistleblowing Policy. This policy is accessible on the Compliance section of Insight.

## ***CVC Private Equity Business***

CVC U.S. is affiliated with CVC Advisers Luxembourg, CVC Advisers Company Luxembourg, CVC Advisers PE and CVC Advisers Jersey through the indirect common ownership by CVC Advisory Holding Foundation. In addition, CVC Advisers Jersey and the general partners of the CVC Capital Funds are deemed related persons of CVC U.S. for Form ADV disclosure purposes.

## ***CVC Credit Business***

CVC Credit Partners, LLC, a Delaware limited liability company, is a wholly owned subsidiary of CVC Credit Partners Investment Management Limited.

The CVC Credit Partners global platform also includes a separately-organized U.K. investment adviser, CVC Credit Partners Investment Management Limited, which is regulated by the UK Financial Conduct Authority and is a Relying Adviser of CVC Credit Partners, LLC. Additionally, CVC Credit Partners' global platform includes CVC Credit Partners Investment Fund Manager Limited, which is regulated by the Jersey Financial Services Commission and is a Relying Adviser of CVC Credit Partners, LLC.

The CVC Credit Partners advisers above are under common ultimate control with two other investment advisers that focus on the management of Collateralized Loan Obligation ("**CLO**") vehicles and are held under a separate ownership structure. These advisers are, CVC Credit Partners U.S. CLO Management LLC in the U.S., which is a registered investment adviser with the SEC, and CVC Credit Partners European CLO Management, LLP, which is regulated by the UK Financial Conduct Authority. Both of these advisers are wholly-owned subsidiaries of CVC Credit Partners Global CLO Management Limited, a closed ended private limited liability company incorporated in Jersey.

Collectively all of the above investment advisers are referred to herein as "CVC Credit Partners." The CVC Credit Partners business is managed independently of CVC's private equity business.

CVC Credit Partners provides investment advisory services to clients including collateralized loan obligations, collateral debt obligations and collective investment vehicles, private funds and separately managed accounts for institutional investors on a discretionary and non-discretionary basis (together "**CVC Credit Funds**"). CVC Credit Funds pursue primarily U.S. and European leveraged and performing credit strategies (such as broadly syndicated bank loans, secured and leveraged loans, floating rate loans, second lien loans, corporate and high yield bonds, convertible bonds), alternative credit strategies (such as mezzanine debt, structures and illiquid credit), special situations (such as stressed and distressed credit, equity and preferred securities, reorg equity), and mid-market lending (privately negotiated loans to mid-market companies). In pursuit of these strategies, CVC Credit Partners will also utilize currency forwards and other derivative instruments on behalf of the CVC Credit Funds. These investments are generally not suitable for the CVC Capital Funds.

## ***CVC Funding, LLC***

CVC Funding, LLC is registered as a broker-dealer in the U.S. with the SEC, is a member of FINRA and is a wholly-owned subsidiary of CVC Credit Partners, LLC. CVC Funding, LLC's primary focus is to conduct activities as a finder and/or placement agent for CVC Credit Partners and CVC Capital Partners own proprietary private funds. These private placements are offered pursuant to Rule 506 of Regulation D, as well as Regulation S. CVC Funding, LLC does not execute transactions on behalf of CVC.

## ***Glendower Capital***

A strategic partnership with Glendower Capital was announced in September 2021 to provide dedicated investment and liquidity solutions for secondary private markets through Glendower's established fund portfolio and GP-led secondary private equity strategies. The strategic partnership closed in January 2022. Existing Glendower fund general partners did not form a part of the strategic partnership as they are owned by Glendower Capital (U.K.) Limited, which is a distinct entity separately owned and has no connection or affiliation with CVC. However, future Glendower fund

general partners that are formed following the date of the strategic partnership will be affiliates of Glendower Capital (U.S.), LLC, Glendower Capital, LLP and the broader CVC group and the entities comprising the CVC Secondaries Group are the primary investment advisers to a number of existing CVC managed secondaries funds ("**CVC Secondaries Funds**"). Members of CVC are expected to acquire interests in general partners and/or management and/or advisory entities that manage, advise and/or operate CVC Secondaries Funds. CVC are currently entitled to economic benefits with respect to existing CVC Secondaries Funds and is expected to become entitled to financial incentives and/or other benefits (including economic benefits) with respect to future CVC Secondaries Funds.

While CVC is the majority equity owner of the CVC Secondaries Group, the senior management team of the CVC Secondaries Group exercises independent authority over (i) the day-to-day operations of the CVC Secondaries Group and (ii) the investment activities of the CVC Secondaries Funds, without involvement from the broader CVC group.

Please refer to Item 11 for further details.

### ***CVC Capital Markets***

CVC has established a business to conduct certain capital markets activities using its own balance sheet capital, including acting as underwriter and/or investing as principal on arm's length terms in any offering or placement of debt and/or equity securities, loans or instruments issued by portfolio companies or intermediate holding vehicles of CVC Capital Funds.

Please refer to Item 11 for further details.

### ***DIF Capital Partners***

In September 2023, CVC announced the agreed acquisition of a majority shareholding in the top holding company of the DIF Capital Partners (defined below) group, a leading infrastructure manager. Completion of the acquisition is currently expected to take place in H1 2024 subject to regulatory approval.

Please refer to Item 11 for further details.

