

# Lake Pacific Management Company LLC

d/b/a Lake Pacific Partners

4550 Travis Street, Suite 520  
Dallas, Texas 75205  
(312) 578-1110

[www.lakepacific.com](http://www.lakepacific.com)

Part 2A of Form ADV: Firm Brochure  
March 29, 2024

---

This brochure provides information about the qualifications and business practices of Lake Pacific Management Company LLC. If you have any questions about the contents of this brochure, please contact us at (312) 578-1110. 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.

Additional information about Lake Pacific Management Company LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An investment adviser's registration with the SEC does not imply a certain level of skill or training.

## Item 2. Material Changes

The Adviser (as defined in Item 4) filed its most recent Form ADV on March 31, 2023. This Form ADV Part 2A dated March 31, 2024 is filed as part of the annual ADV update requirement. There have been no material changes since the last annual updating amendment.

Recipients of this brochure are encouraged to read it carefully and in its entirety.

### Item 3. Table of Contents

Item Number	Page
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 .....	11
Item 7. Types of Clients .....	12
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	12
Item 9. Disciplinary Information .....	28
Item 10. Other Financial Industry Activities and Affiliations .....	28
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..	28
Item 12. Brokerage Practices .....	40
Item 13. Review of Accounts .....	41
Item 14. Client Referrals and Other Compensation .....	42
Item 15. Custody .....	42
Item 16. Investment Discretion .....	42
Item 17. Voting Client Securities .....	43
Item 18. Financial Information .....	43

## Item 4. Advisory Business

### Introduction

For purposes of this brochure, the “Adviser” means Lake Pacific Management Company LLC, a Delaware limited liability company (“Lake Pacific”), together (where the context permits) with Lake Pacific Management II, L.P. that serves as general partner (the “General Partner”) to, or that provides advisory services to and/or receive advisory fees from, the Funds (as defined below). This brochure describes the business practices of Lake Pacific and such affiliates, which together operate as a single advisory business. The Adviser and its predecessors have been in business since 1996. The Adviser has two 50% owners: William R. Voss and Wayne L. Carpenter.

### Description of Advisory Services

Presently, the Adviser manages only Lake Pacific Fund II, L.P. In the future, the Adviser expects to manage additional Funds. For the purposes hereof, use of the plural term “Funds” includes these contemplated additional Funds. The Adviser provides investment advisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds primarily seek to make private equity and equity-related investments. Although the primary focus of the Funds is on private equity investments, the Adviser from time to time recommends other types of investments consistent with a respective Fund’s investment strategy and objectives. The Adviser’s advisory services mainly consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments.

The Adviser provides investment advice directly to the Funds and not to investors in the Funds individually. The applicable General Partner of each Fund retains investment discretion, and investors in the Funds do not participate in the control or management of the Funds. The Adviser provides investment advisory services to each Fund in accordance with the offering and organizational or governing documents (collectively, the “organizational documents”) of such Fund. Investment restrictions for the Funds, if any, are generally established in the organizational documents of the applicable Fund.

In accordance with common industry practice, a Fund or its General Partner may from time to time enter into a “side letter” or similar agreement with an investor pursuant to which the Fund or its general partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. See “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” below for more details.

Additionally, the Adviser has from time to time and expects in the future to offer co-investment opportunities to certain investors or other persons. Such opportunities typically involve the investment and disposal of interests in the applicable portfolio company at the same time and on substantially the same terms as the Funds making the investment (except as described herein under Item 11 with respect to post-closing sell-downs).

#### Client Assets Managed by Lake Pacific

As of December 31, 2023, the Adviser manages a total \$185,736,923, all of which is managed on a discretionary basis.

### Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Management Fees and Carried Interest (each as defined below). Fund portfolio companies will, from time to time, also make other payments to the Adviser or its affiliates for certain management and other services provided to the portfolio companies which offset the Management Fees payable by the applicable Fund. Additionally, consistent with the organizational documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Further details regarding these fees and expenses are set forth below.

Certain current and/or former employees of the Adviser generally receive salaries and/or other compensation derived from, and in certain cases including a portion of, the Management Fee, carried interest or other compensation received by the Adviser or its affiliates.

#### Management Fees

As compensation for investment advisory services rendered to certain Funds, the Adviser and/or certain of its affiliates are entitled to receive from each such Fund a management fee (each, a "Management Fee"). The precise amount of, the manner and calculation of and the manner and timing of payment of the Management Fee for each such Fund are established by the Adviser, as modified by negotiations with investors in the applicable Fund, and are set forth in such Fund's Advisory Agreement, organizational documents and/or documentation received by each investor prior to investment in such Fund. For certain Funds, Management Fees and other fees and distributions described below are generally subject to waiver or reduction by the Adviser in its sole discretion, both voluntarily and on a negotiated basis with investors. Management Fees may differ from one Fund to another, and certain Funds may not pay Management Fees.

Generally, the Adviser charges an annual Management Fee payable quarterly in advance equal to 2% of aggregate commitments of a Fund. The Management Fee commences as of the Fund's effective date based on aggregate commitments, regardless of when a limited partner is actually admitted. Limited partners participating in a subsequent closing after the initial closing date will be assessed Management Fees retroactive to the Fund's effective date and, in addition, will be charged an amount equal to the product of (i) the prime rate plus 2% per annum multiplied by (ii) the amount of such assessed Management Fees, calculated from the date such Management Fee payments would have been due if such limited partner were admitted for its full commitment to the Fund on the initial closing date.

If a placement agent is retained in connection with the offer and sale of interests in a Fund to certain potential investors, the Management Fee payable by a Fund generally will be reduced by the amount of fees paid by such Fund to such placement agent, as well as by (1) expenses and fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's organizational documents and (2) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of any such reduction is set forth in the Advisory Agreement and/or organizational documents of the applicable Fund. The Adviser reserves the right to, voluntarily and on a negotiated basis, waive or reduce fees with respect to any investor. Upon termination of an Advisory Agreement and/or other organizational documents of the Funds, Management Fees that have been prepaid, if any, are generally returned on a prorated basis.

#### Other Fees Payable by Portfolio Companies

To the extent specified in a Fund's organizational documents, the Adviser and its affiliates will, from time to time, perform management, advisory, monitoring, transaction-related, financial advisory and other services for, and receive fees from, portfolio companies or other investment vehicles of the Funds. Such fees received from portfolio companies or other investment vehicles of the Funds often include (a) advisory fees ("Advisory Fees") and (b) transaction fees in connection with mergers, acquisitions, financings, public offerings, sales and similar transactions ("Transaction Fees," and together with Advisory Fees, "Portfolio Company Fees"), in each case pursuant to agreements with portfolio companies of the applicable Funds.

In addition, the Adviser and its affiliates will generally be permitted to receive fees in connection with (i) serving on the board of directors (or similar governing body) of a publicly traded portfolio company ("Director Fees"); and/or (ii) proposed transactions involving a prospective portfolio company that are not consummated ("Break-Up Fees" and, together with Portfolio Company Fees and Director Fees, "Other Fees"). The amount and timing of Break-Up Fees received by the Adviser are generally specified in the agreement or other documentation governing the transaction.

