

**INVESTMENT ADVISER BROCHURE**

**OPENGATE CAPITAL MANAGEMENT, LLC**

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**This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of OpenGate Capital Management, LLC (the “Adviser”). If you have any questions about the contents of this Brochure, please contact OpenGate’s Chief Compliance Officer, at (310) 432-7000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.**

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

Additional information regarding OpenGate Capital Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **MATERIAL CHANGES**

There are no material changes since the Adviser's (as defined below) most recent annual updating amendment to the Form ADV Part 2A Brochure in March 2023. This annual amendment updates the description of the business practices of the Adviser and its affiliates.

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## ADVISORY BUSINESS

OpenGate Capital Management, LLC, a Delaware limited liability company and SEC-registered investment adviser (the “**Adviser**”), and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. The Adviser was founded in April 2012 and had primarily been involved with investing capital contributed by the Adviser’s personnel. The Adviser registered with the SEC as an investment adviser in 2015.

The Adviser’s clients include (i) OpenGate Capital Partners I, LP and OpenGate Capital Partners I-A, LP (together, “**Fund I**”), (ii) OpenGate Capital Partners II, LP and OpenGate Capital Partners II-A, LP (together, the “**Fund II Cayman Funds**”), (iii) OpenGate Capital Partners II (Delaware), LP and OpenGate Capital Partners II-A (Delaware), LP (together, the “**Fund II Delaware AIVs**,” and, collectively with the Fund II Cayman Funds, “**Fund II**”), and (iv) OpenGate Capital Partners III, LP and OpenGate Capital Partners III-A, LP (together, “**Fund III**” and, collectively with Fund I, the Fund II Cayman Funds, the Fund II Delaware AIVs, and any future private investment fund to which the Adviser and/or its affiliates provide investment advisory services, the “**Funds**”). The Adviser also manages OGCP I Employee Co-Invest, LP (“**Executive Fund I**”) and OGCP II Employee Co-Invest, LP (“**Executive Fund II**,” and, together with Executive Fund I and any future investment vehicles formed to invest capital on behalf of the Adviser’s personnel and other related parties, the “**Executive Funds**”). Each of Fund I, the Fund II Cayman Funds, and the Executive Funds is a Cayman Islands exempted limited partnership. Each of the Fund II Delaware AIVs and Fund III are Delaware limited partnerships.

The following general partner entities are affiliated with the Adviser:

- OpenGate Capital Partners GP I, LP, a Cayman Islands exempted limited partnership (“**General Partner I**”), that is the general partner of Fund I and Executive Fund I;
- OpenGate Capital Partners GP II, LP, a Cayman Islands exempted limited partnership (“**General Partner II**”), that is the general partner of the Fund II Cayman Funds and Executive Fund II;
- OpenGate Capital Partners GP II (Delaware), LP, a Delaware limited partnership (“**General Partner II AIV**”), that is the general partner of the Fund II Delaware AIVs; and
- OpenGate Capital Partners GP III, LP, a Delaware limited partnership (“**General Partner III**” and, collectively with General Partner I, General Partner II, General Partner II AIV, and any other future general partner of a Fund or Executive Fund, the “**General Partners**” and, collectively with the Adviser and the other General Partners, “**OpenGate**”), that is the general partner of Fund III.

Each of the General Partners listed above is subject to the Advisers Act pursuant to the Adviser’s registration in accordance with SEC guidance. This Brochure also describes the

business practices of the General Partners, which operate as a single advisory business together with the Adviser.

The Funds are private equity funds that invest through negotiated transactions in operating entities, generally referred to herein as “**portfolio companies**.” OpenGate’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. Although investments are made predominantly in non-public companies, investments in public companies are permitted. Where such investments consist of portfolio companies, the senior principals or other personnel of OpenGate or its affiliates generally serve on such portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested.

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

Additionally, as permitted by the Governing Documents, OpenGate has the authority to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in co-invest vehicles) to certain investors or other persons, including other sponsors, market participants, finders, consultants and other services providers, members of portfolio company management teams or personnel, OpenGate’s personnel and/or certain other persons associated with OpenGate and/or its affiliates (e.g., a vehicle formed by OpenGate’s principals to co-invest alongside a particular Fund’s transactions). Such co-investments, including through an Executive Fund, typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-investment vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs within six (6) months after the Fund’s completion of the investment to avoid any changes in valuation of the investment. The General Partner typically employs a subscription facility maintained by each of the Funds to provide interim financing in connection with the acquisition of a portfolio company by such Fund and its related Executive Fund (if any), with each Fund and its related Executive Fund bearing their pro rata share of any interest incurred in connection therewith. Where appropriate, and in OpenGate’s sole discretion, OpenGate will seek to negotiate such interest and

related costs with such co-investors. However, to the extent any amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, OpenGate had approximately \$1,506,992,871 billion in regulatory assets under management on a discretionary basis. OpenGate is principally owned by Andrew Nikou.

## FEES AND COMPENSATION

In general, OpenGate receives a management fee and a carried interest in connection with the provision of advisory services to its clients. The Adviser or other OpenGate entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies or prospective portfolio companies of Funds and such additional compensation will offset in part the Management Fees (as defined below) otherwise payable to OpenGate to the extent provided by the Governing Documents. In addition, in certain circumstances OpenGate receives compensation for management, business advisory services, portfolio company support services, management consulting and other services performed in connection with co-investments made in portfolio companies of the Funds. Investors in a Fund also bear certain fund expenses.

### Management Fees

Each of Fund I, Fund II, and Fund III will pay the Adviser, quarterly in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of such Fund’s aggregate investor capital commitments (“**Commitments**”). Investors participating in a closing after the Fund’s initial closing date bear the Management Fee from the initial closing date. Upon a date specified in the Governing Documents (the “**Stepdown Date**”), the aggregate Management Fee will be reduced (as is the case with respect to Fund I and Fund II) and will equal 2.0% of the aggregate capital contributions made to such Fund’s investments that have not been disposed of or completely written off. The Management Fee will be payable until all portfolio investments are distributed or until the Adviser’s relationship with the Fund is terminated for other reasons (as described in the applicable Partnership Agreement). Installments of the Management Fee payable for any period other than a full quarter are adjusted on a *pro rata* basis according to the actual number of days in such period. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until the Stepdown Date, Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund’s aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to the Fund’s aggregate investment(s) in its portfolio companies that have not been disposed of or completely written off (such investments, “Impaired Value Investments”) or realized.

Under the Governing Documents, where the fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value, and will instead continue to be calculated based on the amount of such investment contributions. Conversely, the Governing Documents do not require Management Fees to be reduced or refunded following the occurrence of a writedown, decrease (including a significant decrease) in fair value or other event not constituting a complete realization, such as a reorganization, roll-over investment in connection with a sale or dividend distribution, except in the case of investments meeting the relevant Impaired Value Investment standard under the Governing Documents. For the avoidance of doubt, following the Stepdown Date, if the fair market value of an Impaired Value Investment is less than the total amount of investment contributions relating to such Impaired Value Investment, then the amount of Management Fees otherwise payable relating to such investment will be reduced solely based on the ratio of the fair market value of the aggregate remaining investment(s) as compared against the amount of total investment contributions relating to such investment(s) as of the date of the relevant event.