### ***Commodity Pool Operators and Commodity Trading Advisors***

Because certain CVC Capital Funds may have the ability to invest in commodity interests, the CVC Capital Funds may be subject to regulation as a commodity pool and CVC U.S. as commodity pool operator under the Commodity Exchange Act and the rules of the U.S. Commodity Futures and Trading Commission ("**CFTC**"). However, because CVC Capital Funds limit trading in commodity investments and because interest in the CVC Capital Funds are offered and sold without marketing to the public, CVC and CVC U.S. is exempt from having to register as a commodity pool operator pursuant to CFTC Rule 4.13(A)(3).

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

CVC U.S. is subject to CVC's global Code of Ethics (the "Code") designed to satisfy, among other things, the requirements of Rule 204A-1 under the Advisers Act. The Code expresses CVC's operating principles of integrity, honesty and fiduciary duties owed to clients. The Code sets forth a standard of business conduct expected of all of CVC directors, officers, partners and employees ("CVC Persons") as well as policies and procedures that CVC Persons must follow to prevent activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of unethical behaviour. CVC U.S.' personnel are all CVC Persons subject to the Code.

Subject to certain exceptions consistent with industry requirements (e.g., U.S. government securities, open-end investment companies, etc.), the Code requires CVC Persons to report securities transactions each quarter in accounts in which they, or their immediate family members or other family

members living in their household, have a “beneficial interest.” CVC Persons must also report any newly opened accounts on an ongoing basis. Additionally, CVC Persons certify annually in writing regarding holdings and existing accounts as well as compliance with the terms of the Code. The Code also requires CVC Persons to receive pre-clearance before entering into purchases and sales (investments and redemptions) involving IPOs or private placements.

In addition, the governing documents for the CVC Capital Funds impose limitations on personal investing by certain CVC Persons in opportunities within the investment scope of the funds.

Additionally, CVC has adopted policies and procedures to prevent insider trading, which are designed to ensure proper handling of confidential information to prevent violation of laws and regulations prohibiting the misuse of such information, and to avoid situations which might create the appearance of such misuse. CVC also has adopted procedures that establish certain information barriers between CVC U.S. and the rest of CVC’s private equity business, on the one hand, and CVC Credit, on the other, as previously discussed in Item 10. These procedures are designed to prevent inadvertent dissemination of information between CVC Credit and the rest of CVC, including CVC U.S. CVC’s Compliance team is responsible for administering the prevention of insider trading procedures, monitoring compliance with the information barriers established by CVC and overseeing the manner by which CVC addresses potential conflicts of interest.

The Code additionally requires CVC’s compliance department to regularly review all personal trading documents and to address any issues noted during the review, including the appropriateness of imposing sanctions for violations of the Code.

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

As discussed in Item 8, CVC U.S. and certain employees and affiliates of CVC U.S. may invest in and alongside the Funds, either through the general partners, as direct investors in the Funds or otherwise. A Fund or its general partner, as applicable, may reduce all or a portion of the management fee and carried interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” below.

### ***Conflicts of Interest***

CVC U.S. and its affiliates engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a CVC Capital Fund will, from time to time, conflict with the interests of CVC U.S., other CVC Capital Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how CVC U.S. addresses such conflicts of interest, can be found below.

The summary below is not a complete or exhaustive list or explanation of all actual or potential conflicts of interest that could arise in connection with the CVC Capital Funds and their activities. Prospective and existing investors are advised to review the offering materials and other constituent documents for a more detailed and complete description of the actual or potential conflicts of interest that could arise in connection with a particular CVC Capital Fund and its activities. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

### ***Resolution of Conflicts***

In the case of all conflicts of interest, CVC U.S.’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using CVC U.S.’s best judgment, but in its sole discretion. In resolving conflicts, CVC U.S. considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) CVC U.S. will consider the appropriateness of an investment recommendation from the viewpoint of a Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions other provisions contained in the governing documents for the Funds;
- (3) Generally, each Fund has established an advisory committee, consisting of representatives of investors not affiliated with CVC U.S. The advisory committees meet as required to consult with CVC U.S. as to certain potential conflicts of interest. On any issue involving actual conflicts of interest, CVC will be guided by its good faith discretion;
- (4) Where CVC U.S. deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (5) CVC U.S. has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest;
- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund; and
- (7) CVC U.S. and certain of its affiliates have adopted written policies establishing information "walls" designed to limit communication between business units investing in equity securities and debt securities of companies. These policies restrict the transfer of confidential information between these business units, subject to certain exceptions provided in the policies. These policies also establish procedures for communications among employees of different business units to guard against unlawful and inappropriate disclosure of material, nonpublic information.

While CVC U.S. endeavours to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions and there can be no assurance that a conflict will necessarily be resolved in a particular fund's favor.

#### ***Conflicts Related to Purchases and Sales***

Funds from time to time invest in conjunction with an investment being made by other Funds or a client of CVC U.S.'s affiliate, or in a transaction where another Fund or client of such an affiliate has already made an investment. Conflicts may arise in connection with such investments.

Investment opportunities are from time to time appropriate for more than one Fund and/or clients of CVC U.S.'s affiliate at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where CVC U.S. may recommend investments in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to recommend enforcing claims, whether or not to recommend advocating or initiating a restructuring or liquidation inside or outside of bankruptcy, the terms of any workout or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and CVC U.S. may be incentivised to recommend a course of action that benefits one Fund to the detriment of another Fund. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational recommendations may, at times, be in direct conflict with other Funds and/or clients of CVC U.S.'s affiliate that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.



Certain clients of CVC U.S. and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund or client of CVC U.S.'s affiliate, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. The involvement of such Funds at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds or clients of CVC U.S.'s affiliate will be prohibited from exercising voting or other rights and may be subject to claims by other creditors with respect to the subordination of their interest. For example, certain conflicts of interest, or the appearance of conflicts of interest, may arise in situations in which CVC Capital Funds and CVC Credit Funds independently make investments in different parts of the capital structure of the same company (e.g., a CVC Credit Fund provides financing to, or otherwise invests in the debt instruments of, a CVC Capital Fund's portfolio company).