Other Fees may be substantial. Although these Other Fees are in addition to the Management Fees, such fees offset the Management Fees paid by the applicable Fund in a specified percentage (*e.g.*, 80%). Any such reduction of a Fund's Management Fees will be limited to the

extent of such Fund's proportionate interest in any such portfolio company. The remaining portion of such Other Fees will be retained by the Adviser. The Adviser determines the amounts of Other Fees, if any, in its discretion, subject to negotiations and agreements with portfolio companies and their management teams, lenders and counterparties to potential transactions, as applicable, and the amount of Other Fees often will not (except in connection with the reductions described above) be disclosed to investors in the Funds. In most circumstances, such Other Fees are not reviewed or approved by an independent third party.

## Expenses

### Fund Expenses

As provided in and subject to the Advisory Agreements and/or organizational documents of each Fund, each Fund generally will bear all fees, costs, expenses, liabilities and obligations relating to a Fund and/or its activities, business, portfolio companies or actual or potential investments, including with respect to any person formed to effect the acquisition and/or holding of a portfolio company (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and a Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful, and including activities with respect to origination and sourcing of investment opportunities for a Fund, including expenses associated with industry conferences and meetings with industry executives and similar persons, the engagement of industry consultants and any related industry research; (ii) indebtedness of, or guarantees made by, a Fund, Lake Pacific, a General Partner or any affiliated partner on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with a Fund's third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation

paid to an operations group or any of its members, consultants performing investment initiatives and other similar consultants), tax and other professional services (including accounting and tax services provided to a Fund on arms-length terms by an affiliate of Lake Pacific, whether on a consulting basis or other basis); (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports (including Form PF and any Fund-related filings or reports contemplated by the Alternative Investment Fund Managers Directive or any similar law, rule or regulation), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or its limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information; (xiv) to the extent provided in the relevant organizational documents, or otherwise approved by the General Partner in its sole discretion, activities or proceedings of the Fund's advisory board (including any reasonable out-of-pocket costs and expenses incurred by representatives of the relevant General Partner, the advisory board members, permitted observers and other Persons in attending or otherwise participating in meetings of the advisory board); (xv) activities or proceedings of the Executive Advisory Council (including any reasonable out-of-pocket costs and expenses incurred by representatives of the relevant General Partner, the Executive Advisory Council members, permitted observers and other persons in attending or otherwise participating in meetings of the Executive Advisory Council); (xvi) indemnification (including any fees, costs and expenses incurred in connection with indemnifying any partner or other person pursuant to the relevant organizational documents or otherwise and advancing fees, costs and expenses incurred by any such Person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the relevant organizational documents), except as otherwise set forth in this Agreement; (xvii) subject to the relevant organizational documents, if applicable, actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith; (xviii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any Limited Partner(s), in each case to the extent incurred by a Fund, the relevant General Partner or any other affiliate of the relevant General Partner; (xix) the Management Fee; (xx) except as otherwise determined by the relevant General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund Expense if it were incurred in connection with a Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to a Fund to the extent



not paid by the investors investing in such entities; (xxi) the termination, liquidation, winding up or dissolution of a Fund; (xxii) defaults by partners in the payment of any capital contributions; (xxiii) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of a Fund, a Parallel Fund and any alternative investment vehicle of a Fund or a Parallel Fund, including the preparation, distribution and implementation thereof; (xxiv) (A) complying with any law or regulation related to the activities of a Fund (including regulatory expenses of the relevant General Partner incurred in connection with the operation of a Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving a Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the relevant organizational documents; (xxv) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer; (xxvi) any taxes, fees and other governmental charges levied against a Fund and all expenses incurred in connection with any tax audit, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner or such tax, fee or charge is treated as having been distributed to the partners); (xxvii) distributions to the partners and other expenses associated with the acquisition, holding and disposition of a Fund's investments, including extraordinary expenses; (xxviii) unreimbursed expenses and unpaid fees of an operations group or its members; (xxix) compliance or regulatory matters related to a Fund, except as otherwise set forth in the relevant organizational documents; (xxx) any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxi) any organizational expenses; (xxxii) any placement fees; and (xxxiii) any other fees, costs, expenses, liabilities or obligations approved by the advisory board; but not including (A) ordinary overhead and administrative expenses that are payable by the relevant General Partner and/or Lake Pacific and (B) any expenses included as part of the definition of "Investment Contributions." The foregoing shall be partnership expenses notwithstanding that they may be specially treated or excluded from being characterized as an expense under GAAP.

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of the Adviser and/or its affiliates. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. In certain cases, these or similar expenses (and/or Other Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. Each Fund also generally will bear the costs of implementing, monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto. Additionally, subject to the organizational documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly

or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses.

#### Expense Reimbursement by Portfolio Companies

Consistent with the Funds' Advisory Agreements, organizational documents or other documentation between a portfolio company and the Adviser or any of its affiliates, the Adviser will incur expenses and a portfolio company will reimburse the Adviser for expenses (including without limitation travel expenses, which from time to time include expenses for chartered or first-class travel, private car travel, lodging, meals and entertainment and similar out-of-pocket expenses) incurred by the Adviser in connection with its performance of services for such portfolio company and such reimbursements are not subject to the offset arrangements described above.

#### Co-Investment Vehicle Expenses

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors alongside or with a Fund, will be formed in connection with a proposed transaction. If a proposed transaction is consummated, the investors in the co-investment vehicle will typically bear the expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to sign or consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not signed or consummated, all or a portion of the broken deal expenses and other expenses relating to such proposed transaction will be borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, and not by some or any potential co-investors (including reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses), even if a co-investment vehicle was formed for the purpose of making an investment in such proposed transaction. As a general matter, co-investors that have not committed to bear broken deal expenses will not bear broken deal expenses and other expenses relating to a proposed transaction, although the Adviser expects that it may nevertheless select certain parties as co-investors despite such party's unwillingness to bear broken deal expenses. In addition, these co-investment vehicles (even if formed for the purpose of making an investment in such proposed transaction) may not be allocated any share of Break-Up Fees received in connection with such an unconsummated transaction, or certain investors and not others may be allocated a share of Break-Up Fees. While each General Partner would prefer to have co-investors bear their proportional share of any broken deal expenses or Break-Up Fees, such an obligation is a negotiated term, and each General Partner is entitled to agree to limit a prospective co-investor's obligations to bear such amounts.

## Allocation of Expenses

From time to time, the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser, on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties. Certain expenses may be the obligation of one particular Fund and may be borne by such Fund or expenses may be allocated among multiple Funds and entities. Subject to any relevant restrictions or other limitations contained in the organizational documents of the Funds, the Adviser will allocate fees and expenses to the Funds in a manner that it believes is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion that could give rise to potential conflicts of interest. The Funds may have different expense reimbursement terms which may result in the Funds bearing different levels of expenses with respect to the same investment.