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

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

The Adviser and its affiliated investment advisers will receive certain supplemental fees and other amounts ("**Supplemental Fees**") paid by portfolio companies of the Funds and Executive Funds, which Supplemental Fees consist of: (i) corporate advisory, monitoring, management, and consulting services and director's fees paid by such portfolio companies; (ii) transaction fees paid to the Adviser by such portfolio companies; and (iii) all other designated net fee payments received by the Adviser, the Advisers' affiliated investment advisers, and its and their respective partners or employees from such portfolio companies. The relevant Governing Documents of the Funds specifically permit such Supplemental Fees, subject to limitations on the aggregate amount of such Supplemental Fees that OpenGate may receive during the term of the Funds and certain carve-outs and expense reimbursement provisions. A Fund's Governing Documents generally will provide that Supplemental Fees received by the Adviser and attributable to the Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to the Adviser in a specified percentage. With respect to Fund I, 50% of the

Supplemental Fees allocable to Fund I's attributed investments are credited against Fund I management fees; provided, however, that once the aggregate amount of such Supplemental Fees allocable to Fund I's attributed investments exceeds \$32,500,000, 100% of all subsequent Supplemental Fees allocable to Fund I's attributed investments will be credited as an offset against Fund I Management Fee. With respect to Fund II, 70% of the Supplemental Fees allocable to Fund II's attributed investments are credited against Fund II management fees. With respect to Fund III, (i) 100% of the Supplemental Fees that are transaction fees allocable to Fund III's attributed investments are credited against Fund III management fees and (ii) 70% of all other Supplemental Fees allocable to Fund III's attributed investments are credited against Fund III management fees to the extent such other Supplemental Fees exceed \$5 million in any fiscal year. In each case, the remaining amount of such Supplemental Fees will be retained by the Adviser or another affiliated investment adviser. To the extent that such an offset credit would reduce the Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and, if a credit remains upon liquidation of the Fund, the Adviser is expected to retain the benefit, except where the Governing Documents require payment to be made to limited partners that have elected to waive such amount. Portfolio company-related fees may also include amounts prepaid in anticipation of future services or otherwise accelerated in certain situations (e.g., an initial public offering), which will be offset against the applicable Management Fee to the extent set forth in the Governing Documents. Although such prepaid or accelerated fees generally will be based on the anticipated level and duration of services that the Adviser believes at the time of such prepayment or acceleration are likely to be provided to the portfolio company, over time, they have the potential to be greater or less than the amount that is ultimately incurred with respect to services ultimately provided to such portfolio company. The relevant Governing Documents of the Executive Funds specifically permit such Supplemental Fees without any limitations and also include certain carve-outs and expense reimbursement provisions.

Additionally, as further described below and in the Governing Documents of the Funds, the Advisers and/or portfolio companies retain certain consultants that OpenGate maintains a relationship with ("**Related Consultants**") to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest or to conduct diligence or provide other consulting services with respect to investments by the Funds. Such Related Consultants generally receive compensation and other amounts described herein, and no such amounts will offset or reduce the Management Fee. Each of the foregoing conditions is expected to reduce the amount of Supplemental Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to the Adviser over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for the Adviser to seek to increase such amounts.

### **Carried Interest**

Each of General Partner I, General Partner II, and General Partner III will receive a carried interest with respect to Fund I, Fund II, and Fund III, respectively, equal to 20% of all realized profits subject to an 8% compound preferred return hurdle, as more fully described in the Governing Documents. The carried interest distributed to General Partner I, General Partner II, and General Partner III is subject to a potential giveback at the end of life of the applicable Funds if the applicable General Partner has received excess cumulative distributions, as well as potential interim givebacks at various points in such Fund's life as described more fully in the Governing Documents.



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

## **Other Information**

OpenGate is permitted to exempt certain investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including OpenGate affiliates and any other person designated by OpenGate, such as “friends and family” of OpenGate or its personnel. The Advisor and/or the relevant General Partner reserves the right to make any such exemption from Management Fees and/or carried interest by a direct exemption, a rebate by OpenGate and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where an OpenGate professional or affiliate invests in a Fund, such professional or affiliate generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Supplemental Fees that relate to investors that do not pay a Management Fee do not offset the Management Fee with respect to any other investor. Additionally, to the extent permitted by the Governing Documents, OpenGate has the right to permit investors, affiliated with OpenGate or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. The Executive Funds do not pay a Management Fee or carried interest. In general, the Management Fee offsets described above apply only with respect to capital commitments of fee-paying investors. OpenGate retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation rather than deducting such amounts from the investor’s capital account(s).

The Funds generally invest on a long-term basis. Accordingly, investment advisory and other fees are expected to be paid, except as otherwise described in the Governing Documents, over the term of the relevant Fund, and investors generally are not permitted to withdraw or redeem interests in the Funds.

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

In addition to the Management Fee and carried interest payable to OpenGate, each Fund bears certain expenses. As set forth more fully in the Governing Documents, a Fund bears without limitation all fees, costs, expenses, liabilities and obligations relating to the Fund’s (and its subsidiaries’ and intermediate entities’) activities, investments and business to the extent not reimbursed or paid by a portfolio company or applied to reduce Management Fees, including: fees, costs, expenses and liabilities attributable to structuring, organizing, acquiring, managing, operating, holding, valuing, winding up, liquidating, dissolving and disposing of such Fund’s investments (including costs of compensating Related Consultants in connection with conducting diligence or otherwise providing consulting services with respect to the Fund’s investments on a deal-by-deal basis), legal, filing, accounting, auditing, investment banking, travel (including, where appropriate, meal and entertainment expenses and the cost of chartering private aircraft or other private travel), consulting, research, brokerage, finder’s fees, financing, real estate title, appraisal, printing, reporting, custody, depositary, transfer, registration, insurance, advisory board, limited partner meetings (including related meal and entertainment expenses), interest, taxes, extraordinary expenses and other similar fees and expenses, including such fees and expenses,

break-up or topping fees or other liabilities or obligations, incurred for transactions not consummated (“**Broken Deal Expenses**”), including Broken Deal Expenses relating to transactions that have been offered to co-investors, but not OpenGate expenses in connection with maintaining and operating its offices (such as compensation of its personnel, rent, utilities and general office expenses). Except where the relevant Governing Documents or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among Fund investors regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment. The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of OpenGate and/or its affiliates, and expenses related to Related Consultants retained by a portfolio company or retained by OpenGate on a portfolio company’s behalf. 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. Excluded from Fund expenses are ordinary administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including salaries of OpenGate personnel, rent, utilities and other similar expenses specified in the Governing Documents. In certain cases, these or similar expenses (and/or Supplemental Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies (“**SPACs**”), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders’ equity or similar interests issued thereby that are not held directly or indirectly by the Fund, and except where prohibited by the Governing Documents, such interests are permitted to be issued to OpenGate and its personnel. Each Fund also generally will bear the costs of implementing, reporting (as applicable), monitoring and complying with investment guidelines and directives relating to the Fund’s strategy, including in Side Letters relating thereto, and (where applicable) environmental, social, governance (“**ESG**”) and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Governing Documents, a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests. 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. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.” Investors should refer to each Fund’s Governing Documents for a full list of expenses that such Fund will be expected to bear.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds for their respective shares of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense,

it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. While OpenGate believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. The Adviser, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds, without interest, to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside one or more Funds, subject to OpenGate's related policies and practices and the Governing Documents and Side Letters. Where a co-invest vehicle is formed or for the Executive Funds, such entity or OpenGate will bear expenses related to its operation, many of which are similar in nature to those borne by the Funds or OpenGate. In the event that a transaction which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such proposed transaction will be borne by the Fund(s), and not by any potential co-investors that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation to invest in such transaction, subject to negotiation with such co-investor related to terms, such co-investor is expected to bear its *pro rata* share of Broken Deal Expenses. To the extent a Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it generally will not be reimbursed separately by co-investors for the costs of establishing, negotiating or maintaining the facility as a whole.