In order to address these potential conflicts of interest, CVC has adopted policies and procedures that establish certain barriers between CVC Credit Partners, Glendower and the rest of CVC (including CVC U.S.). CVC Credit Partners, Glendower and the rest of CVC maintain separate investment committees and operating boards. No member of CVC Credit's or Glendower's investment committees serves on any of the Investment Committees for CVC Capital Funds and vice versa. While certain senior CVC personnel serve on the CVC Credit Partners and/or Glendower's advisory board and other companies where CVC Credit Partners or Glendower holds an investment, these personnel have no access to underlying private information and do not participate in CVC Credit Partners or Glendower's investment decisions. CVC also maintains strict information barriers to prevent inadvertent dissemination of information between CVC Credit Partners, Glendower and the rest of CVC. Collaboration between CVC Credit Partners, Glendower personnel and CVC Capital Partners personnel may therefore be limited; this in turn may reduce potential synergies across CVC.

Material conflicts between a CVC Capital Fund and any member of CVC are brought to the attention of the investor advisory boards of the relevant funds, as provided in the CVC Capital Funds' governing documents. CVC Credit Partners has established an independent subcommittee of independent persons to conduct reviews on behalf of and to provide guidance to CVC Credit Partners with respect to any situation where there is the potential for (or perception of) a material conflict of interest between CVC Credit Partners and the rest of CVC. In addition, if CVC Credit Partners clients provide financing to portfolio companies of the CVC Capital Funds, the CVC Credit Partners clients participate on arm's length terms no more favorable than the terms on which any other similarly situated lenders participate, determined in accordance with CVC Credit Partners' standard process for review and engagement of third-party service providers.

CVC Credit Partners Funds or other CVC Capital Funds may participate in the debt tranches of an investment (alone or in addition to participating in the equity tranche). As the general partner, manager and/or adviser of a particular CVC Capital Fund and any such other CVC Capital Fund, CVC would owe a fiduciary duty to such other CVC Capital Fund, as well as to the particular CVC Capital Fund. If such a CVC Capital Fund were to purchase high yield securities or other debt or other instruments from a portfolio company senior to the particular CVC Capital Fund's investments, CVC may, in certain instances, face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such CVC Capital Fund and the particular CVC Capital Fund (e.g., with respect to the terms of such high yield securities or other debt or other instruments, the enforcement of covenants, the terms of recapitalizations). If a CVC Credit Partners Fund were to purchase such securities, CVC may face a conflict of interest. To mitigate the risk of such a conflict arising, the investment decision process in respect of CVC Credit Partners Funds runs separately to that in respect of CVC Capital Funds with no envisaged overlap of investment decision-making personnel.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the CVC Capital Funds may or may not provide such additional capital, and, if provided, each CVC Capital Fund will supply such additional capital in such amounts, if

any, as determined by the applicable general partner. In the event one CVC Capital Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other CVC Capital Fund may be obligated to fund more than its share of such amount. In such event, one CVC Capital Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each CVC Capital Fund may be negatively impacted as a result of the foregoing. Investments by more than one CVC Capital Fund or its affiliates in a portfolio company also raise the risk of using assets of a CVC Capital Fund or its affiliates to support positions taken by other Funds of CVC or its affiliates, or that a Fund may remain passive in a situation in which it is entitled to vote.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. In addition, where more than one CVC Capital Fund (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. For example, because CVC has an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) or because one Fund's term may expire before the end of another Fund's term, CVC U.S. may recommend and the applicable general partner may cause such CVC Capital Funds to dispose of the investment at different times. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a CVC Capital Fund. At the same time, if CVC U.S. recommends that a Fund exit an investment at the same time as another CVC Capital Fund or CVC Fund, the term of which may expire sooner than the former CVC Capital Fund, CVC U.S. may recommend that such CVC Capital Fund dispose of its interest earlier than it ordinarily would have and the Fund may, as a result, experience lower returns than it otherwise may have earned on such investments.

The application of a CVC Capital Fund's governing documents and CVC U.S.'s policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more CVC Capital Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

From time to time CVC will, in its discretion, enter into transactions with investors in one or more Funds, co-investors, CVC personnel or third parties to dispose of, or "sell down," all or a portion of certain investments held by one or more Funds. The sales price for such transactions will be mutually agreed to by CVC and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by CVC, and CVC is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price, which means CVC may not obtain the highest price for the transaction. Furthermore, subject to the governing documents, CVC may charge (or may decide not to charge) a purchasing party interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable purchasing party. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s).

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain co-investment vehicles with investments contractually tied to the Fund (including co-investment vehicles through which CVC U.S. personnel participate) are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds' governing documents or otherwise), such co-investment vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not obligated to pay their proportionate

share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

The Funds, from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments may involve risks and conflicts that would not otherwise be present in investments where a third party is not involved. Such risks include, among other things, the possibility that the third party may have differing economic or business goals than those of the Fund, or that the third party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Funds will be liable for the actions of such third-party co-investors. There can be no assurance that the return of a Fund participating in a transaction with a third party would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

A Fund may, from time to time, acquire investments from, or sell investments to, other CVC Funds (including a continuation fund established for the purpose of acquiring certain assets of the Fund) with the approval of the advisory board in accordance with the terms of the partnership agreement of the relevant Fund. A conflict of interest would arise to the extent CVC and CVC personnel are economically incentivised by a Fund acquiring investments from or selling investments to other CVC Funds (including where a CVC Secondaries Fund or a Retail Fund holds an interest in such CVC Fund).