The Adviser reserves the right to make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service may not precisely reflect the relative benefit derived by such Fund from that service in any particular instance.

## Carried Interest Payments

Please see Item 6 below regarding “Carried Interest” that Funds expect to distribute to the Adviser or its affiliates.

## Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage and “soft dollar” practices, please see Item 12 below.

## Item 6. Performance-Based Fees and Side-By-Side Management

Each General Partner typically is entitled to receive distributions of a portion of the profits of an applicable Fund, if any, as “carried interest” (the “Carried Interest”). Each General Partner of a Fund is a related person of the Adviser. Distributions by a Fund in respect of Carried Interest reduce amounts that would otherwise be available for distribution to the investors in such Fund. The Adviser does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described above.

Additionally, to the extent that the Adviser has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Adviser personnel are assigned varying percentages of carried interest from a Fund, the Adviser and such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for a Fund from which they are entitled to receive a higher carried interest percentage. The Adviser seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and organizational documents, as well as other factors that do not include the amount of performance-based compensation received by the Adviser or any personnel.

The existence of performance-based compensation has the potential to create an incentive for the General Partner to make more speculative investments on behalf of a Fund than it would otherwise make in the absence of such arrangement, although the Adviser generally considers performance-based compensation to better align its interests with those of its investors.

## Item 7. Types of Clients

The Adviser currently provides investment advisory services solely to the Funds and references throughout this brochure to "clients" and to the Adviser's related duties to and practices on behalf of its clients should be construed accordingly. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not to investors in the Funds individually.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally "accredited investors" as that term is defined in Regulation D promulgated under the Securities Act, and/or "qualified purchasers" or "knowledgeable employees" as defined in the 1940 Act, and generally include, among others, high net worth individuals, banks, thrift institutions, sovereign wealth funds, family offices, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, limited partnerships, limited liability companies or other entities. In some cases, service professionals from other professional services firms may be investors in a Fund, as well as executives of portfolio companies.

The Adviser does not have a minimum size for a Fund, but minimum investment commitments may be established for investors in a Fund. The General Partner of each Fund may, in its sole discretion, permit investments below the minimum amounts set forth in the organizational documents of such Fund.

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

Lake Pacific's strategy applies its industry knowledge, operating experience and extensive network to middle market companies along the supply chain of the food and consumer products industries. Typically, Lake Pacific invests between \$10 and \$40 million of equity capital in complex transactions involving businesses that have revenue between \$25 and \$250 million and where it believes significant value can be unlocked through strategic, operational or management change. Key elements of Lake Pacific's strategy include:

**1. Target Companies Along the Food and Consumer Product Supply Chains Where Lake Pacific Believes It Can Unlock Significant Value.** Lake Pacific's strategy is to leverage its proprietary research and understanding of the evolving food and consumer products and services industry to identify sectors for investment. Within these sectors, Lake Pacific seeks to invest in underachieving businesses with significant potential for growth, margin expansion or asset utilization. Often, such investments require that Lake Pacific overcomes a host of transactional complications such as legal structure/tax issues, divergent shareholder views, incomplete management teams, corporate spin offs and hard to finance businesses. Lake Pacific then endeavors to apply its operating experience, industry knowledge and contacts to help portfolio companies seek to realize full potential and positions such businesses for exits to buyers who see strategic value. These efforts may involve revising strategy, addressing new markets or channels, adding capacity, improving operations, upgrading management and the like.

**2. Leverage Lake Pacific's Extensive Industry Experience and Network.** Lake Pacific's strategy is to leverage its experience and to make use of its extensive network to identify and invest in the right sectors, right companies, on the right terms and at the right time. When possible, Lake Pacific seeks to identify target companies to create proprietary investment opportunities. We use our experience to perform due diligence that highlights potential improvement opportunities, as well as risks.

**3. Create Value Through Strategic Repositioning and Operational Improvement.** Lake Pacific seeks to add value to businesses with potential that it believes it can unlock through strategic repositioning, better management, operational improvement and accelerated growth. This may involve pursuing different growth opportunities, rationalizing product lines, brand development, improved pricing, adding capacity, selective vertical integration, supply chain optimization, talent upgrades and more.

### Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments and investors in a Fund must be prepared to bear the risk of a complete loss of their investment.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for a Fund, include the following:

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

*Future and Past Performance.* The performance of the Adviser's prior investments is not necessarily indicative of the Fund's future results. While the relevant General Partner intends for a Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

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

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

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

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

exceed its income, thereby requiring that the difference be paid from the relevant Fund's capital, including unfunded commitments.

*Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company incur debt to finance a portion of its investment in such portfolio company. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates (which in recent years have been at or near historic lows) 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 its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Furthermore, the companies in which a Fund invests generally will not be rated by a credit rating agency.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding) or otherwise be liable therefor, and in such situations, it is not expected that such Fund would be compensated for providing such guarantee or exposure to such liability. The use of leverage by a Fund generally also will result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to such Fund or appreciation of its investments. While Fund-level borrowings generally will be interim in nature, asset-level leverage generally will not be subject to any limitations regarding the amount of time such leverage may remain outstanding. A Fund is permitted to incur leverage on a joint and several basis with one or more other Funds and entities managed by the Adviser or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by Commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

To the extent a Fund provides bridge financing to facilitate portfolio company investments, it is possible that all or a portion of such bridge financing will not be recouped within the time period specified in the organizational documents, in which case the investment would be treated as a permanent investment of such Fund. As a result, a Fund's portfolio could become

more concentrated with respect to such investment than initially expected or otherwise provided for under such Fund's investment limitations, certain of which exclude bridge financing investments.

*Limited Transferability of Fund Interests.* There will be no public market for a Fund's interests, and none is expected to develop. There are substantial restrictions upon the transferability of a Fund's interests under the relevant organizational documents and applicable securities laws. In general, withdrawals of a Fund's interests are not permitted. In addition, a Fund's interests are not redeemable.

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

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

Although the relevant General Partner will monitor the performance of each Fund's investment, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis.

*Projections.* Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the relevant General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received



from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

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

*Enhanced Scrutiny and Certain Effects of Potential Regulatory Changes.* There continue to be discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

*Alternative Investment Fund Managers Directive.* The EU Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA"). If a Fund is actively marketed to investors domiciled or having their registered office in the EEA in circumstances where no transitional relief is available: (i) such Fund may be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which may result in the Fund incurring additional costs and expenses; (ii) such Fund and/or the General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions, which may result in a Fund incurring additional costs and expenses or otherwise affect the management and operation of such Fund; (iii) the relevant General Partner may be required to make detailed information relating to such Fund and its investments available to regulators and third parties; and (iv) the AIFMD may also restrict certain activities of such Fund in relation to EEA portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure an EEA portfolio company within the first two years of ownership. In addition, it is possible that some EEA jurisdictions will elect to restrict or prohibit the marketing of non-EEA funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, a Fund may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company (whether for

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

*Significant Adverse Consequences for Default.* The relevant organizational documents provide for significant adverse consequences in the event a limited partner defaults on its commitment or any other payment obligation. In addition to losing its right to potential distributions from a Fund, a defaulting limited partner may be forced to transfer its interest in a Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest. Whether and how to exercise the relevant General Partner's remedies against a defaulting limited partner will be in the discretion of the relevant General Partner, and such General Partner may require the non-defaulting limited partners to contribute capital to make up for the shortfall created by such defaulting limited partner.