OpenGate and/or its affiliates generally have discretion over whether to charge transaction fees, monitoring fees, director's fees or other compensation to a portfolio company and, if so, the rate, timing, method and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. Such amounts generally are not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and OpenGate and/or its affiliates on the other hand.

Additionally, as further described herein and in the Governing Documents, it is OpenGate's practice to use or retain certain Related Consultants or recommend such Related Consultants to portfolio companies. Such Related Consultants generally provide services in relation to the identification of add-on acquisitions, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Related Consultants will receive compensation, which includes, but is not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, incentive equity and stock awards, a profits, participation or equity interest in the respective portfolio company or holding company or General Partner, remuneration from OpenGate and/or its Funds or affiliates and/or salary, hourly or other compensation, the amount of which typically are determined according to one or more methods, including without limitation the value of the time (including an allocation for overhead and other fixed costs) of such Related Consultant, a percentage of the value of the portfolio company, the invested capital exposed to such portfolio company, amounts believed to be charged by other providers for comparable services and/or a

percentage of cash flows from such company. Related Consultants also generally will be reimbursed for certain travel and other costs in connection with their services. As described above, no such amounts will offset or reduce the Management Fee. The use of Related Consultants subjects OpenGate to potential conflicts of interest, as discussed under “Conflicts of Interest,” below.

#### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described under “Fees and Compensation,” the relevant General Partner generally receives a carried interest allocation on certain realized profits in the relevant Fund, subject to an 8% preferred return hurdle. The Executive Funds do not pay a carried interest.

The existence of performance-based compensation has the potential to create an incentive for a General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement, although OpenGate generally considers performance-based compensation to better align its interests with those of the investors in the Funds.

#### **TYPES OF CLIENTS**

OpenGate provides investment advice solely to its clients (which are the Funds, the Executive Funds, and certain co-investment vehicles), and references throughout this Brochure to “clients” and to OpenGate’s related duties to and practices on behalf of its clients and/or investors should be construed accordingly. The Funds and Executive Funds generally include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds generally include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities and include, directly or indirectly, principals or other personnel of OpenGate and its affiliates and members of their families, Related Consultants, or other service providers retained by OpenGate or a Fund, as well as executives of portfolio companies. The investors in the Executive Funds generally include personnel of OpenGate, their estate planning or investment vehicles, and certain other friends and family.

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

The Funds generally have a minimum investment amount equal to or in excess of \$10,000,000 for third-party investors, and Fund interests are offered and sold solely to qualified purchasers (or qualified knowledgeable OpenGate personnel). OpenGate generally is permitted to waive such minimum investment amount. The Executive Funds have been offered to employees of OpenGate only, and generally do not have a minimum investment amount.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **General**

OpenGate is a private investment firm focused on leveraged buyouts, equity, debt and other investments in non-core and/or underperforming divisions of large multinational corporations, but that have a defensible market position and mature operations with existing revenues and a strong customer base, which OpenGate believes are likely to benefit from OpenGate's in-house operating professionals and experience. OpenGate's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies, although investments in public companies are permitted.

OpenGate's investment strategy for each Fund focuses on the acquisition of controlling interests in companies that OpenGate believes have strong market positions or franchise value but with poor performance, significant operating challenges, inadequate or incomplete management or in out-of-favor industries. OpenGate often seeks to target industries that are in a downturn and present opportunities for consolidation. Within these industries OpenGate generally has a preference for businesses that are asset-heavy, operationally intense, involved in industrial manufacturing and/or are service oriented. As a result of the above factors, OpenGate aims to purchase for the Funds distressed, good quality businesses at valuations OpenGate believes to be low relative to their underlying potential. OpenGate generally focuses on investments that require approximately \$30 million to \$75 million of initial equity per portfolio company (taking into account expected opportunities for co-investment), although the required capital is permitted to be greater or less than such amounts and additional capital may be deployed into a portfolio company for add-on acquisitions or capital support. OpenGate's primary focus is on Industrial businesses. OpenGate targets Industrial companies with total enterprise values of up to \$300 million and annual revenues of up to \$1.0 billion.

Once an investment opportunity has been identified, OpenGate seeks to transition the portfolio company from a neglected division within a large corporation to a highly dynamic and growing independent business with substantial operational transformation. OpenGate works with portfolio company management to grow the portfolio company organically or through the execution of add-on acquisitions.

There can be no assurance that OpenGate will achieve the investment objectives of any Fund and a loss of investment is possible.

## Investment and Operating Strategy

*Deal Sourcing and Due Diligence.* OpenGate considers over one thousand investment opportunities each year, approximately half of which are deemed qualified opportunities by OpenGate professionals. OpenGate professionals carefully qualify each potential investment opportunity to determine if it meets OpenGate's investment criteria. For investment opportunities that pass the screening process, OpenGate professionals undertake a preliminary review that initially considers the target company's positioning, merits and challenges within its peer group. Senior professionals of OpenGate review the results of the initial due diligence in order to determine whether to accelerate a potential transaction and the necessary allocation of resources. OpenGate professionals then engage in several stages of due diligence on the potential investment opportunity, including analyzing the expected valuation range, investment merits and risks and concerns; formulating key questions; estimating investment returns; reviewing the target company's products and services, customers, financial performance, market position and growth prospects; analyzing the potential valuation, liquidity and capital structure; considering likely sources of financing; conducting on site visits; examining the investment opportunity's cash management, finance, accounting, tax, legal, regulatory, real estate, sales and marketing, human resources and environmental management; reviewing historical and projected financial statements and strategic plans; conducting secondary visits; conducting interviews with customers, suppliers, competitors and potential strategic buyers; and any other actions that the OpenGate professionals believe are warranted under the circumstances.

*Develop Restructuring and Operating Plan.* Senior members of the professional and operating staff of OpenGate and its affiliates develop a restructuring and operating plan prior to the close of each transaction focusing on the target's strengths, weaknesses, competitive position, industry trends and other relevant factors.

*Build Management Team.* OpenGate expects to supplement or replace the management team at a new portfolio company and will advise the management team on ways to improve performance. OpenGate and its affiliates routinely search for highly qualified senior managers and often identify qualified candidates prior to making the next investment. In certain instances, operating professionals of OpenGate or its affiliates will fill key management roles (including chief executive officer or chief financial officer) on an interim basis immediately following closing until a professional management team can be assembled.

*Maintain Active Involvement in Portfolio Companies.* OpenGate aims to act decisively with respect to newly acquired portfolio companies and typically makes significant changes to the company within the first three to six months after acquisition. Thereafter, OpenGate stays actively involved in the management of the portfolio companies by, among other things, requiring its portfolio companies to distribute weekly flash reports and scheduling frequent meetings with the senior staff to focus on operations, competition, new products and personnel.

