

HILL PATH CAPITAL LP

PART 2A OF FORM ADV

FIRM BROCHURE

**150 EAST 58TH STREET, 33RD FLOOR
NEW YORK, NEW YORK 10155
PHONE: 212-632-5420
www.hillpathcap.com**

March 27, 2024

This Brochure provides information about the qualifications and business practices of Hill Path Capital LP (“HPC”). If you have any questions about the contents of this Brochure, please contact us at 212-632-5420. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about HPC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure (the “Brochure”) replaces the last version of HPC’s Brochure dated March 29, 2023. No material changes have been made to this Brochure but HPC recommends you read this Brochure in its entirety.

Item 3 – Table of Contents

	<u>Page</u>
ITEM 2 – MATERIAL CHANGES	2
ITEM 3 – TABLE OF CONTENTS	3
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 – FEES AND COMPENSATION	5
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ..	8
ITEM 7 – TYPES OF CLIENTS	9
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	10
ITEM 9 – DISCIPLINARY INFORMATION	24
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS..	25
ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	26
ITEM 12 – BROKERAGE PRACTICES.....	30
ITEM 13 – REVIEW OF ACCOUNTS.....	32
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION.....	33
ITEM 15 – CUSTODY	34
ITEM 16 – INVESTMENT DISCRETION	35
ITEM 17 – VOTING CLIENT SECURITIES.....	36
ITEM 18 – FINANCIAL INFORMATION	37

Item 4 – Advisory Business

HPC is an investment advisory firm established in 2014 and organized as a limited partnership under the laws of Delaware and is owned and controlled by Hill Path Holdings LLC, a Delaware limited liability company, which is ultimately controlled by the founder and principal owner, Scott Ross (the “Principal”).

HPC provides discretionary investment advice and management services to private investment funds (each, a “Fund”), which are generally structured as limited partnerships or limited liability companies. HPC pursues a long term, contrarian, value-oriented investment strategy applying an active ownership, private equity investment model to public equity markets. HPC also opportunistically will make investments in private companies, public equity and debt.

HPC also provides advisory services to certain co-investment vehicles (“Advisory Clients”, and together with the Funds, “Clients”) that are established and operated by third parties. HPC provides ongoing investment advice and monitoring services to these Advisory Clients.

Each Client’s investment objectives, limitations and/or parameters are set forth in such Client’s governing documents (the “Client Documents”) provided to each investor in the given Client (each, an “Investor”). Please also refer to Item 8 of this Brochure for additional detail related to HPC’s investment strategies and related risks.

HPC tailors its investment advisory services to each Client. However, HPC does not tailor its advisory services to the individual needs of Investors, and Investors may not impose restrictions on investing in certain securities or types of investments.

Persons reviewing this Brochure should not construe this Brochure as an offering of any of the Funds described herein, which will only be made pursuant to delivery of a confidential offering memorandum to prospective eligible investors.

HPC does not participate in wrap fee programs.

See Item 16 for disclosure related to side letters.

As of December 31, 2023, HPC manages approximately \$4,071,207,821 in Fund assets on a discretionary basis.

Item 5 – Fees and Compensation

HPC is generally compensated by its Clients through asset-based and commitment-based Management Fees (as defined below) and/or performance-based Carried Interest (as defined below).

HPC generally receives management fees based on a percentage of assets managed (the “Management Fee”). All Investors in the Funds and all Clients are “qualified purchasers” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Company Act”) (or “knowledgeable employees” pursuant to Rule 3c-5 promulgated under the Company Act), and therefore specific fee information is not required to be included in this Brochure. Management Fees are paid quarterly in advance or on a future date at the discretion of the applicable General Partner (as defined below) and are deducted from each Investor’s assets invested in a Fund. Investors do not have the ability to choose to be billed directly for fees incurred. Management Fees payable to HPC may be reduced or waived on a case-by-case basis in the sole discretion of HPC or an affiliate thereof, and there may be variances in fees, including Management Fees, charged to certain Funds and/or Investors.

Subject to a clawback and a preferred return for the benefit of the Investors, each General Partner or HPC, as applicable, is generally entitled to performance-based compensation, or carried interest (the “Carried Interest”), with respect to net profits generated by each Fund’s investments. Carried Interest may be waived on a case-by-case basis in the sole discretion of HPC or an affiliate thereof and certain Funds do not charge any Carried Interest.

If an advisory contract with a Fund is terminated before the end of any quarterly billing period, HPC will refund to the relevant Fund the amount of the Management Fees pro-rated from the date of termination to the end of the period the advance fee covered. The relevant Fund will then refund such amount to its Investors based on the amount of Management Fees paid by the Investors.

As described above, fees, including Management Fees or Carried Interest, may differ among certain Funds and/or Investors. Please see Item 6 for important disclosures concerning side-by-side management. Additionally, a General Partner (as defined below) at its discretion has entered and may enter into additional agreements, or “side letters,” with Investors whereby such Investors may be subject to terms and conditions that vary from or are more advantageous than those applicable to other Investors.