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

*General Partner's Carried Interest.* The fact that the relevant General Partner's carried interest is based on a percentage of net profits may create an incentive for such General Partner to cause a Fund to make riskier or more speculative investments or to hold an investment longer than otherwise would be the case.

*Transfer by General Partner.* To the extent the General Partner, its partners, the Principals and/or their respective affiliates commit to make a direct or indirect investment in or alongside a Fund, a participation in or a portion of such investment may thereafter be transferred to others, subject to any express limitations thereon in the Partnership Agreement.

*Director Liability.* A Fund will often seek to obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately such Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors

from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from a Fund's investment activities.

*Limitation of Recourse and Indemnification.* The relevant organizational documents will limit the circumstances under which the relevant General Partner and its affiliates will be held liable to a Fund. As a result, limited partners may have a more limited right of action in certain cases than they would have in the absence of such provision. In addition, the relevant organizational documents will provide that a Fund will indemnify the relevant General Partner and its affiliates for certain claims, losses, damages and expenses arising out of their activities on behalf of such Fund. Such indemnification obligations could materially impact the returns to limited partners.

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

*Advisory Board.* The relevant General Partner will appoint one or more Limited Partner representatives to the Fund's advisory board, which has the ability to review and waive compliance with certain provisions of the relevant organizational documents, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the organizational documents, including certain approvals or consents required by the U.S. Investment Advisers Act of 1940, as amended. Pursuant to the terms of the organizational documents, all limited partners are bound by the determinations of the advisory board, regardless of whether a limited partner is represented by a member of the advisory board. The organizational documents may provide that to the fullest extent permitted by applicable law, none of the advisory board members shall owe any fiduciary duties to a Fund or any other partner. Members of the advisory board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the advisory board for consideration or review. To the extent that a limited partner is not represented by a member of the advisory board, such limited partner will have no influence over matters submitted to the advisory board for review or approval.

*Uncertain Economic, Social and Political Environment.* Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist activity and/or military conflicts, localized or global financial crises or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. A climate of uncertainty may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their

respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

*Market Conditions.* The private equity industry generally and the success of a Fund's investment activities specifically will be affected by general economic and market conditions, as well as by changes in laws, currency exchange controls, and national and international political and socioeconomic circumstances. Such factors are unpredictable and cannot be controlled by the General Partner. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect such Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, including event similar to the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event a Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of a Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to obtain funding to support its investment objective.

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

*Valuation of Assets.* There is not expected to be an actively traded market for most of the securities owned by a Fund. When estimating fair value, the General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by the General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

*Contingent Liabilities Upon Disposition.* In connection with the disposition of an investment, a Fund and the General Partner may be required to make (and/or be responsible for another person's or entity's breach of) representations and warranties, e.g., about the business and financial affairs of the applicable portfolio company, the condition of its assets and the extent of its liabilities, in each case generally in the nature of representations and warranties typically made in connection with the sale of similar businesses, and may be responsible for the content of disclosure documents under applicable securities laws. They may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents are inaccurate. These arrangements may result in contingent liabilities, which would be borne by a Fund and, ultimately, its investors.

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

*Side Letters.* As noted in Item 4 above, in connection with or as a condition to an investor's agreement to invest in a Fund, the Fund or its General Partner may from time to time enter into a "side letter" or similar agreement with an institutional or other investor pursuant to which the Fund or its General Partner grants the investor specific rights, benefits or privileges that are not generally made available to all investors. Such rights, benefits or privileges include waivers or discounts on management fees and/or carried interest, "most favored nation" clauses, preferential access to co-investment opportunities, the right to be excused from participating in certain investments made by a Fund, notice rights upon the occurrence of certain events, seats on a Fund's limited partner advisory committee, specialized or additional reporting rights, rights related to tax treatment, rights related to regulatory matters, rights related to immunities or indemnification, rights related to the ability of the investor to transfer its interest in the Fund, additional representations and warranties from the Fund, its General Partner and/or the Firm, modifications to the subscription agreement and other benefits. While the ability of a Fund or its General Partner to enter into a side letter or similar agreement affording preferential rights

to certain investors is generally disclosed to other investors in the Fund, the terms of such “side letters” or similar agreements are generally not disclosed to other investors in the Fund, except to investors that have separately negotiated for the right to review such agreements.

If the Adviser, the General Partner and/or a Fund enter into a Side Letter entitling a limited partner to opt out of a particular investment or withdraw from a Fund, any election to opt out or withdraw by such limited partner may increase any other limited partner’s pro rata interest in that particular investment (in the case of an opt-out) or all future investments (in the case of a withdrawal). Side Letters subject the Adviser to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory board results in the investor receiving additional information relative to other investors.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments. Further, limited partners with different domiciles or tax categorizations could receive different investment returns.

*Public Health Emergencies; COVID-19.* Pandemics and other widespread public health emergencies, including the current outbreak of coronavirus (“COVID-19”), have and are resulting in market volatility and disruption, and future emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in losses to a Fund.

The World Health Organization formally declared the COVID-19 outbreak a global “pandemic” in March 2020. In an effort to contain COVID-19, national, regional and local governments, as well as private businesses and other organizations, have taken restrictive measures, including instituting local and regional quarantines, restricting travel, prohibiting public activity (including “stay-at-home” and similar orders), and ordering the closure of offices, businesses, schools and other public venues. In many jurisdictions, restrictive measures have been re-imposed to address subsequent waves of infection. As a result, COVID-19 has significantly diminished global economic production and activity and has contributed to both volatility and declines in financial markets. Among other things, the outbreak has resulted in material reductions in demand across many categories of consumers and businesses, dislocation in the credit and capital markets, labor force and operational disruptions, slowing or complete idling of certain supply chains and manufacturing activity, and strain and uncertainty for businesses and households, with a particularly acute impact on industries dependent on travel and public accessibility, such as hospitality, tourism, retail, sports and entertainment.

The ultimate impact of COVID-19 on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, although a further global or regional economic downturn (including a recession) and other materially adverse effects, are possible. The extent of COVID-19’s impact will depend on



many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions (including the effectiveness of vaccines and the implementation of vaccination programs) designed to mitigate the crisis and address its negative consequences. Even if the spread of the COVID-19 virus itself is substantially contained, it will be difficult to assess what the longer-term impacts of an extended period of economic dislocation and disruption will be on the health of certain industries and businesses and on commercial and consumer behavior.