*Internal Growth and Add-on Acquisitions.* Once the above strategies have been implemented, OpenGate will often seek to utilize the portfolio company's cash flow, imbedded equity value and borrowing capacity to accelerate growth through new product and market opportunities and add-on acquisitions.

*Exit Strategy.* Once a portfolio company has restored a track record of sales growth and consistent profitability, OpenGate will consider appropriate exit strategies, including the sale to a strategic or financial buyer, an initial or secondary public offering or a recapitalization. Factors considered include the company size, company growth rate, industry and competitive dynamics, banking market conditions and capital market conditions.

## **Risks of Investment**

Each Fund and its investors bear the risk of loss that OpenGate's investment strategy entails. The risks involved with OpenGate's investment strategy and an investment in a Fund include, but are not limited to:

*Business Risks.* A Fund's investment portfolio is expected to consist primarily of securities issued by non-public troubled companies, and operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk, which can result in substantial losses. Indeed, investments in troubled companies involve a higher degree of risk than other investments.

*Concentration of Investments.* Each Fund will participate in a limited number of investments (and is authorized to make several investments in one industry or one industry segment or within a short period of time) and, as a consequence, the aggregate return of a Fund would, in such circumstances be materially affected by the performance of a single investment or a single industry segment.

*Reliance on OpenGate.* Control over the operation of the Fund will be vested with the General Partner, and the Fund's future profitability will depend largely upon the business and investment acumen of the principals of OpenGate. In addition, certain changes in OpenGate or circumstances relating to OpenGate, including without limitation the performance of investments managed by certain principals of OpenGate outside of the Fund, may have an adverse effect on OpenGate, the Fund or one or more of the Fund's portfolio companies.

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

*Dynamic Investment Strategy.* While each General Partner generally intends to seek attractive returns for a Fund through the investment strategy and methods described herein, the relevant General Partner reserves the right to pursue additional investment strategies and/or has broad ability to modify or depart from its initial investment strategy, investment process or investment techniques to the extent it determines such modification or departure to be appropriate and consistent with the Governing Documents. A General Partner is permitted to pursue

investments outside of the industries and sectors in which OpenGate has previously made investments or has internal operational experience.

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

*Leveraged Investments.* A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance all or a portion of certain investments, whether on a temporary or long-term basis. Leverage generally magnifies both such Fund's opportunities for gain and its risk of loss from a particular investment. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. Leverage often imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and potentially will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of such Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the 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. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

A Fund has the ability (and has in the past) 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 subject to limitations set forth in the Governing Documents and interim in nature, asset-level leverage generally will not be subject to any limitations, including with respect to the amount of time such leverage may remain outstanding. A Fund generally is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other Funds and entities managed by OpenGate or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts are permitted to be secured by capital commitments made by such Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of such Fund.

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

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the relevant Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes

a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows the General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse the Adviser for expenses incurred on behalf of the relevant Fund. A Fund is also permitted to utilize Fund-level borrowing when the General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

*Investment- and Intermediate Entity-Level Borrowing.* Under the Governing Documents, each Fund is authorized to incur indebtedness that is secured by any assets of the Fund (e.g., asset-based borrowing, as well as "back leverage" and net asset value (NAV) facilities), and is permitted directly or indirectly through one or more intermediate entities (e.g., special purpose vehicles) to incur indebtedness, including to borrow money from any person, to make guarantees or provide other credit support to any person or to incur any other obligation (including other extensions of credit). Indebtedness is permitted to be incurred for any purpose relating to the activities of the Fund, including without limitation to: finance any investment-related activities of the Fund; increase the buying power of the Fund; provide interim financing to the extent necessary to consummate the purchase of investments prior to the receipt of permanent financing or capital contributions or distributions (as applicable); pay for Fund expenses or fund the payment of Management Fees; make, hold or dispose of investments; provide financing or refinancing; fund the payment of amounts to withdrawing limited partners; fund distributions to the partners; and/or provide collateral to secure outstanding letters of credit or to create reserves, in each case in accordance with the Governing Documents. Additionally, a Fund is expected to enter into letters of credit in support of one or more of its investments, including for the purpose of such Fund agreeing to fund additional equity financing or capital expenditures into a portfolio company (regardless of who the beneficiary to such letter of credit may be) at a certain time or upon the occurrence of a certain event. Although in many cases the Governing Documents impose limits on borrowings at the Fund level, portfolio investments and intermediate entities generally do not have such limits on their ability to engage in borrowings or incur leverage with respect to all or a portion of the relevant investments.

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

*Non-U.S. Investments.* A Fund will invest in companies that are organized and/or have substantial sales or operations outside of the United States, its territories and possessions. Such investments may be subject to certain additional risks due, among other things, to potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates and capital repatriation regulations (as such regulations may be given effect during the term of a Fund) and the application of complex tax rules to cross border investments, possible imposition of non-U.S. taxes on a Fund and/or the partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or the partners.

*Distressed Investments.* A Fund expects to invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that OpenGate will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that a portfolio company does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, a Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which such Fund invested.

*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 such Fund and result in longer holding periods for investments. Furthermore, such uncertainty or general economic downturn may have an adverse effect upon such Fund's portfolio companies.

*Public Health Emergencies.* Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. The outbreak of such epidemics or pandemics, together with any resulting restrictions on travel or quarantines imposed, has had and could continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby adversely

affect the performance of the Funds' investments. Furthermore, the rapid development of epidemics or pandemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives.

*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 OpenGate 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 impact on the reliability of projections.

*Need for Follow-On Investments.* Following its initial investment in a given portfolio company, OpenGate is permitted to decide to provide additional funds to such portfolio company or consider the opportunity to increase its investment in a portfolio company, whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons. There can be no assurance that any Fund will make add-on investments or that any Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make add-on investments or its inability to make such investments may have a substantial negative impact 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), result in a lost opportunity for such Fund to increase its participation in a successful operation or the dilution of the relevant Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest.

*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 an investment once made.

*Public Company Holdings.* A Fund's investment portfolio may contain debt and/or equity securities issued by publicly held companies. Such investments may subject a Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of such Fund to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including OpenGate's principals, and increased costs associated with each of the aforementioned risks.

*Limited Access to Information.* Limited partners' rights to information regarding a Fund, the relevant General Partner or OpenGate generally will be specified, and in many cases strictly limited, by the Governing Documents. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of OpenGate's control.

Decisions by OpenGate or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor OpenGate and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and OpenGate reserves the right to withhold certain information from investors subject to such laws for reasons relating to OpenGate's public reputation, business strategy or other reasons.