In connection with each Fund and its investments, Hill Path Capital Partners GP LLC, Hill Path Capital Partners II GP LLC, Hill Path Capital Partners III GP LLC, Hill Path Capital Partners S GP LLC, HE GP LLC, HM GP LLC, HM GP II LLC, HA GP LLC, OL Acquisition Investment Holdings LLC, HP C GP LLC, HP D GP LLC, Hill Path Capital Partners E GP LLC, HP G GP LLC, and HP J GP LLC (together, the “General Partners” and each, a “General Partner”) or HPC may receive transaction and monitoring fees (“Supplemental Fees”) from third parties, including, but not limited to, portfolio companies of the Funds. If applicable, Supplemental Fees will reduce the Management Fee in an amount, if any, set forth in an applicable Client Document. In certain circumstances, as set forth in the applicable Client Document, such fees will be subject to acceleration upon certain triggering events, such as the sale or initial public offering of a portfolio company. Additionally, 100% of placement fees will be applied to reduce the Management Fee. HPC’s Principal or employees may, from time to time, serve as board members for portfolio companies and, to the extent received, HPC, the Principal or its employees may retain related director’s fees as compensation. For the avoidance of doubt, director’s fees are not Supplemental Fees. Furthermore, other fees (including advisory fees, consulting fees, and other fees) that are not

Supplemental Fees (which may be paid in cash, equity or other forms) may be paid to HPC and will not offset the Management Fee unless set forth in a Client Document.

Supplemental Fees will be allocated pro-rata among Funds participating in the portfolio investment giving rise to such Supplemental Fees based on each Funds' respective proposed commitments to or contributions made to such portfolio investment (or, if such portfolio investment is not made, that was expected to be provided) or on such other basis that the applicable General Partner determines to be fair and reasonable in their sole discretion. Any amounts allocated to the applicable Fund will then be applied to reduce the amount of Management Fees if a reduction of the Management Fee is provided for in the Client Documents. If a reduction of the Management Fee is not set forth in a Client Document, such amounts are retained by HPC without any such reduction.

If a Client Document provides that the amount of Supplemental Fees to be applied to reduce the Management Fees paid by such Fund during the applicable quarterly period exceed the Management Fee payable during such period, the excess is typically credited against the Management Fee payable during the next applicable quarterly period and each succeeding period thereafter until the entire amount of the excess has been credited. To the extent such excess is greater than the amount of Management Fees due for all future periods, such excess will be treated as outlined in each applicable Client Document unless otherwise stated in the Funds' applicable side letters with the Investors.

Clients will typically be responsible for all expenses relating to their own operations. These expenses will vary, but typically include fees, costs and expenses directly related to the purchase and sale of investments, securities or other instruments; all costs and expenses, generally subject to a cap, incurred in connection with the organization of the given Fund, its General Partner and the other entities related thereto, including legal and accounting fees, printing costs, travel and out-of-pocket expenses and all costs and expenses incurred in connection with the offering of interests; expenses of custodians, counsel and accountants; any insurance, indemnity or litigation expenses; Fund administration expenses; compliance costs of the given Fund, its General Partner and the entities related thereto; any taxes, fees or other governmental charges levied against the given Fund; and any fees charged by any administrative service providers. In addition, each Fund will be responsible for all of its own fees and expenses due to any legal, financial, accounting, consulting or other advisors (including certain fees and expenses to Operating Partners (as defined below)) or any lenders, investment banks and other financing sources in connection with transactions which are or are not consummated. In certain circumstances, Advisory Clients may bear their own costs to implement the investment advice provided by HPC. With respect to certain Funds, to the extent HPC or its affiliates provide those certain Funds or their investments (or prospective investments) with legal, accounting, administrative or certain other services (such as back office support) typically performed by third parties or otherwise in lieu of having such services performed by third parties, such Fund may, although typically does not, pay for or reimburse the costs and expenses attributable to such services (including employment costs, as reasonably determined by HPC), provided that such expenses do not exceed reasonable market rates for such services as set forth in the relevant Fund's governing documents.

All references to travel-related expenses in the foregoing include all travel expenses, including, but not limited to, airfare, train fare, car rental costs, taxi and rideshare fares, accommodations, meals, events, and entertainment.

A Fund may directly or indirectly bear the fees, costs or expenses of certain services provided by the operating partners (the "Operating Partners"). The Operating Partners generally provide

consulting and advisory services to HPC and are not employees or affiliates of HPC. While the fees, costs or expenses paid to Operating Partners are believed by HPC to be reasonable and generally at market rates, such arrangements are not negotiated at arm's length and, from time to time, may be in excess of what would be charged by a third party for comparable activities. Fees and compensation paid to Operating Partners may take a variety of forms, including, but not limited to, profit sharing payments, a profits interest in an individual portfolio company or a director's fee for service on a portfolio company's board of directors. Additionally, Operating Partners may be hired to serve as executives of HPC's portfolio companies and would receive compensation directly from portfolio companies for such service. The fees, costs and expenses incurred by a Fund in connection with the Operating Partners will be treated as Fund expenses and such amounts will not, for the avoidance of doubt, offset the Management Fee.

The applicable General Partner and HPC will be responsible for all of their respective routine day-to-day operating expenses, including office overhead and compensation of employees.

Neither HPC nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

Funds will utilize brokerage services and will bear the expenses of such services. Please refer to Item 12 of this Brochure for a description of HPC's brokerage practices.

Investors and prospective Investors should refer to the applicable Client Documents for a complete description of fees and expenses paid to HPC and its affiliates. The information contained herein is a summary only.

Item 6 – Performance-Based Fees and Side-by-Side Management

As described in Item 5, HPC (or one of its affiliates) is generally eligible to receive performance-based compensation from Clients upon the distribution of investment proceeds. The receipt of performance-based compensation creates an incentive for HPC to make more speculative, riskier investments on behalf of Clients than it otherwise would make in the absence of such performance-based compensation. Additionally, as discussed under Item 5 above, the amount of Management Fees and Carried Interest that HPC receives can vary depending upon the Client. Due to such discrepancies, a potential conflict of interest could arise. Such variance in fees may create an incentive for HPC to dedicate resources and allocate more investment opportunities to Clients that pay higher management fees and/or performance-based compensation. HPC addresses this potential conflict through regular monitoring of a Client's portfolio, as described in Item 13 of this Brochure, in order to help ensure that a Client's investments are consistent with the applicable investment guidelines and risk management policies. With respect to the Funds, the Principal invested a substantial amount of capital in the Funds, thus aligning, to some extent, the interests of HPC with the interests of each Fund. Further, the Client Documents provide Investors and potential Investors with extensive disclosure regarding the potential risks relating to an investment in a Fund, including material conflicts of interest.