The ongoing COVID-19 crisis and any other public health emergency could have a significant adverse impact and result in losses to a Fund. The extent of the impact on a Fund's and its portfolio companies' operational and financial performance will depend on many factors, all of which are highly uncertain and cannot be predicted, and this impact may include reductions in revenue and growth, unexpected operational losses and liabilities, impairments to credit quality and reductions in the availability of capital. These same factors may limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. They may also impair the ability of portfolio companies or their counterparties to perform their respective obligations under debt instruments and other commercial agreements (including their ability to pay obligations as they become due), potentially leading to defaults with uncertain consequences.

In addition, the operations of a Fund, its portfolio companies, its General Partner and the Adviser may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, restrictions on travel and movement, remote-working requirements and other factors related to a public health emergency, including its potential adverse impact on the health of any such entity's personnel. These measures may also hinder such entities' ability to conduct their affairs and activities as they normally would, including by impairing usual communication channels and methods, diminishing their ability to make accurate and timely projections of financial performance and hampering the performance of administrative functions such as processing payments and invoices.

*Monetary Policy and Governmental Intervention.* Actions by the Board of Governors of the U.S. Federal Reserve System (the "Federal Reserve") and certain non-U.S. central banks, including changes in policies and taking other actions to stabilize markets, combat inflation and/or encourage economic growth, would likely have a significant effect on interest rates, inflation and on the U.S. and world economies generally, which in turn may affect the performance of a Fund's investments on an absolute and/or relative basis.

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

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

*General Economic and Market Conditions.* The private equity industry generally and the success of a Fund's investment activities will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of a Fund's investments), trade policy/barriers, currency fluctuations, and national and international political, environmental and socioeconomic circumstances (including pandemics, wars, terrorist acts or security operations). Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for a Fund and may affect a Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent to a Fund's investments and could have a negative impact on the performance and/or valuation of a Fund's portfolio companies. In addition, a renewed downturn in the U.S. or global economy (or any particular segment thereof) or weakening of credit markets or other market events, including events similar to the global financial crisis in 2008, the downgrading of the credit rating of the U.S. in 2011 or the COVID-19 pandemic, could impact the public market comparable earnings multiples used to value privately held portfolio companies, and, as a result, adversely affect a Fund's profitability, impede the ability of a Fund's portfolio companies to perform under or refinance their existing obligations, and impair a Fund's ability to effectively exit investments on favorable terms. Any of the foregoing events 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. Similarly, a Funds' portfolio companies historically have regularly utilized the corporate debt markets in order to obtain financing for their operations. Any market turmoil, coupled with the threat of an economic slow-down, as well as a perceived increase in counterparty default risk, may have an adverse impact on the availability of credit to businesses generally, which in turn may adversely affect or restrict the ability of a Fund to sell or liquidate investments at favorable times or at favorable prices or which otherwise may have an adverse impact on the business and operations of a Fund, restrict a Fund's investment activities and/or impede a Fund's ability to effectively achieve its investment objective. In addition, there can be no assurance that substantial volatility in stock markets will not have an adverse effect on a Fund.



There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of The Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

*Enhanced Scrutiny and Certain Effects of Regulatory Changes.* From time to time there are discussions regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry. There can be no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including the ability of a Fund to effectively and timely address such regulations, implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives.

President Trump signed into law a broad-based reform of the Internal Revenue Code of 1986, as amended (the "Code"), on December 22, 2017 (the "Tax Act"). Changes to the Code made by the Tax Act and any further changes in tax laws or interpretation of such laws may be adverse to The Funds and their limited partners. In addition, the Tax Act subjects certain allocations of income and gain in respect of entitlements to carried interest and gain on the sales of profits interests in certain partnerships realized in taxable years beginning after December 31, 2017 to higher rates of U.S. federal income tax than under prior law in certain circumstances. This can create a conflict of interest as the tax position of the Adviser may differ from the tax positions of The Funds and/or the investors and therefore, these rules may have an adverse impact on the investment decisions made on behalf of The Funds, including with respect to decisions on the timing and structure of dispositions and whether to pursue other realization events during the holding period of an investment such as non-liquidating distributions. For example, the tax law gives the Adviser an incentive to cause a Fund to hold an investment for longer than three years in order to obtain lower tax rates on carried interest gains even if there are attractive realization opportunities earlier than three years. These same issues may also apply to officers, directors and employees of a Fund's portfolio companies if such persons receive a profits interest in such companies.

Additional legal, tax and regulatory changes could occur during the term of a Fund that may adversely affect a Fund, its portfolio companies or Partners. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. A Fund may invest in portfolio companies that operate in a highly regulated environment and are subject to extensive legal and regulatory restrictions and limitations and to supervision, examination and enforcement by regulatory authorities. New and existing regulations and burdens of regulatory compliance may directly impact the business and results

of the operations of, or otherwise have a material adverse effect on, portfolio companies that are subject to regulation. Failure to comply with any of these laws, rules and regulations, some of which are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines, which may have material adverse effects.

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

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "Privacy Laws") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of Lake Pacific, the General Partner, the Funds and/or their portfolio companies, and increase compliance costs and require the dedication of additional time and resources to

compliance for such entities. A failure to comply with such Privacy Laws by any such entity or their service providers could result in fines, sanctions or other penalties, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Lake Pacific, the General Partner, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

For example, California has passed the California Consumer Privacy Act of 2018, as amended, and the European Union (the “EU”) has enacted GDPR, each of which broadly impacts businesses that handle various types of personal data, potentially including private fund managers and their funds and investments. Such laws impose stringent legal and operational obligations on regulated businesses, as well as the potential for significant penalties. Other jurisdictions, including other U.S. states, have enacted, proposed or are considering similar Privacy Laws, which could impose similarly significant costs, potential liabilities and operational and legal obligations. Such Privacy Laws and regulations are expected to vary from jurisdiction to jurisdiction, thus increasing costs, operational and legal burdens, and the potential for significant liability for regulated entities, which could include Lake Pacific, the General Partners, The Funds and/or their portfolio companies.

*Artificial Intelligence and Machine Learning.* Artificial Intelligence and Machine Learning. The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, “Machine Learning Technology”) can pose risks to Lake Pacific, Client Accounts, and their investments. While Lake Pacific does not currently use utilize such providers for research or market data , Lake Pacific is nonetheless exposed to the risks of Machine Learning Technology from both such limited, known uses, as well as from any uses of Machine Learning Technology that may be undertaken by Lake Pacific personnel, or by third-party service providers or portfolio investments of or any counterparties to Fund Accounts or their underlying investments, whether or not known to Lake Pacific. Use of Machine Learning Technology involves the risk of inaccuracies or errors in the data utilized by Machine Learning Technology, may directly or indirectly create security or data risks, and may increase trademark, licensing, and copyright risks. Machine Learning Technology continues to develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

*Impact of Government Regulation and Reform.* The SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of Lake Pacific and The Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact Lake Pacific and its affiliates, The Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to The Funds.

*Russia-Ukraine Conflict.* There is currently an ongoing military conflict between Russia and the Ukraine which, in a relatively short period of time, has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict and its effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of The Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

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

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

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

other Funds from making an attractive acquisition or require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

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

## Item 9. Disciplinary Information

The Adviser and its management persons have not been subject to any material legal or disciplinary events required to be discussed in this brochure.