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

*Sanctions and Export Compliance Considerations.* Economic and trade sanction laws and regulations in the United States and other jurisdictions may prohibit or otherwise restrict OpenGate, the Funds, or the portfolio companies from engaging in transactions in or relating to certain countries and relating to certain individuals or entities. In the United States, the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the U.S. Department of State administer and enforce laws, executive orders and regulations establishing U.S. economic and trade sanctions. Such sanctions prohibit, among other things, transactions with or the provision of services to, certain foreign countries, territories, entities and individuals. These persons and entities include "specially designated nationals" and other persons and entities targeted by OFAC sanctions programs. In addition, certain programs administered by OFAC and other regulators prohibit dealing with individuals or entities in certain countries regardless of whether such individuals or entities appear on the lists maintained by OFAC and other regulators. These types of sanctions and similar laws and regulations in non-U.S. jurisdictions may significantly restrict the Funds' direct or indirect investment activities in certain countries. Moreover, sanctions laws and regulations change frequently, and it may be challenging for the Funds to ensure consistent compliance with these laws and regulations. The economic and trade sanctions and related laws of different jurisdictions in which the Funds make investments also may conflict with one another, such that compliance with all applicable laws may be difficult. Failure by OpenGate, a Fund or any of a Fund's portfolio companies to comply with OFAC or other relevant sanctions could have serious legal and reputational consequences, including civil and criminal penalties. Moreover, if an investor becomes designated by OFAC or another sanctions authority as a restricted or prohibited person, or becomes owned or controlled by one or more such restricted or prohibited persons, a Fund may be required to cease any transactions or further

dealings with the investor and its interest in the Fund, until such restrictions or prohibitions are lifted or a license is sought and received under applicable law to continue transactions or dealings.

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

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

*Financial Institution Risk; Distress Events.* An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a “**Financial Institution**”) of some or all of the Fund’s (or any portfolio company’s) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a “**Distress Event**”). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, OpenGate, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any

non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

Any Distress Event has a potentially adverse effect on the ability of OpenGate to manage the Funds and their investments, and on the ability of OpenGate, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of OpenGate or portfolio companies to make payroll, fulfill obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution's services, it is also possible that OpenGate will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative arrangements and/or that such alternative arrangements will be less favorable than those formerly in place (with respect to economic terms, service levels, access to capital or otherwise). There can be no assurance that OpenGate will be able to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, or that such remedies will be successful or avoid losses, delays or other negative impacts. The Funds and their portfolio companies are subject to additional risks in the event a Financial Institution utilized by investors of a Fund or suppliers, vendors, service providers or other counterparties of a portfolio company become subject to Distress Events, which could have a material adverse effect on a Fund, its investors or such portfolio companies, including the risk of investor defaults.

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

*Currency Arrangements; Related Regulations.* A General Partner is authorized to (but is not obligated to) endeavor to manage the Fund's or any portfolio company's currency exposures using currency swaps where available and appropriate. The Fund are permitted to incur costs related to currency swap arrangements, which are permitted to be undertaken over-the-counter ("OTC") where permitted. There can be no assurance that adequate currency swap arrangements will be available on an economically viable basis or that such arrangements will achieve the desired effect with respect to managing the Fund's currency exposure, and in some cases such arrangements may result in losses greater than if a currency swap had not been used. In some cases, particularly in OTC contexts, currency swap arrangements will subject the Fund to the risk



of a counterparty's inability or refusal to perform under a contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such currency swap arrangement. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. The use of certain currency swap arrangements may create for the General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such arrangements, including under circumstances where the ability of a Fund to manage its currency exposures becomes limited by such requirements.

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

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

*Cybersecurity Risks.* Recent events have illustrated the ongoing cybersecurity risks to which operating companies are subject. To the extent that a portfolio company, Fund, General Partner, OpenGate 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, OpenGate, the General Partners, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in OpenGate's, the General Partners', the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). In certain events, a failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks, and the risks of attack are expected to be heightened in remote work environments. Any of such circumstances could subject a portfolio company, or the relevant Fund, to substantial losses, including losses relating to: misappropriation of assets, intellectual property or confidential information; corruption, deletion or destruction of data; physical damage and repairs to systems; reputational harm; financial losses from remedial actions; and/or disruption of operations. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. In addition, in the event that such a cyber-attack or other unauthorized access is directed at OpenGate or one of its service providers holding its financial or investor data, OpenGate, its affiliates or the Funds may also be at risk of loss.

*Privacy and Data Protection Law Compliance Risk.* The adoption, interpretation and application of consumer protection, data protection and/or privacy laws and regulations in the United States, Europe and other jurisdictions (collectively, "**Privacy Laws**") could significantly impact current and planned privacy and information security related practices, the collection, use, sharing, retention and safeguarding of personal data and current and planned business activities of the Adviser, 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 or litigation, which could materially and adversely affect the results of operations and overall business, as well as have a negative impact on reputation and Fund performance. As Privacy Laws are implemented, interpreted and applied, compliance costs for the Adviser, the General Partners, the Funds and/or their portfolio companies, are likely to increase, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place.

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

*Business Continuity Risks.* OpenGate has adopted a business continuation strategy in an effort to maintain critical functions in the event of a partial or total building outage affecting its offices or otherwise causing technical problems that impact applications, data centers or networks. While the recovery strategies are designed to limit the impacts from any business interruption or disaster, OpenGate's ability to conduct business may be adversely impacted by such a disruption. In addition, OpenGate's business activities may be adversely impacted in the event that certain service providers to OpenGate or its clients fail to perform or otherwise experience an interruption or disaster.

*Taxation of Capital Gains.* U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset which generated such gain for more than three years. This could reduce the after-tax returns of individuals associated with the applicable Fund, OpenGate, or the General Partner who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the General Partner and its affiliates to incentivize, attract and retain individuals to perform services for the Funds. This could also create an incentive for the principals of OpenGate to cause the Funds to hold investments for a longer period than would be the case if such three-year holding period requirement did not exist.

*Failure of Counterparties to Perform Obligations.* In the ordinary course of business, OpenGate, the Funds, and portfolio companies rely on various counterparties, which include, but is not limited to, brokers, dealers, banks, custodians, and administrators ("Counterparties"). These Counterparties may default on their obligations with or without notice. Such defaults include, but are not limited to, a Counterparty's bankruptcy, insolvency, or other failure. A Counterparty's default on their obligations may impact OpenGate's, a Fund's, or a portfolio company's ability to conduct its business in the ordinary course. There is a risk of loss of assets on deposit at the Counterparty. Although government agencies or other organizations provide insurance coverage to depositors in the event of a Counterparty failure, coverage is limited to a specified amount and subject to rules and regulations. Prior events where a government agency or other organization stepped in to make depositors whole over their excess deposits at select Counterparties, which may or may not have a current or prior relationship with OpenGate, the Funds, or portfolio companies should not be construed as a guarantee that such action will be taken in the future. There is no guarantee that any excess deposits are recoverable. In the event of a Counterparty's default, OpenGate will work diligently to access capital and take actions it deems appropriate while acting in the best interest of a Fund. However, OpenGate's access to capital is subject to a variety of external factors that are outside of OpenGate's control, including the timing of default, a government agency's or other organization's actions, including the timing of the Counterparty's closure, ability to liquidate the Counterparty's assets, or to effect the Counterparty's sale or dissolution, unforeseeable economic factors or market conditions, and the Counterparty's technology infrastructure operating as intended to facilitate access. Furthermore, OpenGate's ability to access capital may have an impact on the ability to conduct operations in the normal course including, but not limited to paying expenses, funding investment opportunities resulting in delayed or missed opportunities, and calling capital from or making distributions to limited partners. Deposits concentrated at one or a limited number of Counterparties may amplify these risks.