Please see Item 11 for additional information concerning conflicts of interest relating to performance fees and allocation of investment opportunities.

Complete fee disclosures, as well as descriptions of related potential conflicts of interest, are provided in the Client Documents. Investors and prospective Investors should review such disclosures carefully.

Item 7 – Types of Clients

HPC presently provides investment advisory services to Clients, including fifteen pooled investment vehicles operating as private investment funds, collectively the “Funds”:

- Hill Path Capital Partners LP (including Feeder I, “Fund I”)
 - Hill Path Capital Partners (Cayman) LP (“Feeder I”)
- Hill Path Capital Partners II LP (including Feeder II, “Fund II”)
 - Hill Path Capital Partners II Blocker (Cayman) LP (“Feeder II”)
- Hill Path Capital Partners III LP (including Feeder III, “Fund III”, and together with Fund I and Fund II, the “Main Funds”)
 - Hill Path Capital Partners III (Cayman) LP (“Feeder III”)

In connection therewith, HPC may sponsor and manage investment vehicles on a transaction-by-transaction basis to allow certain Investors or other persons to invest alongside one or more Funds in specific investment opportunities and other assets of the Funds.

Each Fund offers interests only to certain qualified investors who meet qualification requirements under applicable securities laws and other laws. Admission to the Funds is not open to the general public.

Each Fund generally states a minimum capital commitment, although lesser commitment amounts may be accepted in the discretion of HPC (or the applicable General Partner).

During 2016, Feeder I was created as a feeder vehicle to Fund I. Investors in Fund I have the option to split their commitments to Fund I between Feeder I and Fund I for investments having certain tax characteristics.

During 2019, Feeder II was created as a feeder vehicle to Fund II. Investors in Fund II have the option to split their commitments to Fund II between Feeder II and Fund II for investments having certain tax characteristics.

During 2021, Feeder III was created as a feeder vehicle to Fund III. Feeder III is designed for investors sensitive to unrelated business taxable income and was formed primarily for the benefit of certain tax-exempt investors.

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

Investment Strategy

HPC pursues a long term, contrarian, value-oriented investment strategy applying an active ownership, private equity investment model to public equity markets. Additionally, HPC may opportunistically invest in private companies, public equity and debt. HPC will conduct a rigorous and comprehensive research and due diligence process prior to making each investment. HPC will make investment decisions based on its view of the quality of the underlying business, the level of understanding of the business, the attractiveness of the valuation, the scope for value-added improvements, the downside risk of the investment and the overall expected returns of the investment.

As detailed above, HPC has formed and may continue to form certain vehicles established to act as co-investment vehicles for certain Main Fund limited partners and other strategic investors. These vehicles may co-invest all or substantially all of their assets into one or more investments made by the Main Funds by participating in such investments alongside the Main Funds.

Although HPC will generally focus on making investments in the equity securities of public companies, HPC may also invest in other types of investments including, but not limited to, derivatives, swaps, debt and other types of equity and non-equity investments. HPC may also selectively make short-sale investments.

Summary of Risk Factors

Despite HPC's research and analysis, investing in securities involves risk of loss that Investors and prospective Investors must be prepared to bear. HPC's investment strategy entails substantial risks, including, but not limited to, those listed below. Further risk factors are discussed in the applicable Client Documents.

Illiquid and Long-Term Investments. Investment in a Fund requires a long-term commitment with no certainty of return. While each Fund intends to invest the majority of its capital in publicly-traded investments, some of its investments may be highly illiquid, and there can be no assurance that a Fund will be able to realize on such investments in a timely manner. While an investment may be sold at any time, it is generally expected that a Fund will hold its investments for a number of years after the investment is made. In addition, in some cases a Fund may be prohibited by contract or legal or regulatory reasons from selling certain investments for a period of time.

General Economic and Market Conditions. A Client's activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability and costs of credit, a lack of price transparency, credit defaults, inflation rates, economic uncertainty, changes in tax, currency control, and other applicable laws and regulations, trade barriers, and national and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations). Market disruptions in a single country could cause a worsening of conditions on a regional and even global level. A worsening of general economic and market conditions would likely affect the level and volatility of securities prices and the liquidity of Clients' investments, which could impair their profitability, result in losses and impact limited partners' investment returns. A depression, recession or slowdown in the global economy or one or more regional markets (or any particular segment thereof) would have a pronounced impact on HPC, Clients, and the portfolio investments (which would likely be exacerbated by the presence of leverage in a particular portfolio investment's capital structure) and

could adversely affect their profitability and ability to execute on their business plans, satisfy existing obligations, make and realize investments successfully, originate or refinance credit or draw on existing financings and commitments (including limited partners' commitments). The market price of any publicly traded securities held by Clients will separately be impacted by these conditions including in a manner that does not reflect the direct impact on the relevant portfolio investments.

Material Non-Public Information. By reason of their responsibilities in connection with the activities of a Client or otherwise, certain employees of HPC, a General Partner and their respective affiliates, officers, directors and personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The given Client will not be free to act upon any such information. Due to these restrictions, a Client may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Board Participation. It is possible that an investment program may from time to time enable HPC to place its representatives on boards of certain companies in which that Client has invested. While such representation may enable HPC to enhance the sale value of its investments, it may also prevent the given Client from freely disposing of its investments, because affiliates are restricted with respect to resales, and board representation may also subject the given Fund to additional liability. With respect to the Funds, a Fund will indemnify its General Partner, HPC or any other person designated as a board representative by its General Partner or HPC for claims arising from such board representation. Each Fund will attempt to balance the advantages and disadvantages of such representation when deciding whether and how to exercise its rights with respect to such companies, but the exercise of such rights could produce adverse consequences in particular situations.