### ***Management of the Funds***

CVC manages a number of Funds that may have investment objectives similar to each other. CVC expects that it or its personnel will in the future establish one or more additional investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. CVC U.S. may make recommendations with respect to the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund generally may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that CVC personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by CVC, including funds raised in the future or to proprietary investments made by CVC and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these CVC personnel. CVC personnel have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better-performing Funds.

CVC will, from time to time, consider, and reject an investment opportunity on behalf of one Fund and, CVC or an affiliate of CVC may subsequently determine to have another Fund or CVC Capital Fund's affiliate make an investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by CVC on behalf of the original Fund considering the investment. In such circumstances, except as otherwise described herein, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

The Funds may enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds may be held responsible for the defaulted amount.

### **Conflicts relating to CVC Secondaries Funds**

CVC Green Holdings Limited (being an indirect subsidiary undertaking of CVC SICAV-FIS) has acquired a majority shareholding in Glendower Holdings (and has been admitted as a member or limited partner (as applicable) in each of the entities comprising the CVC Secondaries Group). The entities comprising the CVC Secondaries Group are the primary investment advisers to a number of existing CVC Secondaries Funds. Additional CVC Secondaries Funds are expected to be established in the future and members of CVC Management Group are expected to acquire interests in general partners and/or management and/or advisory entities that manage, advise and/or operate such CVC Secondaries Funds. CVC Management Group is currently entitled to economic benefits with respect to existing CVC Secondaries Funds and is expected to become entitled to financial incentives and/or other benefits (including economic benefits) with respect to future CVC Secondaries Funds.

A number of potential conflicts of interest may arise as a result of the investment activities of one or more CVC Secondaries Funds. CVC Secondaries Funds could acquire interests in other CVC Capital Funds as a limited partner. This could be expected to give rise to conflicts of interest between, on the one hand, the relevant CVC Capital Fund and, on the other hand, the relevant CVC Secondaries Fund, for example in connection with the negotiation of the terms of the relevant CVC Secondaries Fund's participation in such CVC Capital Fund and/or side letter provisions. CVC Secondaries Funds could acquire, directly or indirectly, interests in the assets of another CVC Capital Fund in the secondary market or by way of a syndication or sale of such assets by such CVC Capital Fund to a CVC Secondaries Fund or to any other investment vehicle in which such CVC Secondaries Fund is or becomes an investor, including a private fund managed, advised and/or operated by a third party sponsor (a **"Third Party Fund"**) or a continuation fund established by CVC for the purpose of acquiring certain assets of another CVC Capital Fund. CVC Secondaries Funds may have information in relation to such CVC Capital Fund or such assets that other potential purchasers that are not affiliated with CVC may not have with respect to the relevant CVC Capital Fund or such assets. The acquisition of an interest in another CVC Capital Fund or in the assets of such CVC Capital Fund by a CVC Secondaries Fund could be expected to give rise to conflicts of interest. For example, CVC may have a financial incentive or otherwise benefit from the relevant CVC Secondaries Fund participating in such transaction. Furthermore, CVC Secondaries Funds are expected to invest in Third Party Funds and another CVC Capital Fund may engage in or may consider engaging in transactions with such Third Party Funds. Such transactions may include, but are not limited to, purchasing investments or assets from or selling investments or assets to Third Party Funds, investing alongside Third Party Funds and/or jointly bidding for investments with Third Party Funds. The participation of CVC Secondaries Funds in such Third Party Funds may give rise to conflicts of interest. For example, CVC may have a financial incentive or otherwise benefit from a CVC Capital Fund acquiring an asset from, or selling an asset to, a Third Party Fund as a result of the participation, or potential participation, of a CVC Secondaries Fund in such Third Party Fund. In addition, CVC Secondaries Funds may participate in the decision-making process of Third Party Funds and CVC Secondaries Funds, and indirectly, CVC, may have non-public information with respect to such transactions, or such transactions may involve CVC receiving fees or other benefits, directly or indirectly, from more than one party with respect to such transactions. To mitigate the risk of such conflicts arising, the investment decision process in respect of CVC Secondaries Funds runs separately to that in respect of CVC Capital Funds with no envisaged overlap of investment decision making personnel. Further, to the extent CVC determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the general partners of the CVC Capital Funds.

### **Conflicts relating to DIF Capital Partners**

CVC Advisers Luxembourg (as noted above, being an indirect subsidiary undertaking of CVC Advisory Holding Foundation) has acquired a majority shareholding in the top holding company of the DIF Capital Partners group, a leading infrastructure manager. Completion of this acquisition is currently expected to take place in H1 2024 subject to regulatory approval. Certain entities comprising DIF Capital Partners are the primary investment advisers to a number of existing DIF Capital Partners Funds (being any fund or managed account arrangement managed or advised by DIF Capital Partners or any direct or indirect subsidiary of DIF Capital Partners). Additional DIF Capital Partners Funds are expected to be



established in the future and members of the same group as the general partners of the Funds are expected to acquire interests in general partners and/or management and/or advisory entities that manage, advise and/or operate such DIF Capital Partners Funds. Upon completion of this acquisition, certain CVC entities will be entitled to certain economic benefits with respect to existing DIF Capital Partners Funds and are also expected to become entitled to financial incentives and/or other benefits (including economic benefits) with respect to future DIF Capital Partners Funds.