## Item 10. Other Financial Industry Activities and Affiliations

The Adviser is affiliated with the General Partner and other equivalent entities formed from time to time and subject to the Investment Advisers Act of 1940, as amended (the "Advisers Act") pursuant to the Adviser's registration in accordance with SEC guidance. Lake Pacific Management II, L.P. operates as a single advisory business together with the Adviser and serves as General Partner of a Fund and generally shares common owners, officers, partners, employees and/or persons occupying similar positions.

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

### Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all Adviser personnel and any other person who is subject to the Adviser's supervision and control and who (a) has access to non-public information regarding purchases or sales of securities by any Fund, (b) is involved in making securities recommendations to any Fund or (c) has access to non-public securities recommendations to any Fund (collectively, "Access Persons"). Sections of the Code of Ethics also apply to certain family members of such Access Persons. The Code of Ethics, which is designed to comply with Rule 204A-1 under the Advisers Act, establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations, and restricts Access Persons' and certain of their family members' purchases of investments for their own accounts. In addition, the Code of Ethics requires such

personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information.

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

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

Under the Code of Ethics, Access Persons are also required to file certain periodic reports with the Adviser's Chief Compliance Officer as required by Rule 204A-1 under the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest. Access Persons who violate the Code of Ethics may be subject to remedial action, including, but not limited to, profit disgorgement, fine, censure, demotion, suspension or dismissal. Access Persons are also required to promptly report any violation of the Code of Ethics of which they become aware. Access Persons are required to annually certify compliance with the Code of Ethics.

In borrowing on behalf of a Fund, the Adviser is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of such Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue

preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: William R Voss, Managing Partner and Chief Compliance Officer, Lake Pacific Management Company LLC, 4550 Travis Street, Suite 520, Dallas, Texas 75205.

### Participation or Interest in Client Transactions

The Adviser and certain employees and affiliates of the Adviser are expected to invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its relevant General Partner, as applicable, reserves the right to exempt such persons from all or a portion of the Management Fee and Carried Interest. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” immediately below.

### Conflicts of Interest

Presently, the Adviser manages only one Fund. In the future, the Adviser expects to manage additional Funds. For the purposes hereof, references to other Funds are intended to address potential conflicts of interests that are expected to arise in the event the Adviser manages additional Funds. The Adviser and its related entities engage in a broad range of activities, including investment activities for the account of the Fund(s) and providing transaction-related, investment advisory, management and other services to the Fund(s) and operating companies. The Adviser will devote such time, personnel and internal resources as are necessary to conduct the business affairs of each Fund in an appropriate manner, as required by the relevant organizational documents, although each Fund and its respective investments will place varying levels of demand on these over time. As a general matter, the Adviser will determine all matters relating to structuring transactions and Fund operations using its judgment considering all factors it deems relevant, but in any case, in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest are described below. In certain circumstances, applicable Advisory Agreements and/or organizational documents of the applicable Fund may address one or more of the potential conflicts of interest addressed below and may contain terms which mitigate or exacerbate such conflict of interest. The Adviser’s determination as to which factors are relevant with respect to conflicts of interest, and the resolution of such conflicts, will be made using the Adviser’s judgment, subject to the applicable Advisory Agreements and/or organizational documents of the applicable Fund. The discussion below does not necessarily describe all of the conflicts that may be faced by a Fund.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by the Adviser's principals through such Fund, subject to certain limited exceptions set forth in the organizational documents and the Adviser's Allocation Policy. Without limitation, the Adviser's principals currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing and expect to direct certain relevant investment opportunities or resources to those investments. The Adviser's personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Adviser's principals and the Adviser's investment staff will continue to manage and monitor such investments until their realization. Such other investments that the Adviser's principals expect from time to time to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, the Adviser's principals reserve the right to, and likely will, focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in the Adviser's sole discretion, the Adviser and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the organizational documents, the Adviser's personnel are permitted to serve on boards or act in other roles unaffiliated with the Adviser, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles.

The Adviser must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. The Adviser generally assesses whether an investment opportunity is appropriate for a particular Fund based on the organizational documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the organizational documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, diversification limitations, cash level (if any), applicable tax and regulatory considerations, life cycle, structure and other relevant factors. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. A Fund generally reserves the right to invest together with other Funds advised by an affiliate of the Adviser in the manner set forth in the organizational documents and the Adviser's Allocation Policy. The Adviser will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with the Adviser's obligations and reserves the right to take into consideration factors such as those set forth above.

The Adviser may manage Funds that have investment objectives similar to each other. The Adviser has from time to time and expects in the future to establish one or more additional investment funds with investment objectives substantially similar to, or different from, those of the current Funds. Allocation of available investment opportunities between the Funds and any



such investment fund could give rise to the conflicts of interest described above. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds that may be raised in the future. Conflicts of interest may arise in allocating time, services or functions of these employees. Following the investment period of a Fund, the Adviser's principals likely will focus a substantial portion of their investment activities on other opportunities and areas unrelated to a Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in the Adviser's sole discretion, the Adviser and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. The Adviser reserves the right to give advice or take actions with respect to the investments of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies.

After determining which Funds will or may participate in an investment opportunity, the Adviser will determine if the amount of such investment opportunity exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investment participants, subject to any restrictions contained in an applicable Fund's organizational documents and the Adviser's investment allocation procedures. In general, unless otherwise provided for in a Fund's organizational documents, (a) no investor in a Fund has a right to participate in any co-investment opportunity and investing in a Fund does not give an investor any rights, entitlements or priority to such opportunities, (b) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or, in certain instances, in consultation with other participants in the applicable transaction, (c) co-investment opportunities may be offered to some and not other investors in a Fund in the sole discretion of the Adviser, and investors may be offered a smaller amount of co-investment opportunities than originally requested, and (d) certain persons other than investors in the Funds (*e.g.*, consultants, joint venture partners, persons associated with a portfolio company and other third parties) are expected, from time to time, to be offered co-investment opportunities in the sole discretion of Adviser. It is possible that certain co-investors may be allocated additional co-investment opportunities as the Adviser and such co-investors develop and refine consistent co-investment practices that are predictable and efficient over time. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund.

The Adviser's policies and procedures permit it to take into consideration a variety of factors in making determinations with respect to co-investment opportunities. These factors include, without limitation, (i) expressed interest in co-investment opportunities by the prospective co-investor; (ii) the Adviser's evaluation of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely that the potential co-investor would

act upon the investment opportunity if offered or would impair the Adviser's ability to execute the relevant transaction in the desired time or on desired terms; (iii) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (iv) past experiences with the potential co-investor, including the willingness and ability of the potential co-investor, as applicable, to respond promptly and/or affirmatively to prior co-investment opportunities; (v) the size and financial resources of the potential co-investor and its ability to efficiently and expeditiously participate in the investment opportunity; (vi) whether the profile and characteristics of the potential co-investor may have an impact on the viability or terms of the investment opportunity and the ability of a Fund to take advantage of such investment opportunity; (vii) the character and nature of the co-investment opportunity (including the potential investment amount, structure, geographic location, tax characteristics and relevant industry); (viii) and other appropriate factors. Although the Adviser reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness will not be the sole determining factor considered by the Adviser in identifying co-investors.