Leverage of Portfolio Companies. Because a Client's investments may include securities of companies with leveraged capital structures, such investments will be subject to increased exposure to adverse economic factors such as an increase in interest rates, a downturn in the economy or further deterioration in the economic conditions of such company or its industry. Similarly, a Client may invest in entities that are unable to generate sufficient cash flow to meet principal and interest payments on their indebtedness. Accordingly, the value of an investment in such an entity could be significantly reduced or even eliminated due to further credit deterioration.

Investments in Public Companies. Clients could invest in the debt obligations or securities of public companies or take private portfolio companies public. Investments in public companies could subject Clients to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, movements in the stock market and trends in the overall economy, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the investing Client to dispose of such securities at certain times (including due to the possession by such Fund of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which could include HPC personnel, regulatory action by the SEC and increased costs associated with each of the aforementioned risks. In the event that the investing Client acquires fixed income securities and/or other instruments that are publicly traded, the investing Client will be subject to certain inherent risks. In some circumstances, the investing Client may be unable to obtain financial covenants or other contractual rights, including management rights, that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, the investing Client may not have the same access to information in

connection with investments in public instruments, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated debt investment.

Risks of Certain Investments. A Client may invest in companies undergoing significant economic and corporate change. Because of the inherently speculative nature of this activity, the results of a Fund's operations may fluctuate from period to period. The returns generated from such an investment program may not adequately compensate Investors for the business and financial risk assumed. A Client's investments may be adversely affected by changes in economic conditions or political events that are beyond its control.

Portfolio Turnover. While each Fund does not expect to actively trade into and out of specific positions, a Fund will not be restricted in effecting transactions by any specific limitations with regard to its portfolio turnover rate. Fund investments may be sold for a variety of reasons, such as a more favorable investment opportunity or other circumstances bearing on the desirability of a continued position in such investments. Accordingly, a Fund's investment program could result in substantial portfolio turnover.

Distributions. There can be no assurance that the operations of a Fund will be profitable, that a Fund will be able to avoid losses or that cash from its investments will be available for distribution to the Investors. A Fund will have no source of funds from which to pay distributions to the Investors other than income and gain received on its investments and the return of capital.

Leverage; Risk of Borrowing. A General Partner may utilize leverage in connection with the investments. Although a General Partner will seek to use leverage in a manner it believes is prudent, such leverage will increase the exposure of an investment to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the investment. Borrowings by a Fund or its subsidiaries have the potential to enhance a Fund's returns; however, they will further diminish returns (or increase losses on capital) to the extent overall returns are less than the Fund's or such subsidiaries' cost of funds.

Use of Subscription Line Facilities. Certain Clients obtain subscription line facilities to facilitate investments, support ongoing operations and activities of the Clients and their respective portfolio investments, enable the Clients to pay fees or expenses and liabilities and for any other purpose for which the Clients can call capital from their respective investors. Subscription line facilities will typically be entered into on a cross-collateralized basis with any feeder vehicles investing into a Client. If a Client obtains a subscription line facility, it is expected that the Client's capital needs will in most instances be initially satisfied through borrowings by the Client under the subscription line facility and, less so, by drawdowns of capital contributions by the Client. As a result, capital calls are expected to be conducted in larger amounts on a less frequent basis in order to, among other things, repay borrowings and related interest expenses due under such subscription line facilities.

Where a Client uses borrowings under a subscription line facility in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such facility will result in a higher or lower reported internal rate of return than if the facility had not been utilized and instead capital contributions from investors had been contributed at the inception of an investment. This will present conflicts of interest, as HPC will have various incentives to use the subscription line facility if the use of such facility results in a higher reported internal rate of return, including marketing efforts of Clients. For example, the interest rate on any borrowings is likely to be less than the rate of the preferred return due to the investors under the applicable Client Documents. Because the preferred return of Clients typically does not accrue on

such borrowings, but rather only accrues on capital contributions when made, the use of such subscription line facilities could reduce or eliminate the preferred return received by the investors and accelerate or increase distributions of performance-based allocation to the relevant general partner. This will provide the general partner with an economic incentive to fund investments, expenses and Management Fees through such facilities in lieu of capital contributions. In addition to subscription line facilities, a Client will engage in other types of borrowings that, as is the case with respect to subscription line facilities, can result in a higher or lower reported internal rate of return than if the borrowing were not put in place. These types of borrowings present conflicts of interest, as the general partner seeks to return distributions to investors in Clients, pay itself carried interest and generate higher returns. This could result in Clients pledging their interests in investments in exchange for liquidity, which could be well before the investment would otherwise have been realized or disposed of.