#### CVC Funds (other than Strategic Opportunities Funds) and DIF Capital Partners Funds

The DIF Capital Partners Funds pursue investments in the infrastructure space. Some DIF Capital Partners Funds target core and build-to-core investments in the mid-market infrastructure segment, renewable energy investments, broader energy transition investments and utilities, while other DIF Capital Partners Funds target higher returning, economic infrastructure investments, primarily in digital, transportation, energy transaction and (social) care.

A number of potential conflicts of interest may arise as a result of the investment activities of one or more DIF Capital Partners Funds. For example, the investment strategy of the DIF Capital Partners Funds is generally focused on infrastructure assets and, while the investment strategy and objectives of the Funds and the DIF Capital Partners Funds are generally different, it is possible that a subset of relevant Funds' investments may overlap with the investment objectives of the DIF Capital Partners Funds, and therefore certain activities of the DIF Capital Partners Funds may compete with some relevant Funds for one or more investment opportunities that are consistent with some relevant Funds' investment objectives. As a result, such investment opportunities may only be available on a limited basis, or not at all, to some relevant Funds. In addition, circumstances could arise where a fund and a DIF Capital Fund invest in two different parts of a single company's capital structure. To mitigate the risk of such conflicts arising, following the closing of the acquisition of DIF Capital Partners, the investment decision process in respect of DIF Capital Partners Funds shall run separately to that in respect of some of the CVC Funds with no envisaged overlap of investment decision making personnel. Further, to the extent CVC determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the general partners of the relevant CVC Funds.

#### Strategic Opportunities Funds and DIF Capital Partners Funds

There is limited overlap between the strategy for DIF Capital Partners Funds, on the one hand, and Strategic Opportunities Funds, on the other hand, given their distinctive mandates, target returns and target sizes.

While unlikely, in order to minimise any potential future conflict of interest relating to allocation of investments between DIF Capital Partners Funds and Strategic Opportunities Funds, a formal allocation policy will be finalised.

#### ***Conflicts relating to CVC Capital Markets***

As part of the continued development of the CVC platform, CVC has established a new business ("**CVC Capital Markets**") to conduct certain capital markets activities using its own balance sheet capital, including acting as underwriter (including by participating in underwriting syndicates and/or selling groups) and/or investing as principal on arm's length terms in any offering or placement of debt and/or equity securities, loans or instruments issued by portfolio companies or intermediate holding vehicles of CVC Capital Funds ("**CVC Capital Markets Activities**"). CVC Capital Markets Activities may relate to securities, loans, or other instruments issued by a CVC Capital Fund's portfolio company that are senior or junior in the capital structure to, or that otherwise afford different rights than, those held by CVC Capital Funds, including commitments to engage in such transactions in the future. CVC Capital Markets Activities could include (among other things) the provision of capital markets and credit advisory services, acquisition financing, and other forms of advice and financing to CVC Capital Funds and/or portfolio companies. CVC Capital Markets would be entitled to receive an arm's length underwriting, placement, syndication and transaction fees and other compensation by a portfolio company or intermediate holding vehicle of a CVC Capital Fund for CVC Capital Markets Activities,



which may be retained by CVC Capital Markets without any reduction of, or offset against, the management fee payable by the relevant CVC Capital Fund.

Certain conflicts of interest in connection with a CVC Capital Fund may arise due to the potential engagement of CVC Capital Markets, in particular in respect of any portfolio companies or intermediate holding vehicles with respect to which CVC Capital Markets provide services. For example, CVC could be seen as incentivised to: (i) seek to influence the decision by a portfolio company's management to retain or otherwise transact with CVC Capital Markets instead of other third parties that may be more appropriate or offer better terms, but who are unaffiliated with CVC; (ii) structure portfolio company transactions so that they require the use of CVC Capital Markets; or (iii) negotiate attractive fees or compensation for CVC Capital Markets. Conflicts could further arise where CVC may be incentivised to underwrite and/or syndicate securities as a result of the fees that could be earned from CVC Capital Markets underwriting the financing of an investment. Moreover, in situations where CVC Capital Markets, as a result of CVC Capital Markets Activities, holds a position in a portfolio company in which a CVC Capital Fund holds investments (including as a result of a shortfall arising as a result of an incomplete or failed syndication), the arrangement may lead to a conflict between CVC Capital Markets and such CVC Capital Fund in the event of a default by, or the liquidation of, the portfolio company or a restructuring or renegotiation of the terms of a loan or other relevant securities. In certain circumstances, including by way of an example, where a portfolio company becomes distressed and the participants in the relevant offering have a valid claim against the underwriter, the CVC Capital Fund may have a conflict in determining whether to seek recourse or sue CVC Capital Markets. CVC may also in certain cases have incentives to not bring similar claims against, or otherwise to favour, unaffiliated broker-dealers with whom CVC Capital Markets has a material business relationship. While such potential conflicts cannot be excluded, CVC Capital Markets will generally seek to provide such underwriting activities as part of an underwriting syndicate where CVC Capital Markets would exercise any voting or other rights relating to a portfolio company in line with the voting and exercise of corresponding rights held by other non-CVC affiliated members of such syndicate, with any fees charged in connection with its services being charged on a consistent basis with other non-CVC affiliated entities providing similar services as part of such syndicate.

CVC Capital Markets may also engage in similar activities with respect to companies that are not portfolio companies of CVC Capital Funds or otherwise affiliated with CVC, including with respect to transactions that would be an appropriate investment for one or more CVC Capital Funds. The participation of certain CVC Capital Funds in such transactions may be limited or prohibited due to tax law or regulatory constraints or may be more expensive or impractical due to other conflicts arising from CVC Capital Market's role in such transaction. In cases where CVC Capital Markets have access to investment opportunities that are suitable for CVC Capital Funds, CVC Capital Markets will have no obligation to make an investment opportunity available to CVC Capital Funds, and in some cases may be precluded from making such an opportunity available to CVC Capital Funds.