The Adviser or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund investors, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and because co-invest opportunities generally appeal to Fund investors and third parties, the Adviser expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund. When and to the extent that employees and related persons of the Adviser and its affiliates make capital investments in or alongside certain Funds, the Adviser and its affiliates are subject to potentially conflicting interests in connection with these investments. There can be no assurance that any Fund's return from 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 conflict not existed.

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

Co-investment vehicles typically invest and dispose of their investments in the applicable portfolio company at the same time and on substantially the same terms as the Funds making the investment. However, from time to time, for strategic and other reasons, a co-investment vehicle may purchase a portion of an investment from a Fund after such Fund has consummated its investment in the portfolio company. Any such purchase from a Fund by a co-investment vehicle generally would occur shortly after the Fund's completion of the investment (also known as a post-closing sell down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility, to avoid any changes in the valuation of the investment. The participants in the co-investment vehicle (other than the Funds) may be charged interest on the purchase to compensate the applicable Funds for the applicable holding period. 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 Fund, and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective.

To the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, subject to any restrictions in the organizational documents of the applicable Fund, the Adviser will have the opportunity to identify a limited number of persons to potentially acquire the interest being transferred, including investors in one or more Funds or individuals and entities that are not investors in any Funds, and may take into consideration a variety of factors as it deems necessary in exercising its discretion with respect to a secondary transfer of interests in a Fund. In such cases, the Adviser will not receive compensation for identifying such transferees, and unless required by the relevant organizational documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if the relevant Fund were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which the relevant Fund co-invests will exit such investment at the same time or on the same terms. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Subject to any relevant restrictions or other limitations contained in the organizational documents of the Funds, the Adviser will allocate fees and expenses to the Funds in a manner that it believes is fair and equitable under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, the Adviser will likely face a variety of potential conflicts of interest. As a general matter, to the extent not allocated to a portfolio company, expenses typically will be allocated among all relevant Funds eligible to reimburse expenses of that kind. The allocations of such expenses may not be proportional.

In certain circumstances, subject to any applicable provisions in a Fund's organizational documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback." This clawback obligation has the potential to create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

Investors in the Funds often have conflicting investment, tax and other interests with respect to their investments in the Funds, including conflicts relating to the structuring of investment acquisitions and dispositions. Conflicts arise in connection with decisions made by the Adviser and its affiliates regarding an investment that may be more beneficial to one investor than another, especially with respect to tax matters. In structuring, acquiring and disposing of investments, the Adviser and its affiliates generally will consider the investment and tax objectives of a Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually.

The Adviser and its affiliates, without any further act, approval or vote of any Fund or investor, have and will in the future, enter into Side Letters or other similar agreements with certain investors in a Fund and/or a co-investment vehicle that have the effect of establishing rights under, or altering or supplementing the terms of, the Fund's and/or a co-investment vehicle's organizational documents, which may include without limitation providing different or preferential rights or terms. The right of the General Partner to enter into such arrangements is disclosed to investors in a Fund's offering memorandum and other organizational documents of the Fund, and in the organizational documents of the co-investment vehicle, as applicable.

The Adviser generally has discretion to contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser, including in connection with its provision of services to the Funds. In such instances the Funds are expected to bear the cost of such services. When engaging a related person to provide such services, there is a risk that the Adviser has a potential incentive to engage the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser and/or its affiliates from time to time engage, and exercise their discretion to recommend to a Fund or portfolio company that it engage, in business with certain service

providers or lenders, including, for example, investment or commercial bankers, outside legal counsel and consultants, who are investors in Funds or affiliates of such investors, who have other relationships with the Adviser or its affiliates or from which their current or former personnel derive financial or other benefits, and/or who provide services or financing to the Adviser and its affiliates, the Funds and their affiliates, portfolio companies and/or businesses that are competitors of the Adviser, including services during the due diligence and acquisition process. Additionally, the Adviser and the Funds from time to time engage other common service providers or lenders. The Adviser will in certain circumstances have a potential conflict of interest with the Funds in recommending the retention or continuation of a service provider or lender to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or lender will continue to invest in Funds or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services or financings that are beneficial to the Adviser or one or more other Funds or the Adviser otherwise has an incentive to recommend such service provider or lender because of its financial or business interest. There is a possibility that the Adviser, because of such beliefs or for other reasons, would favor such service provider or lender even if a better price and/or quality of service, or otherwise better terms of borrowing, could be obtained from another person. Although the Adviser generally seeks appropriate rates for services and loans, it reserves the right to prioritize prior usage, perceived sector competence or expertise, familiarity, onboarding speed, alignment with the Adviser or other factors in retaining or recommending service providers or lenders. Whether or not the Adviser has a relationship with a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Service providers to the Adviser and its affiliates often charge varying amounts or have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required, and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates are expected to pay different rates and fees than those paid by the Funds and/or its portfolio companies.

The Adviser and its employees have developed many relationships with third parties (including investing in such third parties), which have the potential to raise conflicts of interest. Such third parties include, but are not limited to, investment and commercial bankers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, professional advisors (such as attorneys and accountants), private equity and venture capital investors, providers of debt capital, investors in the Funds, co-investors, current and former directors, officers and employees of current and former portfolio companies and former employees of the Adviser, as well as certain family members or close contacts of these persons. Certain of such third parties may introduce potential management partners or investment opportunities to the Adviser, arrange for or facilitate the financing of, the purchase or recapitalization of potential portfolio companies, introduce portfolio companies to potential

acquisition or merger candidates, introduce the Adviser to potential executives or buyers of portfolio company securities, facilitate the disposition of portfolio company securities, provide investment and commercial banking, consulting or advisory services to the Adviser, the Funds or portfolio companies, co-invest in portfolio companies or provide other significant business or investment services (including strategic, sourcing or similar benefits) to the Adviser, the Funds and/or portfolio companies. Such third parties may receive direct compensation from a portfolio company, a Fund and/or the Adviser for providing these services. In addition, such third parties may be entitled to receive a portion of a Fund's proceeds in connection with the sale of a particular portfolio company. Such third parties may also receive discretionary bonuses, transaction-based fees and/or directors' fees from, participation, and/or profits or equity interests in, a portfolio company or holding company in exchange for providing these services, and such discretionary bonuses, fees, participation, and/or profits or equity interests are not subject to the Management Fee offsets described herein. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and the relevant Fund typically will bear the costs of all such third party compensation as well as fees, costs and expenses of structuring third party arrangements. The Adviser negotiates the arrangements described above with such third parties, and the terms of such arrangements generally will not be disclosed to investors in the Funds. Further, the Adviser or its employees may invest in the equity of such third parties, and therefore indirectly economically benefit from any such relationship. In other circumstances, such third parties may provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through the Adviser's entities) to the Adviser personnel and their estate planning vehicles.