Bank Deposits. The Clients and their portfolio companies may make deposits in regulated financial institutions, which may include national, regional and community banks. The solvency of national, regional and community banks are affected by many factors including economic and political conditions, broad trends in business and finance, bank regulation and legislation, monetary and fiscal policies, changes in interest rates, inflation, market conditions, and confidence in the safety and soundness of the banking system. National, regional and community banks are affected by many risks, including: (i) liquidity risk where a bank's management fails to ensure that sufficient funds are available to meet demands of capital providers, depositors, as well as borrowers; (ii) asset quality and credit risk attributable to a bank's assets based on the creditworthiness of borrowers as well as the value of the assets securing such loans; (iii) capital risk if a bank fails to maintain appropriate capital reserves to serve as a cushion against losses and regulators conclude a bank should be placed under Federal Deposit Insurance Corporation ("FDIC") receivership due to insufficient capital reserves; (iv) earnings risk if a bank fails to generate sufficient earnings to support asset growth, provide for loan losses, and/or support its ability to pay dividends to stockholders; (v) management risks if a bank's management incorrectly identifies, measures, monitors and/or controls the risks of a bank's activities to ensure safe, sound, and efficient operation in compliance with applicable laws and regulations; (vi) litigation risks due to the volume of claims and amount of damages and penalties sought in any litigation and regulatory proceedings against financial institutions; (vii) market risks directly and indirectly attributable to changes in market conditions including fluctuations in interest rates, equity and futures prices, changes in the implied volatility of interest rates, and price deterioration or changes in value of long-term assets due to changes in market perception or actual credit quality; (viii) market competition resulting in a bank's rapid loss of customers and deposits to larger banks or financial institutions which are perceived to offer more competitive interest rates and/or greater safety and stability; (ix) monetary policy risks attributable to net interest margin requirements in a volatile interest rate environment; and (x) regulatory risks attributable to changes in various state and federal banking regulations which have a negative adverse impact on such institutions. Any deposits made to a depository institution are subject to risks that losses may occur if the depository institution fails and amounts on deposit are not adequately insured. In light of interest rate volatility and recent failures of Silicon Valley Bank and Signature Bank, HPC expects that certain banks may be subject to greater than average risk of failure. In the case of any bank failure, for example through an FDIC receivership, there are risks that the Clients or their portfolio companies may experience losses, including a total loss of any funds which have been deposited with any bank. Moreover, in periods of economic stress, the bank default rate may increase, which may have an adverse effect on deposits available to Clients or any of their portfolio companies from any bank.

Bank Risk. As a result of the prior economic slowdown and financial market disruptions, certain financial institutions became insolvent or were served with cease-and-desist orders or other

administrative actions by U.S. federal bank regulators, such as the FDIC or Office of Thrift Supervision, due to a lack of required capital. Some of the lenders that finance the Clients' investments may become insolvent, enter into receivership or otherwise become unable to fulfill their respective financial obligations to a Client or its subsidiaries. Should a lender fail to meet its funding obligations, such target investment could suffer from significant delays and additional expenses, which could adversely impact a Client's investment in such target investment. Clients may be required to seek additional financing, which could prove more difficult in the economic environment at such time, and Clients may not be able to obtain favorable terms if they do acquire such financing.

LIBOR Reform. To the extent a Client's investments bear interest based on the U.S. dollar London interbank offered rate ("LIBOR"), which was previously commonly used as a reference rate within various contracts (any such rate, a "Reference Rate"), the account will be subject to certain risks described below.

As of June 30, 2023, LIBOR is no longer being published. Therefore, the United States and other countries have replaced LIBOR with alternative Reference Rates. The Secured Overnight Financing Rate ("SOFR") is the Reference Rate recommended by the Alternative Reference Rates Committee (the "ARRC") convened by the U.S. Federal Reserve Board and the Federal Reserve Bank of New York. The ARRC and regulators have stated that any party choosing another Reference Rate should do so carefully. As a general matter, the discontinuation of LIBOR may significantly impact financial markets; specifically, discontinuation may impact financial contracts to which a Client (directly or indirectly through its investments) is a party. Generally, the transition to alternative Reference Rates may (i) cause the value of a Reference Rate to be uncertain or to be lower or more volatile than it would otherwise be; (ii) result in uncertainty as to the functioning, liquidity or value of certain financial contracts; (iii) involve actions of regulators or rate administrators that adversely affect certain markets or specific financial contracts; and/or (iv) impact the strategy, products, processes, legal positions and information systems of market participants, including the account and its counterparties. An Investor should expect that a Client (directly or indirectly through its investments) will be a party to SOFR-based contracts, or contracts utilizing different Reference Rates. Considered in their entirety, the impacts of the discontinuation of LIBOR on financial markets generally and on the specific financial contracts to which the account is a party may adversely affect the performance of a Client.

Business Risk. The companies in which a Client invests may involve a high degree of business and financial risk. These companies, in some cases, may have significant variations in operating results, may be engaged in a rapidly changing business environment, and may require significant additional capital to support their operations, or may otherwise have a weak or unstable financial condition.

Investments in Undervalued Assets. Clients invest in undervalued assets. The identification of investment opportunities in undervalued assets is a difficult task, and there is no assurance that such opportunities will be successfully recognized or acquired. While investments in undervalued assets offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Client's investments may not adequately compensate the Investors for the business and financial risks assumed. An Investor should be aware that it may lose all or part of its investment in a Client investment. A Client may be forced to sell, at a substantial loss, assets which it believes are undervalued, if they are not in fact undervalued. In addition, a Fund may be required to hold such assets for a substantial period of time before realizing their anticipated value. During this period, a portion of a Fund's funds would be committed to the assets purchased, thus possibly preventing

the Fund from investing in other opportunities. In addition, a Fund may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

Significant Positions. Portfolio companies in which a Fund may invest could have a relatively small aggregate number of outstanding shares, so that a given Fund may acquire (i) more than 5% of a class of securities of a single issuer which would require the filing of a Schedule 13D or 13G statement with the Securities and Exchange Commission or (ii) more than 10% of a class of securities of a single issuer (which would impose certain limitations on the Fund's ability to trade in those securities, including the restrictions of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). The accumulation of such a significant position in the shares of a single issuer could lead to litigation or disputes in the event HPC desires to influence the issuer. A Fund may also seek to challenge the management of a portfolio company through a proxy contest. Such litigation or proxy contest may result in substantial expense to a Fund, thus reducing the value of the Fund's investment. Moreover, a Fund's ability to realize value from certain of its investments may depend upon the ability of HPC to influence the management of a portfolio company to take certain actions, including, for example, a recapitalization, restructuring, spin off, sale of the business or change in management. If HPC is incorrect in its assessment of the impact such action will have on the value of a portfolio company, or if it is unsuccessful in persuading the portfolio company's management to take the desired action, the given Fund may sustain a loss on its investment in the portfolio company, resulting in a reduction of the value of the Fund's investment.