CVC may also, on behalf of a CVC Capital Fund, effect transactions where CVC Capital Markets is acting as a broker on the other side of the same transaction. CVC Capital Markets may retain commissions or other compensation earned in such transactions. The relevant general partner will approve any such transaction on behalf of the relevant CVC Capital Fund only where such general partner believes in good faith that the transaction is appropriate for such CVC Capital Fund.

CVC seeks to mitigate conflicts associated with CVC Capital Market Activities through conflicts of interest policies and procedures that impose certain controls on transactions involving CVC Capital Funds and CVC Capital Markets, as may be updated and amended from time to time without notice to investors (to the maximum extent not prohibited by applicable law). Subject to applicable law, affiliated brokers may also receive underwriting, placement, syndication and transaction fees, and other compensation, for transactions and services provided to companies that are not CVC portfolio companies, which compensation generally will not be shared with or reimbursed to clients. Affiliated brokers may also engage in transactions or provide advisory services to companies that are not CVC portfolio companies or otherwise affiliated with CVC, including with respect to transactions that would be an appropriate investment for a CVC Capital Fund.

## ***Follow-on Investments***

Investments to finance follow-on acquisitions may 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 follow-on acquisitions by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including 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.

Furthermore, a conflict of interest also arises because a Fund that participates in a follow-on investment in a portfolio company held by another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by CVC on behalf of the original Fund and from operational or other information about such portfolio company acquired from the original Fund's ownership of interests in the portfolio company. In such circumstances, such benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. An investment by a Fund in a portfolio company in which another Fund invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Fund and an investment by one or more other Funds in any such portfolio company may dilute the original Fund's interest in such portfolio company.

## ***Conflicts Relating to the General Partner and CVC***

CVC U.S. may compete against, or engage in business with (i.e., through co-investments and joint ventures) another investment adviser with which CVC U.S. or its affiliates or a member of their personnel has a relationship or from which CVC or its affiliates or their personnel otherwise derives financial or other benefit. Such relationships may influence decisions that CVC makes with respect to the Funds

CVC U.S. personnel and other related persons of CVC U.S. and its affiliates have made and may make capital investments in or alongside certain Funds. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

By reason of their responsibilities in connection with other activities of CVC, certain CVC personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

In addition, Funds from time to time invest in securities of companies in which CVC U.S. personnel and other related persons of CVC U.S. and its affiliates have previously invested for their own accounts. Furthermore, CVC U.S. personnel and other related persons of CVC U.S. and its affiliates from time to time invest for their own accounts in securities of companies in which the Funds have previously invested. While the significant interests of CVC U.S. personnel generally align the interest of such persons with the Funds, such persons may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity), creating conflicts of interest. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflicts not existed.

CVC U.S., its affiliates, and partners, officers, principals and employees of CVC U.S. and its affiliates may buy or sell securities or other instruments that CVC U.S. has recommended to Funds. CVC U.S. personnel may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such CVC U.S. personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by CVC U.S. on behalf of the Fund. In such

circumstances, the CVC personnel will not share or reimburse the relevant Fund(s) and/or CVC U.S. for any expenses incurred in connection with the investment opportunity.

In addition, CVC U.S. personnel from time to time also buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds and/or which may invest in similar industries and sectors as the Funds. Such CVC U.S. personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds, and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Such personnel may be incentivised to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

The transactions described above are subject to the policies and procedures set forth in CVC's Code of Ethics, and investors will not benefit from any such investments.

CVC U.S. personnel have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. In most such circumstances, the Funds' governing documents will not preclude Funds from undertaking any of these investment activities or transactions.

From time to time, CVC personnel may invest in funds or other entities managed by limited partners of a Fund, which could incentivise such CVC personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

### ***Board Positions and Portfolio Company Engagements***

Personnel of CVC U.S. or its affiliates, or of other entities within CVC's private equity business, may serve as directors of, and provide advice to, CVC Capital Fund portfolio companies. These affiliations and activities facilitate the investment strategy and management of client portfolios. Compensation, if any, in connection with directorships with portfolio companies of the CVC Capital Funds is typically remitted for the benefit of the relevant CVC Capital Fund. As discussed above in Item 5, Industrial Advisers also may serve on portfolio company boards of directors. Fees paid to Industrial Advisers in connection with such services do not benefit the CVC Capital Funds, by offset to the management fee or otherwise.

In certain circumstances, CVC U.S. employees are engaged by one or more portfolio companies in a bona fide, executive or non-executive capacity on a permanent or temporary, full time or part time, basis, and in certain cases were employed or otherwise engaged by such portfolio companies prior to being hired by CVC U.S. Certain of such CVC U.S. employees will devote or, in the case of persons employed by a portfolio company prior to being hired by CVC U.S., continue to devote a significant percentage of their time to a portfolio company, in which case the CVC U.S. employee would not be fully engaged in respect of the CVC Capital Funds. Such persons typically serve in operating and/or management roles, including in certain cases serving as the CEO or other executive positions at portfolio companies while at the same time employed by CVC U.S. In such instances, the portfolio companies will pay such person's directors' fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may, from time to time, reimburse CVC U.S. or the CVC U.S. employee for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. CVC U.S. may also, from time to time,