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

Each of these transactions has the potential for conflicts between the interests of a Fund or limited partner and those of OpenGate or any buyer group that typically are not applicable to more traditional investment sales. For example, in circumstances where OpenGate or an affiliate will continue to manage and receive fees and/or performance-based compensation relating to the subject assets following the transaction (potentially in addition to performance-based compensation earned by the relevant General Partner on the sale of an asset from an existing Fund in such transaction), their incentives are expected to diverge from those of limited partners who elect to sell their interests. Similarly, there are potential conflicts of interest among the selling Fund, OpenGate, the relevant General Partner and any buyer group relating to the valuation and consideration offered for the subject investment(s). To the extent OpenGate requires existing limited partners and/or new buyers to commit capital to a continuation fund or another Fund managed by OpenGate in addition to the purchase amount paid in a transaction (including commitments to the relevant Fund in specified ratios to the purchase price), such requirement is expected to have a dilutive effect on the purchase price for the selling Fund and its limited partners. There can be no assurance that any such transaction will accurately reflect the fair market value of the investment(s) being sold. Further, the relevant General Partner is expected to be incentivized, including through the possibility of receiving additional compensation, to make investments in portfolio companies with the view of holding such investments for longer periods of time or to make investments that it would not otherwise have made if the possibility of liquidity through a secondary transaction did not exist. Where co-investors historically have been invested in an investment subject to such a transaction, there can be no assurance that they will receive the same liquidity or other options as limited partners in the relevant Fund, and in such circumstances OpenGate reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation

vehicle under relevant securities, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board prior to the closing of the transaction, there can be no assurance that OpenGate will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, OpenGate reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. OpenGate is permitted to seek the consent of the relevant Fund advisory board(s) to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

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

## **Conflicts of Interest**

OpenGate and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account (including for certain OpenGate principals) and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds, SPACs and portfolio companies. OpenGate will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of OpenGate conducting its activities, the interests of a Fund likely will conflict with the interests of OpenGate, one or more other Funds, portfolio companies or their respective affiliates in certain circumstances. Certain of these conflicts of interest are discussed herein. As a general matter, OpenGate will determine all matters relating to structuring transactions and Fund operations using its judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the advisory boards of the participating Funds.

During the investment period of a Fund, all appropriate investment opportunities will be pursued by OpenGate principals through such Fund, subject to certain limited exceptions set forth in the applicable Fund's Governing Documents and OpenGate's Allocation Policy. Without limitation, OpenGate 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. OpenGate 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. OpenGate's principals and OpenGate's investment staff will continue to manage and monitor such investments

until their realization. Such other investments that OpenGate principals expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of a Fund, OpenGate principals reserve the right to and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in OpenGate's sole discretion, OpenGate and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, OpenGate personnel are permitted to serve on boards or act in other roles unaffiliated with OpenGate, the Funds or their portfolio companies, including boards of charitable and educational institutions, SPACs, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

OpenGate expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of OpenGate. In determining which investment vehicles should participate in such investment opportunities, OpenGate and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the Governing Documents, OpenGate is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of OpenGate in a portfolio company also have the potential to raise the risk of using assets of a client of OpenGate to support positions taken by other clients of OpenGate.

OpenGate must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. OpenGate generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Governing Documents, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the Governing 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 considerations. For example, a newly organized Fund generally will seek to purchase a disproportionate amount of investments until it is substantially invested. OpenGate will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and OpenGate reserves the right to offer co-investment opportunities to one or more potential co-investors, including Related Consultants, vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and OpenGate's Allocation Policy. OpenGate's procedures permit it to take into consideration a variety of factors in making such determinations, including, but not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; OpenGate's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or

would impair OpenGate's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; lender requirements; perceived public relations and reputational benefits or costs; existence of a formal or informal strategic relationship with the prospective co-investor; the size and/or timing of a commitment to a Fund; and whether OpenGate believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, other portfolio companies, the applicable Funds or OpenGate. Although OpenGate reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness generally will not be the sole determining factor considered by OpenGate in identifying co-investors.

Furthermore, OpenGate 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. When and to the extent that personnel and related persons of OpenGate and its affiliates make capital investments in or alongside certain Funds, OpenGate 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.

OpenGate'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 OpenGate 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 OpenGate expects to be subject, discussed herein, did not exist.

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

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind, with the exception of organizational expenses of certain co-investment vehicles (including those in which affiliates of OpenGate have invested), which are expected to be borne by the Funds. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions generally will be made by OpenGate or its affiliates using their reasonable judgment, considering such factors as

they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-invest vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on the number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or OpenGate. The Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in the Funds bearing different levels of expenses with respect to the same investment.

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

Additionally, a portfolio company typically will reimburse OpenGate or service providers, including Related Consultants, retained at OpenGate's discretion for expenses (including without limitation, travel expenses) incurred by OpenGate or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by OpenGate personnel. This subjects OpenGate and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. OpenGate determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to investors in any Fund, their effect is reflected in each Fund's audited financial statements, and any fee paid or expense reimbursed to OpenGate or such service providers generally is subject to: agreements with or review by sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors help to mitigate related potential conflicts of interest.

In connection with its services to the Funds and their investments, OpenGate, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of OpenGate's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, OpenGate 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, "**OpenGate Information**"). In many cases, OpenGate Information will include tools, procedures and resources developed by OpenGate to organize or systematize OpenGate Information for ongoing or future use. Although OpenGate expects its Funds and their portfolio companies generally to benefit from OpenGate's possession of OpenGate Information, it



is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by OpenGate and its personnel) and not by the Fund or portfolio company from which OpenGate Information was originally received or derived. OpenGate Information will be the sole intellectual property of OpenGate and solely for the use of OpenGate. OpenGate reserves the right to use, share, license, sell or monetize OpenGate Information, without offsetting or otherwise reducing Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, 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 programs are expected to vary over 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 or reduce Management Fees.

OpenGate generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with certain service providers, and such service providers are expected to include: (i) OpenGate or a related person of OpenGate (which is permitted to include a portfolio company of such Fund); (ii) an entity with which OpenGate or its affiliates or current or former personnel has a relationship or from which OpenGate or its affiliates or their personnel otherwise derives financial or other benefit, including relationships with joint venturers or co-venturers, or relationships where OpenGate personnel are seconded, or from which OpenGate receives secondees, or (iii) service providers that OpenGate has an ongoing relationship with, including Related Consultants. For example, OpenGate expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects OpenGate to conflicts of interest, because, although OpenGate selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, OpenGate has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that OpenGate, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or OpenGate), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. OpenGate will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although OpenGate generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, OpenGate expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to OpenGate or any Fund to provide services that will be the most beneficial to any limited partner. Whether or not OpenGate has a relationship or

receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Although uncommon, OpenGate reserves the right to cause a Fund to enter into a transaction whereby the Fund: (i) purchases securities from, or sells securities to, or otherwise combines its portfolio company with a portfolio company held by, other Funds managed by OpenGate, or co-investors or co-investment vehicles or (ii) co-invests alongside such other Funds or co-investors. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. In some cases a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; or (ii) the transaction allows OpenGate or its affiliates to realize carried interest or receive future Management Fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value.

Although OpenGate generally structures Funds to avoid circumstances in which one Fund ultimately bears liability for all or part of the obligations of another Fund or any OpenGate affiliate, in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being solely liable for other Funds' share of the relevant obligation and/or joint and several liability among Funds. In such cases, OpenGate intends to cause the relevant other Funds to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market participants are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or an OpenGate affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or an OpenGate affiliate, whether or not related to the Fund in which such limited partners have invested.