Possible Lack of Diversification. A significant portion of a Fund's capital could be invested in a limited number of investments (and may seek to make several investments in one industry or one industry segment or within a short period of time), and, as a consequence, the aggregate return of a Fund may be materially affected by the performance of a single investment or a single industry segment. A Fund's investments could be concentrated in one or more industries. Concentration of investments in a single asset, security, industry or geographic region will make the Fund's portfolio more susceptible to fluctuations in value resulting from adverse economic and business conditions in those sectors.

Foreign Securities or Debt. A Client may invest in securities or debt and other instruments of foreign corporations and foreign countries. Investing in the securities or debt of companies in foreign countries involves certain considerations not usually associated with investing in securities or debt of U.S. companies, including, among other things, political and economic considerations, such as greater risks of expropriation, nationalization and general social, political and economic instability; the small size of the securities and debt markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; and fluctuations in the rate of exchange between currencies and costs associated with currency conversion, imposition of withholdings and other taxes and certain government policies that may restrict a Fund's investment opportunities. In addition, accounting and financial reporting standards that prevail in many foreign countries are not equivalent to U.S. standards and, consequently, less information may be available to investors in companies located in foreign countries than is available to investors in companies located in the United States. There is also less regulation, generally, of the securities and debt markets in many foreign countries than there is in the United States.

Loans and Other Debt Investments. A Client may invest in a variety of loans and debt instruments. The risks of loans and debt instruments include, but are not limited to: (i) limited liquidity and secondary market support, (ii) the possibility that earnings of the obligor may be insufficient to meet its debt service, (iii) the declining creditworthiness and potential for insolvency of the borrower during periods of economic downturn, (iv) spread compression over the reference interest

rate available for reinvestment during any period in which prepayments are received, and (v) if the investment is subordinated, subordination to the prior claims of other loans or senior lenders. Loans and debt instruments are generally subject to market value volatility that may not be apparent from historical volatility studies and that could be significant at times. An economic downturn could severely disrupt the market for loans and corporate debt and adversely affect the value of outstanding loans and fixed income holdings and the ability of the borrowers thereunder to repay principal and interest. Moreover, defaults may prove to be greater than indicated by historical data and the timing of defaults may vary significantly from historical observations.

Loans and debt instruments may become non-performing for a variety of reasons. Non-performing instruments may require substantial workout negotiations or restructuring that may entail, among other things, a substantial reduction in the interest rate and/or a substantial write-down of the principal. A Client may incur additional expenses to the extent it is required to seek recovery upon a default or to participate in the restructuring of a loan or debt instrument. Although a Client may have voting rights with respect to an individual holding, there can be no certainty that the given Client will be able to exercise votes in respect of a sufficient percentage of voting rights with respect to such holding to determine the outcome of such vote.

Loans can often be illiquid and possess credit risks. In addition, because of the unique and customized nature of a loan and the private syndication of a loan, certain loans may not be purchased or sold as easily as publicly traded securities, and historically the trading volume in the loan market has been small relative to other public markets. Trading in loans is subject to delays due to their unique and customized nature, and transfers may require extensive documentation, the payment of significant fees and the consent of an agent bank or the underlying borrower.

Convertible Securities. Convertible securities are bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (i) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (ii) are less subject to fluctuation in value than the underlying common stock due to their fixed-income characteristics and (iii) provide the potential for capital appreciation if the market price of the underlying common stock increases.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the convertible security’s investment value. The conversion value of a convertible security is determined by the market price of the underlying common stock. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. Generally, the amount of the premium decreases as the convertible security approaches maturity.

A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Client is called for redemption, the given Client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

Convertible securities may also include warrants, often publicly traded, that give a holder the right to purchase at any time during a specified period a predetermined number of shares of common stock at a fixed price but that do not pay a fixed dividend. Their value depends primarily on the relationship of the exercise price to the current and anticipated price of the underlying securities.

Short Selling. A Fund may engage in short sales by selling securities that it does not own at the time of sale. By doing so, the Fund will become obligated to purchase and deliver securities against the short position. In the event that the price of a security increases between the short sale and a Fund's subsequent purchase of shares of that security, the Fund will suffer a loss on that transaction and the value of the Investors' investments will decrease accordingly. There can be no assurance that a Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, each Fund will have to deliver cash or U.S. Treasury securities or other securities to brokers to assure delivery of securities against short positions. A Fund will be able to keep only a negotiated percentage of the yield of such U.S. Treasury or other securities.

The availability of securities to borrow to execute a short can change quite dramatically and quickly. This presents a risk not faced with long positions. Recent moves by securities regulators all over the world to ban or limit short selling creates a new dimension of the risk. Dramatic changes in the availability of borrowed securities for shorting is an event not typically addressable through fundamental security analysis. Short squeezes or short covering rallies can be quite detrimental to overall profits. Avoiding hard-to-borrow shares or illiquid names is a basic risk management discipline. Easy-to-borrow securities can become hard-to-borrow quickly. The negative "crowding out" effect is more prevalent with the rapid growth in the number of long-short funds in the marketplace.