advance compensation to such employees on behalf of the portfolio company and be subsequently reimbursed by the applicable portfolio companies. In certain cases, CVC U.S.'s compensation to that employee will be reduced in light of compensation paid by the portfolio company, even though the management fee and carried interest paid by the CVC Capital Funds to CVC U.S. will not be reduced. In addition, because the portfolio company compensation described above is paid with respect to the individual's role with the portfolio company and not in consideration of services provided by CVC in connection with the Fund's investment, the compensation (including but not limited to any profits such individual receives in connection with an award of portfolio company stock) will not be considered fees that are subject to offset against the management fee. The involvement of CVC U.S. in the portfolio company's determination to engage such an individual directly, or to continue to provide compensation to such individual after the individual is hired by CVC U.S., as applicable, gives rise to conflicts of interest because (i) there is usually not an independent third party involved in negotiating such arrangements and (ii) the compensation paid by the portfolio company to such personnel will be borne indirectly by the applicable Fund via its ownership interest in the portfolio company, and neither the Fund nor its investors will benefit from the CVC U.S. employees' receipt of such compensation. In addition, as such individuals are employed by both CVC U.S. and a portfolio company and will be compensated by each, there are conflicts regarding allocation of such individuals' time between the two entities as well as possible indirect subsidization of such individuals' CVC U.S. compensation by the portfolio company (and vice versa).

### ***Conflicts Relating to Service Providers***

Certain conflicts of interest could be expected to arise in respect of service providers or their affiliates (including any administrators, lenders, brokers, attorneys, consultants and investment or commercial banking firms) and certain other advisors and agents of a Fund which may be investors and / or sources of investment opportunities and co-investors or counterparties in a Fund or other CVC Funds and may also provide goods or services to or have business, personal, political, financial or other relationships with CVC and/or its affiliates or be entities in which CVC and/or a CVC Fund has an investment (and payments by the relevant CVC Fund and/or such entities may indirectly benefit CVC and/or such CVC Fund). This may influence the general partner or portfolio manager in deciding whether to select such a service provider to perform services for a Fund or in respect of any investment (the cost of which will generally be borne by such Fund). Notwithstanding the foregoing, investment transactions for a Fund that require the use of a service provider generally will be allocated to service providers on the basis of the general partner's and/or portfolio manager's judgement as to factors such as best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the general partner or portfolio manager believes to be of benefit to a Fund. Additionally, misconduct by service providers (such as the improper use or disclosure of confidential information which could result in litigation or serious financial harm, including limiting a Fund's business prospects or future activities), which the general partner or portfolio manager may not be able to detect and prevent, could cause significant losses to a Fund. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to CVC, the general partner, CVC Advisers Jersey or their respective affiliates as compared to services provided to a Fund, which may result in more favourable rates or arrangements than those payable by a Fund. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by a Fund and its portfolio companies are different from those used by CVC or its affiliates, CVC or its affiliates may pay different amounts or rates than those paid by a Fund and portfolio companies. This may result in more favourable rates applying in respect of CVC and its affiliates than those that apply in respect of a Fund and its portfolio companies.

Please see "Services by CVC and/or CVC personnel" in Item 5 above for additional information.

### ***Other Potential Conflicts***

The governing documents of a Fund establish complex arrangements among the Funds, CVC U.S., investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the



negotiation and execution of such documents. In some instances, the operative provisions of the governing documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While CVC U.S. will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

In addition, CVC is subject to regulatory requirements that include provisions that can be vague or ambiguous and that permit more than one reasonable interpretation. CVC's determination of how to interpret such provisions as they relate to a Fund could be expected to impact the amount of regulatory compliance costs that are allocated to that Fund. While CVC will interpret such provisions in good faith and in a manner consistent with its legal obligations (and, when appropriate, in consultation with external legal counsel), the interpretations CVC adopts will not necessarily be, and need not be, the interpretations that lead to the least compliance costs being allocated to the Funds or their investors.

CVC U.S. has in the past and may, in its discretion, in the future have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, arrangements or agreements with persons who are former employees or executives of CVC U.S.. The Funds and/or their portfolio companies may bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there may be a conflict of interest between CVC U.S. and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, arrangements or agreements, including the possibility that CVC U.S. may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Policies and procedures implemented by CVC from time to time (including as may be implemented in the future) to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the synergies across CVC's operating platform and areas of expertise that the general partner, CVC U.S. or advisers expect to draw on for purposes of pursuing attractive investment opportunities for the Fund. As a result, information which could be of benefit to the Fund might become restricted to certain business units within CVC and otherwise be unavailable to the general partner. CVC U.S. or advisers in respect of their activities relating to the Fund. CVC may implement certain policies and procedures that may reduce the synergies that CVC generally seeks to implement across its business (for example, through the creation of information barriers to mitigate conflicts) which restricts information flow. Additionally, the terms of confidentiality or other agreements may restrict or otherwise limit the ability of the Fund and/or its portfolio companies and their associates to make investments in or otherwise engage in businesses or activities competitive with such companies.

The Funds may create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company ("**Holding Company**") would be created that would acquire and manage the companies in the platform. The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of CVC U.S., or current or former senior advisors or consultants to CVC U.S. and its affiliates. The Holding Company's costs and expenses (including compensation for its personnel, which compensation may include, among other things, the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets) would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the management fee and are in addition to management fees and other compensation (e.g., carried interest) received by CVC U.S. In addition, as CVC U.S. earns management fees and carried interest indirectly from the Fund, CVC U.S. will benefit from the assets, income and gains of Holding Company.