OpenGate and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by OpenGate and/or its affiliates; conversely, current or former personnel or executives of OpenGate and/or its affiliates are expected serve in significant management roles at portfolio companies or service providers recommended by OpenGate. Similarly, OpenGate, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former personnel, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services

(including services at reduced rates) to, OpenGate and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through OpenGate entities whether or not relating to financing OpenGate personnel obligations to fund General Partner commitment obligations) to OpenGate personnel and their estate planning vehicles. OpenGate expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide OpenGate information about markets and industries in which OpenGate operates (or is contemplating operations) or will provide other services that are beneficial to OpenGate or one or more other Funds. OpenGate expects to be subject to a potential conflict of interest in making such recommendations, in that OpenGate has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

In certain circumstances, current or former OpenGate personnel are expected to serve in interim or part-time roles at a portfolio company, or may provide services to a portfolio company as a secondee or in similar capacities, whether or not while maintaining certain legacy economic arrangements, benefits, support services or indicia of employment at OpenGate. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold or when the position can be filled on a longer term or permanent basis. Employees may or may not return to OpenGate at the end of such secondee arrangement.

OpenGate, its affiliates, and equity holders, officers, principals and personnel of OpenGate and its affiliates reserve the right to buy or sell securities or other instruments that OpenGate has recommended to a Fund. In addition, officers, principals and personnel reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in, reimburse or compensate the relevant Fund for due diligence or other expenses (including Broken Deal Expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. Any such transactions are subject to any restrictions in the Governing Documents and any related policies and procedures set forth in OpenGate's Code of Ethics. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Personnel and related persons of OpenGate have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional potential conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's

limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than OpenGate deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Except to the extent prohibited by the Governing Documents, OpenGate and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder, chairman or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which have the potential to overlap with the Fund(s) 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 Governing Documents and anti-"assignment" provisions of the Advisers Act, OpenGate and its personnel are also permitted to offer, restructure and monetize interests in OpenGate.

The Governing Documents provide the Advisers with wide-ranging authority to make determinations, including those related to investment purchases and dispositions (and their timing), valuation and other matters that in each case have the potential to affect the Advisers' compensation. In making such determinations, the Advisers are subject to potential conflicts of interest. For example, the potential to earn additional compensation creates an incentive for the Advisers or their affiliates to make investments and to hold investments longer than otherwise would be the case in the absence of the relevant Fund's Management Fee and carried interest compensation arrangements. The Advisers expect to be incentivized to cause a Fund to make, hold, value and/or dispose of investments (and to delay or forego a determination that the investments are Impaired Value Investments) in order to receive greater ongoing Management Fees and, potentially, earlier and/or larger carried interest distributions than would otherwise be the case.

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

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

In addition, as described above, portfolio companies (and, to a lesser extent, the Funds) typically pay certain fees to third party consultants (including consultants introduced, arranged or retained by OpenGate and/or its affiliates that may regularly provide services to one or more portfolio companies, which in the future may include Related Consultants), and such fees do not offset or reduce the Management Fee as described herein. To the extent that Related Consultants are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Related Consultants' services at a time when fewer portfolio companies or Funds make use of such Related Consultant. Related Consultants make use of OpenGate's resources or otherwise are associated with OpenGate. Additionally, portfolio companies may provide opportunities for Related Consultants to invest in such portfolio company and reimburse costs and expenses incurred by Related Consultants. Related Consultants also may have a limited partner interest in the General Partners and/or one or more of the Funds, may receive remuneration from OpenGate and/or its affiliates or the Fund and/or be entitled to other forms of compensation. Such investment opportunities, reimbursements and other compensation paid to a Related Consultant will not offset or reduce the Management Fee of any Fund described herein. Although the use of Related Consultants and the allocation of compensation paid to them by OpenGate, its affiliates, the Funds or the portfolio companies of the Funds subjects OpenGate and/or its affiliates to potential conflicts of interest, OpenGate believes that such potential conflicts have the potential to be reduced by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the applicable Fund(s)) that will result if the cost of the Related Consultant is lower than market rates for the services provided and/or if the quality of the services of the Related Consultant make a greater contribution to the success of the portfolio company. Although OpenGate seeks to retain Related Consultants with a view to reducing costs to portfolio companies and, ultimately, the Funds, a number of factors may result in limited or no cost savings from such retention. OpenGate also seeks to reduce potential conflicts of interest resulting from such arrangements by

structuring compensation packages for such persons in a manner that OpenGate believes will align such persons' interests with those of the Funds' limited partners, and seeks to retain only Related Consultants and service providers which it believes provide a level of service at a value generally consistent with other relevant market alternatives. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because OpenGate's carried interest is based on a percentage of net realized profits, it has the potential to create an incentive for OpenGate to cause a Fund to make riskier or more speculative investments than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when the OpenGate may not otherwise have done so. Since OpenGate is permitted to retain certain Supplemental Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Supplemental Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Supplemental Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, OpenGate, its personnel, affiliates or others designated by OpenGate expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the relevant Governing Documents are applied, OpenGate and/or such other recipients will be permitted to retain such securities as Supplemental Fees, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or OpenGate) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

In certain circumstances, such as those relating to short- or long-term portfolio company cash or liquidity needs, and regardless of whether the portfolio company is undergoing financial stress, OpenGate reserves the right to accrue, defer or forego payments of Supplemental Fees. In such cases, in accordance with the Governing Documents, investors will not receive the benefit of Management Fee offsets with respect to such amounts until they are actually received.

OpenGate and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of OpenGate's compensation), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment

pricing restrictions, as well as economic, procedural and other terms, many of which will not be subject to the “most-favored nation” provisions of a Fund’s Governing Documents.

OpenGate is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to OpenGate, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to OpenGate, its affiliates and personnel, or the Funds. Further, Side Letters are also expected to relate to strategic relationships under which an investor agrees to make capital commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject OpenGate 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. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the costs and expenses of which are expected to be borne by the relevant Fund. As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although OpenGate believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner’s voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners’ voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund.

In certain cases, OpenGate will have the opportunity (but, subject to any applicable restrictions or procedures in the Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, OpenGate will not receive compensation for identifying such transferees, and will use its discretion to select such transferees

based on suitability and other factors, and unless required by the Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors.

OpenGate has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as OpenGate has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended may not necessarily be the best or lowest cost option. In most cases, OpenGate and the relevant Fund(s) will not mandate, participate in the negotiations, or be directly involved in such arrangements, all of which will be handled by the management of such portfolio companies.

In borrowing on behalf of a Fund, OpenGate is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when 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.

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

Any of these situations subjects OpenGate and/or its affiliates to potential conflicts of interest. OpenGate attempts to resolve such conflicts of interest in light of its obligations to



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

### **DISCIPLINARY INFORMATION**

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

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

The Adviser is affiliated with other OpenGate investment advisers, including the General Partners and equivalent entities formed and subject to the Advisers Act pursuant to OpenGate's registration in accordance with SEC guidance, including OpenGate Capital Partners GP I, LP, OpenGate Capital Partners GP II, LP, OpenGate Capital Partners GP II (Delaware), LP, and OpenGate Capital Partners GP III, LP. In addition, the Adviser has a wholly-owned subsidiary, OpenGate Capital Management Europe Sarl, which is an affiliated investment adviser subject to the Advisers Act pursuant to OpenGate's registration in accordance with SEC guidance. All of such affiliated investment advisers operate as a single advisory business together with the Adviser and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

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

The Adviser has adopted the OpenGate Code of Ethics and Securities Trading Policy and Procedures (the "**Code**"), which sets forth standards of conduct that are expected of OpenGate principals and personnel and addresses conflicts that arise from personal trading. The Code requires certain OpenGate personnel to report their personal securities transactions, prohibits or requires pre-clearance for directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering or private placement, and prohibits OpenGate personnel from directly or indirectly acquiring beneficial ownership of securities with limited exceptions, without first obtaining approval from OpenGate's Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material, non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to OpenGate's Chief Compliance Officer at (310) 432-7000. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client's interests in client eligible investments.