Derivative Instruments. HPC may use various derivative instruments, including futures, options, forward contracts, swaps and other derivatives that may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. The use of derivative instruments presents various risks, including the following:

Liquidity – Derivatives, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets, a Fund may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which a Fund may conduct its transactions in derivatives may prevent profitable liquidation of positions, subjecting the Fund to the potential of greater losses. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives.

Leverage – Trading in derivative instruments can result in large amounts of synthetic leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by a Fund and could cause the given Fund's net asset value to be subject to wider fluctuations than would be the case if the Fund did not invest in derivative instruments that provide leverage.

Over-the-Counter-Trading – Derivatives that may be purchased or sold by a Fund may include securities and instruments not traded on an exchange. The risk of nonperformance by the obligor on a security or instrument may be greater than, and the ease with which a Fund can dispose of or enter into closing transactions with respect to a security or instrument may be less than, the risk associated with an exchange traded security. In addition, significant disparities may exist between “bid” and “asked” prices for derivatives that are not traded on an exchange. Derivatives not traded on exchanges also are not subject to the same type of government regulation as exchange traded securities, and many of the protections afforded to participants in a regulated environment may not be available in connection with the transactions.

Options – The successful use of options depends on the ability of HPC to forecast interest rate and market movements correctly. In addition, when it purchases an option, a Fund runs the risk that it will lose its entire investment in the option in a relatively short period of time, unless the Fund exercises the option or enters into a closing transaction with respect to the option during the life of the option. If the price of the underlying security does not rise (in the case of a call) or fall (in the case of a put) to an extent sufficient to cover the option premium and transaction costs, the given Fund will lose part or all of its investment in the option. There is no assurance that a Fund will be able to affect closing transactions at any particular time or at any acceptable price.

Counterparty Risk. To the extent that contracts for investment will be entered into between a Fund and a market counterparty as principal (and not as agent), a Fund is exposed to the risk that the market counterparty may, in an insolvency or similar event, be unable to meet its contractual obligations to the Fund. A Fund may have a limited number of potential counterparties for certain of its investments, which may significantly impair the Fund’s ability to reduce its exposure to counterparty risk. In addition, difficulty reaching an agreement with any single counterparty could limit or eliminate a Fund’s ability to execute such investments altogether. Because certain purchases, sales, hedging, financing arrangements, and other instruments in which a Fund may engage are not traded on an exchange but are instead traded between counterparties based on contractual relationships, each Fund is subject to the risk that a counterparty will not perform its obligations under the related contracts. Although each Fund intends to pursue its remedies under any such contracts, there can be no assurance that a counterparty will not default and that the given Fund will not sustain a loss on a transaction as a result.

Investment in Joint Ventures. A Fund may pursue certain of its strategies by investment in ventures such as syndicates or “club” deals that are not controlled by HPC or its affiliates. As a result, a Fund would likely be required to bear the expenses and fees associated with such ventures. Any such costs and expenses would not reduce the Management Fee and Carried Interest distributions payable at the Fund level and may result in higher aggregate expenses and fees borne by Investors with respect to such investments than if such investments were made directly by the given Fund.

Potential Involvement in Litigation. As a result of the possibility that a Client may invest in distressed investments, take-private opportunities and restructuring activities, it is possible that a Client may be involved in litigation. Litigation entails expense and the possibility of claims and/or counterclaims against a Client including its general partners and respective clients, and ultimately judgments may be rendered against the Client or settlements may be entered into by the Client for which the given Client does not carry insurance.

Regulation and Enforcement; Litigation. The government and public are focusing increased attention on the investment funds industry and its practices. Regulation generally, as well as regulation more specifically addressed to the investment funds industry, including tax and insurance laws and regulation, whether in the U.S. or outside the U.S., could adversely impact the profitability and the cost of operating a Client. Additional regulation could also increase the risk of third-party litigation. The nature of the business of each of the Clients exposes the Client, the general partner, and HPC generally to the risks of third-party litigation. The Clients will generally be responsible for indemnifying the general partner, HPC, and related parties for costs they could incur with respect to such litigation that are not covered by insurance (and each Client will bear a portion of the premiums and related costs of such insurance). Clients are subject to U.S. and international regulations which could increase the costs associated with acquiring and operating Clients and the risk of regulatory examination, investigation, enforcement action and third-party litigation. There can be no assurance that the Clients, their general partners, HPC, or any of their affiliates will avoid regulatory examination, investigation, enforcement action or third-party litigation or adverse publicity relating to such a proceeding.

Execution Risks and Investment Manager Error. To the extent HPC executes trades on behalf of a Client and subject to the terms of the Client Documents of a Client, the execution of the trading and investment strategies employed by HPC can often require complex trades, difficult to execute trades, the use of negotiated terms with counterparties such as in the use of derivatives, and the execution of trades involving less common or novel instruments. In each case, HPC seeks best execution and has trained execution and operational staff devoted to executing, settling and clearing such trades. However, in light of the complexity and global diversity involved, some errors and miscommunications with brokers and counterparties are inevitable and may result in losses to a Fund. HPC will evaluate the merits of potential claims for damage against brokers and counterparties who are at fault, and to the extent practicable, will seek to recover losses from those parties. HPC may choose to forego pursuing claims against brokers and counterparties on behalf of a Fund for any reason including, but not limited to, the cost of pursuing claims relative to the likely amount of any recovery and the maintenance of its business relationships with brokers and counterparties. In addition, HPC's own execution and operational staff may be solely or partly responsible for errors that occur during the investment decision-making process or the trading process (such as in the placing, processing and settling of trades) that result in losses to a Fund ("trade errors"). HPC attempts to minimize such trade errors by promptly reconciling confirmations with trade tickets, and by reviewing past trade errors to understand the internal control breakdown that caused the trade errors. To the extent that trade errors do occur, in accordance with its internal policies, HPC will correct them as soon as practicable and, generally, a Fund will bear the cost of such errors in the absence of gross negligence. HPC's staff will also ensure that trade errors are promptly reported to the relevant personnel and reviewed to determine whether policies or procedures should be changed to prevent future trade errors.