In addition, from time to time, CVC U.S. recruits a management team to pursue a new "platform" opportunity expected to lead to the formation of a future portfolio company. In other instances, a new platform could be formed to recruit an existing or newly formed management team to build such



platform through acquisitions and organic growth. In certain circumstances, such platform employees may include former employees of CVC U.S., or current or former senior advisors or consultants to CVC U.S. and its affiliates. The structure of each platform and the engagement of personnel will vary, including whether a management team's services are exclusive to the platform and whether the members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments' hold period, for instance, in connection with restructurings or dispositions. The management team of a platform investment may provide services with respect to other platform investments of more than one Fund, or provide the same or similar services for unaffiliated parties. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by CVC U.S. to the Funds. The Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, management or other fees, employee compensation (including cash compensation and profits-interest), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the applicable Fund as Fund expenses or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. Such costs and expenses will not offset the management fee and are in addition to management fees and other compensation (e.g., carried interest) received by CVC U.S.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which CVC U.S. and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Please also see Item 8 for additional information relating to potential conflicts of interest.

A copy of the Code will be provided to any investor or prospective investor upon request by contacting Raj Hussain, Global Chief Compliance Officer at +44 207 420 4245.

## **12. Brokerage Practices**

CVC U.S. has no authority to execute investments, or to select or engage financial intermediaries such as broker-dealers, on behalf of the CVC Capital Funds.

## **13. Review of Accounts**

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly, CVC's review of them is not directed toward a short-term decision to dispose of securities. However, CVC U.S. engages in ongoing monitoring and review of North American portfolio company investments made on behalf of the CVC Capital Funds. CVC U.S. provides reports to CVC Advisers Luxembourg with respect to such investments including: (i) monthly financial trading summary, (ii) a quarterly review of each portfolio company investment, (iii) information on and estimates of the value of each investment at least every six months and more frequently if there are material changes in value; and (iv) periodic legal, regulatory, tax and accounting reporting with respect to portfolio company investments.

CVC U.S. relies on the general partners of the CVC Capital Funds to provide quarterly and annual reports, including audited financial statements, to investors in the CVC Capital Funds in accordance with the terms of the applicable governing documents and a corresponding reduction with respect to such Fee Income will be made to the management fees payable to the CVC Capital Funds.

## **14. Client Referrals and Other Compensation**

From time to time, CVC U.S. personnel may be entitled to receive cash and non-cash breakup, directors', underwriting, syndication and other similar fees from portfolio companies in connection with the purchase, monitoring or disposition of investments or from unconsummated transactions and other rights in respect of securities owned by the CVC Capital Funds. CVC U.S. will request those fees be paid to CVC U.S. and not directly to its personnel. As disclosed in Item 5 (Fees and Compensation), to

the extent that any Fee Income is received by CVC U.S. or its personnel, CVC Advisers Company Luxembourg will reduce the fee paid to CVC U.S. as provided in the underlying fund documents.

## 15. Custody

CVC U.S. may be deemed to have custody of client accounts because entities within CVC's private equity business serve as general partner, managing member or a similar role for the CVC Capital Funds. CVC U.S. complies with the SEC's custody rule by, among other things, providing investors in CVC Capital Funds with audited financial statements. In addition, with respect to certain CVC Capital Funds, CVC U.S. intends that limited partners of such CVC Capital Funds, or an independent representative of such limited partners, will receive account statements directly from a qualified custodian. In certain instances, CVC, in addition to the account statements sent by a qualified custodian, provides account statements directly to the limited partners of the CVC Capital Fund. Limited partners of the CVC Capital Funds, or the independent representative of such limited partners, should compare the account statements received from CVC with the account statements received from the qualified custodian.

## 16. Investment Discretion

CVC U.S. does not have investment decision-making authority for any client. As described above, CVC U.S. sources potential investments and indirectly makes investment recommendations in respect of the CVC Capital Funds to CVC Advisers Jersey.

## 17. Voting Client Securities

CVC U.S. does not have authority to vote client securities. The general partners upon the recommendation of CVC Advisers Jersey's Investment Committees, as appropriate, have authority to make voting decisions with respect to all material matters subject to a vote and that may have an economic impact on the CVC Capital Fund's investment. Voting decisions with respect to administrative and routine business matters generally are made by the boards of directors of the holding companies established by the CVC Capital Funds to hold portfolio company investments.

In connection with its ongoing monitoring and supervision of CVC Capital Fund investments in North America under the Sub-Advisory Agreement, CVC U.S. personnel may (i) make recommendations to the Investment Committees with respect to proxy voting or corporate actions in connection with those investments or (ii) serve as directors on the holding company boards that make voting decisions on administrative and routine business matters. CVC U.S. also may be directed by CVC Advisers Jersey or CVC Capital Fund general partners to submit votes on behalf of the CVC Capital Funds.

CVC U.S. has adopted and implemented policies and procedures under which CVC U.S. makes voting recommendations in accordance with its commitment to act in the best interests of the CVC Capital Funds by maximizing the economic value of the relevant Fund's holdings, taking into account the relevant Fund's investment horizon, the contractual obligations under the relevant advisory agreements or comparable documents, and any other relevant facts and circumstances CVC determines to be appropriate at the time of the vote. The CCO will, on an ongoing basis, monitor for conflicts of interest in connection with CVC U.S.'s recommendations, regardless of whether they are actual or perceived.

Funds generally cannot direct the CVC U.S.'s recommendation on how to vote.

Where CVC U.S.'s CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist CVC U.S. in providing its voting recommendations. In this regard, CVC U.S. can retain independent fiduciaries, consultants, or professionals to assist with voting recommendations and/or to which voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to: Raj Hussain, Global Chief Compliance Officer at +44 207 420 4245.

## **18. Financial Information**

CVC U.S. has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to sub-advise the CVC Capital Funds.

## **19. Requirements for State-Registered Advisers**

Item 19 is not applicable to CVC.