OpenGate and its affiliated persons may come into possession, 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, OpenGate 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 OpenGate.

Accordingly, should OpenGate 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 OpenGate 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 OpenGate personnel serving as directors of public companies and may restrict trading on behalf of clients, including a Fund.

Principals and personnel of OpenGate and its affiliates generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of the Advisers, as well as third party investors and other persons, and such co-investments may be effected through co-invest vehicles, directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Additionally, a Fund generally reserves the right to invest together with other Funds advised by an affiliated adviser of OpenGate in the manner set forth in the Governing Documents. OpenGate will determine the allocation of investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time consistent with OpenGate's obligations and reserves the right to take into consideration factors such as the following: the client's investment restrictions and objectives (including those set forth in the relevant client's governing documents, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition and cash level and applicable regulatory restrictions. In the case of co-investments, OpenGate may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities.

OpenGate and its affiliates, principals and personnel expect to carry on investment activities for their own account, for personal or employee investment vehicles and, potentially, for family members, friends or others who do not invest in a Fund, as well as give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar. The Governing Documents and investment programs of certain vehicles sponsored by OpenGate (the "**Reference Funds**") generally restrict, limit or prohibit, in whole or subject to certain procedural requirements, investments of certain other vehicles in issuers held by such Reference Funds or give priority with respect to investments to such Reference Funds. Some of these restrictions could be waived by investors (or their representatives) in such Reference Funds or be subject to limitations (*e.g.*, by time or percentage of capital deployed).

A General Partner reserves the right to advance funds on behalf of a Fund and contribute such amounts to the relevant Fund as a special interim capital contribution for investment, to be redeemed at a later date. A yield amount in connection with such borrowing typically is borne by

the relevant Fund, consistent with the Governing Documents. OpenGate will effect such borrowings consistent with a Fund's Governing Documents and in a manner it believes to be fair and equitable under the circumstances to the relevant Fund.

### **BROKERAGE PRACTICES**

OpenGate focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, OpenGate reserves the right to also 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. Although OpenGate does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If OpenGate sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by OpenGate. In such event, OpenGate will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, OpenGate 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.

OpenGate 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 OpenGate 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 OpenGate 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 OpenGate generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data services, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of OpenGate's Funds. However, each and every research service may not be used for the benefit of each and every Fund managed by OpenGate, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between OpenGate and its affiliates.

OpenGate will employ no agreement or formula for the allocation of brokerage business on the basis of research services; however, OpenGate, in its discretion reserves the right to cause the Funds to pay such brokers a commission for effecting portfolio transactions in excess of the

amount of commission another broker adequately qualified to effect such transactions would have charged for effecting such transactions. This generally arises where OpenGate has determined in good faith that such commission is reasonable in relation to the value of brokerage and research services received. In reaching such a determination, OpenGate would not be required to place or attempt to place a specified dollar value on the brokerage or research services provided by such broker.

OpenGate will periodically determine which brokers have provided research that has been helpful in the management of Funds. To the extent consistent with OpenGate's goal to obtain best execution for its clients, OpenGate reserves the right to seek to place a portion of the trades that it directs with the brokers who are identified through this process.

To the extent that OpenGate allocates brokerage business on the basis of research services, it expects to have an incentive to select or recommend broker-dealers based on the interest in receiving such research or other products or services, rather than based on its Funds' interest in receiving most favorable execution. To the extent OpenGate uses "soft dollars" on behalf of the Funds, it intends to seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

OpenGate does not anticipate engaging in significant public securities transactions; however, to the extent that OpenGate 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, OpenGate also reserves the right to purchase or sell the same securities or instruments for several Funds simultaneously. OpenGate expects, but is not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or "batched" to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of OpenGate is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

When an aggregate order is partially filled, the securities purchased or sold will normally be allocated on a *pro rata* basis to each Fund participating in such buy or sell order in accordance with the amount of securities originally requested for such Funds.

Each Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. Exceptions to *pro rata* allocations are permissible; provided OpenGate believes they are fair and equitable to its clients under the circumstances over time.

In OpenGate's private company securities transactions on behalf of the Funds, OpenGate 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, OpenGate 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 OpenGate generally will seek reasonable rates for such services, the market for such services involves more subjective evaluations than public securities brokerage transactions, and the Funds may not pay the lowest commission or fee for such services.

### **REVIEW OF ACCOUNTS**

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

Each Fund generally will provide to its limited partners (i) annual GAAP audited financial statements, (ii) quarterly unaudited financial statements, and (iii) annual tax information necessary for each limited partner's tax return.

### **CLIENT REFERRALS AND OTHER COMPENSATION**

OpenGate and/or its affiliates intend to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the Governing Documents, this compensation may, in many cases, offset a portion of the Management Fees paid by such 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. See "Fees and Compensation."

OpenGate reserves the right 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 OpenGate indirectly through an offset against the Management Fee under the Governing 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). OpenGate has retained UBS Securities LLC, a registered broker-dealer, to solicit Commitments for Fund III from prospective investors in exchange for a non-refundable, non-credited fee based on a variable percentage of the total of such Commitments, in addition to the reimbursement of certain expenses, and expects to enter into a similar arrangement with a registered broker-dealer with respect to the offering of interests in future Funds.

### **CUSTODY**

As required by the Advisers Act, OpenGate has established an account with one or more qualified custodians to hold funds and securities on behalf of the Funds. In addition, the Funds are audited by an independent public accountant annually and such audited financial statements are distributed to investors in accordance with Rule 206(4)-2 under the Advisers Act.

## INVESTMENT DISCRETION

OpenGate has discretionary authority to manage investments on behalf of each Fund. As a general policy, OpenGate does not allow clients to place limitations on this authority. Pursuant to the terms of the Governing Documents, however, OpenGate 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. OpenGate assumes this authority pursuant to the terms of the Governing Documents and powers of attorney executed by the limited partners of such Fund.

## VOTING CLIENT SECURITIES

OpenGate has adopted the OpenGate Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that OpenGate votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. OpenGate generally believes its interests are aligned with those of each Fund's investors, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that OpenGate may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund's advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund's advisory board is authorized to approve OpenGate's vote in a particular solicitation. OpenGate does not consider service on portfolio company boards by OpenGate personnel or OpenGate's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by OpenGate when voting proxies on behalf of a Fund. If you would like a copy of OpenGate's complete Proxy Policy or information regarding how OpenGate voted proxies for particular portfolio companies, please contact OpenGate's Chief Compliance Officer, at (310) 432-7000, and it will be provided to you at no charge.

## FINANCIAL INFORMATION

OpenGate 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.