Except to the extent prohibited by the Fund's organizational documents, the Adviser and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs, and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Fund's organizational documents and anti- "assignment" provisions of the Advisers Act, the Adviser and its personnel are also permitted to offer, restructure and monetize interests in the Adviser.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest. Members of the law firms engaged to represent the Funds are permitted to be investors in a Fund, and also are expected, from time to time, to represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties reserve the right to engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required.

The Adviser reserves the right to, 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 the Adviser. The Funds and/or their portfolio companies will likely bear, directly or indirectly, the costs of such dealings, arrangements or agreements. In such circumstances, there will be a potential conflict of interest between the Adviser 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 the Adviser 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.

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

Certain expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective investors; no such rewards will offset Management Fees.

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, situations may arise where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies, which may involve fees, commissions, servicing payments and other compensation. The Adviser will have a potential conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best or the lowest cost option available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service. Discounted prices or better terms

offered to the Adviser, any other portfolio company or third parties have the potential to affect returns of a portfolio company.

The Adviser has in the past, and will from time to time in the future, cause one or more Funds to bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents and other covered parties against liability in connection with the activities of the Funds. This includes a portion of any premiums, fees, costs and expenses for insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, employees, agents and other covered parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such insurance policies among one or more Funds and/or the Adviser and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

In certain instances, a Fund's portfolio company may compete with another Fund's portfolio company. A potential conflict of interest will likely arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to a separate portfolio company owned by the same or another Fund. In addition, certain portfolio companies controlled by a Fund from time to time engage in activities that could adversely affect another Fund and/or one or more of its portfolio companies, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as, the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Adviser and/or its affiliates typically have the right to appoint portfolio company board members (including current or former the Adviser personnel or persons serving at their request), or to influence their appointment, and to determine or influence their compensation. From time to time, portfolio company board members may approve compensation and/or other amounts payable to the Adviser and/or its affiliates in connection with services provided by the Adviser and/or its affiliates to such portfolio company. The Adviser's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to the Adviser subjects the Adviser and any such portfolio company board appointees to potential conflicts of interest. Additionally, a portfolio company typically will reimburse the Adviser or service providers retained at the Adviser's discretion for expenses (including, without limitation, travel expenses) incurred by the Adviser or such service providers in connection with its performance of services for such portfolio company. This subjects the Adviser to conflicts of interest because the Fund generally does not have an



interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. The Adviser determines the amount of these reimbursements for such services in its discretion, subject to its internal reimbursement policies and practices.

Unless restricted by the organizational documents or the Adviser's policies, the Adviser's personnel are permitted to serve on boards or act in other roles unaffiliated with the Adviser, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles. Such companies are not portfolio companies of the Fund, and, as a result, any compensation received by such Adviser employee would not subject to the Management Fee offset described above, or otherwise shared with the Funds and/or investors.

The organizational documents of certain Funds permit the Adviser, each such Fund's General Partner or certain of their affiliates to make certain interim contributions to the applicable Fund in anticipation of an upcoming investment or payment by such Fund, pending receipt of capital contributions in an equal amount from such Fund's limited partners, the proceeds of which would be distributed to such General Partner or other affiliate as a return of such interim contribution, with an interest charge. Such arrangements create potential conflicts of interest between the Adviser, the applicable General Partner or affiliate and the Fund acting as borrower.

## Item 12. Brokerage Practices

The Adviser focuses on securities transactions of private companies and generally purchases and sells such companies through privately negotiated transactions in which the services of a broker-dealer may or may not be retained. However, the Adviser reserves the right to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by the Adviser. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

The Adviser has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although the Adviser generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the

part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services. Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engages in any such transactions, orders for the purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously.

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

## Item 13. Review of Accounts

### Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team includes managing directors and other investment professionals of the Adviser.

### Reporting

The Adviser will typically furnish to the investors in the Funds (i) audited financial statements annually; (ii) unaudited financial statements quarterly; (iii) annual tax information necessary for each investor's tax returns; and (iv) investment information for each portfolio company quarterly. The organizational documents of a Fund or investment vehicle may provide for alternative, or less detailed, reporting than the foregoing. The Adviser reserves the right from

time to time, in its sole discretion, to provide additional information relating to a Fund to one or more investors in such Fund as deemed appropriate.

It is expected that any investors in any co-investment vehicle would receive the reports and other information described in the organizational documents governing such co-investment vehicle, which include, for example, financial information regarding the specific portfolio company in which the co-investment vehicle is invested.

## Item 14. Client Referrals and Other Compensation

The Adviser and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation (e.g., Other Fees) from these companies in connection with such services. As described in the organizational documents, this compensation in many cases will offset a portion of the Management Fees paid by a Fund. However, in other cases (e.g., reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees are in addition to Management Fees.

The Adviser reserves the right from time to time to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by the Adviser indirectly through an offset against the Management Fee under the organizational documents, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including, but not limited to, placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s).

## Item 15. Custody

As required by the Advisers Act, the Adviser has established accounts with the following qualified custodian to hold funds on behalf of the Fund: CIBC Bank USA (Chicago, Illinois). The Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and examined by, the Public Company Accounting Oversight Board. Each Fund's audited financial statements are provided to the investors in the Fund within 90 days of the Fund's fiscal year end.

## Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not to investors in the Funds individually. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Funds. Investment restrictions for the Funds, if any, are generally established in the organizational documents of the applicable Fund. Pursuant to the terms of the organizational documents, however, the Adviser and/or its affiliates have entered, and expect to enter, into Side Letters with certain limited partners whereby the terms

applicable to such limited partner's investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. The Adviser assumes this authority pursuant to the terms of the organizational documents and powers of attorney executed by the limited partners of such Fund.

## Item 17. Voting Client Securities

The Adviser has adopted written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (the "Voting Policy") to address how it will vote proxies, as applicable, for a Fund's portfolio companies. The Voting Policy seeks to ensure that the Adviser manages proxies (or similar instruments) in the best interest of a Fund, including where there may be material conflicts of interest in voting proxies. The Adviser generally believes its interests are aligned with those of the Funds' investors through the principals' beneficial ownership interests in the Funds, and therefore generally will not seek investor approval or direction when voting proxies. If there is or may be a conflict of interest in voting proxies, the Voting Policy provides that the Adviser may address the conflict using several alternatives. The Adviser does not consider service on portfolio company boards by the Adviser's personnel or the Adviser's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Voting Policy sets forth certain proxy voting guidelines followed by the Adviser when voting proxies on behalf of a Fund. A copy of the Voting Policy is available to clients or prospective clients and the Adviser's proxy voting record is available to clients upon written request to: William R Voss, Managing Partner and Chief Compliance Officer, Lake Pacific Management Company LLC, 4550 Travis Street, Suite 520, Dallas, Texas 75205.

## Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.