Financial Fraud. Instances of fraud and other deceptive practices committed by senior management of certain companies in which a Client invests may undermine HPC's due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of a Client's investments. In addition, when discovered, financial fraud may contribute to overall market volatility which can negatively impact a Client's investment program.

Cybersecurity Risk. As part of its business, HPC processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the clients and personally identifiable information of the investors. Similarly, service providers of HPC and its clients, especially the administrator, may process, store and transmit such information. HPC has procedures and systems in place that it believes are reasonably designed to protect such information

and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected service provided by third parties to HPC may be susceptible to compromise, leading to a breach of HPC's network. HPC's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by HPC to the investors may also be susceptible to compromise. Breach of HPC's information systems may cause information relating to the transactions of the client's and personally identifiable information of the investors to be lost or improperly accessed, used or disclosed.

The service providers of HPC and its clients are subject to the same electronic information security threats as HPC. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the clients and personally identifiable information of the investors may be lost or improperly accessed, used or disclosed.

The loss or improper access, use or disclosure of HPC's or a client's proprietary information may cause HPC to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the clients and the investor's investments therein.

Generative Artificial Intelligence (AI) Use. There has been significant recent progress and developments in the area of generative artificial intelligence ("AI"), such as ChatGPT, but the impact of such evolving technology to HPC and a Client's investments cannot be fully determined at this time. HPC's employees, consultants, service providers and other third-parties may use AI tools, such as ChatGPT, on an unauthorized basis. Such unauthorized use poses additional risks relating to the protection of data, including the potential exposure of proprietary confidential information to unauthorized recipients and the misuse of HPC's or a third-party's intellectual property. Use of AI tools may result in allegations or claims against HPC related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. AI tools may also produce inaccurate or biased responses that could lead to errors in decision-making, miscommunications, or other unintended outcomes with respect to business or investment activities, which could have a negative impact on HPC, including operating results and financial condition. HPC's ability to mitigate these risks will depend on its continued effective maintaining, training, monitoring and enforcement of appropriate policies and procedures governing the use of AI tools, and the results of any such use, by HPC. As a result of these and other challenges associated with innovative technologies, the HPC's implementation of AI systems could subject HPC to competitive harm, regulatory action, legal liability (including under newly proposed legislations regulating AI in jurisdictions such as the European Union ("EU") and the United States, new applications of existing data protection, privacy, intellectual property, and other laws), and brand or reputational harm.

Assumption of Catastrophe Risks. The Client's investments may be subject to the risk of loss arising from direct or indirect exposure to various catastrophic events, including the following: hurricanes, earthquakes and other natural disasters; terrorism (which is detailed further below); and public health crises, including the occurrence of a contagious disease. To the extent that any such event occurs and has a material effect on global financial markets or specific markets in which HPC causes its clients to participate (or has a material effect on locations in which HPC operates) the

risks of loss can be substantial and could have a material adverse effect on client portfolios and Investors' investments in the Clients.

Epidemics, Pandemics and Other Health Risks. The world has experienced a number of outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, Ebola, SARS, COVID-19, and similar outbreaks. Such pandemics continue to adversely impact global commercial activity and have contributed to significant volatility in financial markets. Outbreaks such as the novel coronavirus, COVID-19, or other similarly infectious diseases may have material adverse impacts on a Fund. Epidemics and/or pandemics, such as the coronavirus, have and may further result in, among other things, closing borders, extended quarantines and stay-at-home orders, order cancellations, disruptions to supply chains and customer activity, widespread business closures and layoffs, as well as general concern and uncertainty. The impact of this virus, and other epidemics and/or pandemics that may arise in the future, has negatively affected and may continue to affect the economies of many nations, individual companies and the global securities and commodities markets, including their liquidity, in ways that cannot necessarily be foreseen at the present time. The impact of any outbreak may last for an extended period of time and may have long-term effects on many nations including the United States, individual companies, and the market(s). HPC cannot predict the effects of significant future events on the global economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation, and other factors.

Global Conflict. In response to the Russian Federation's invasion of Ukraine in 2022, the United States, the United Kingdom, EU member states, and other countries have imposed economic sanctions on the Russian Federation, parts of Ukraine, as well as various designated parties. In response to a series of attacks by Hamas in 2023, Israel's security cabinet declared war against Hamas and Department of Treasury's Office of Foreign Assets Control has imposed sanctions on various Hamas group members, operatives, and financial facilitators in Gaza and elsewhere. The ultimate impact of these conflicts and associated sanctions, and their effect on global economic and commercial activity, and a Fund's operations, financial condition, and performance, is impossible to predict. Depending on direction and timing, these conflicts and associated sanctions may result in adverse changes to, among other things: (i) general economic and market conditions; (ii) shipping and transportation costs; (iii) supply chain constraints; (iv) energy costs, inflation, and overall price levels; (v) interest rates and available credit; (vi) laws, regulations, treaties, pacts, accords, and governmental policies; and (vii) demand for real properties in certain markets. Such conflicts and associated sanctions may also result in reductions in revenue and growth, unexpected operational losses and liabilities, reductions in the availability of capital, and limits on a Fund's ability to source, diligence and acquire new investments, and/or manage, finance and exit investments in the future. Developing and further governmental actions (military or otherwise) may cause additional disruption and constrain or alter existing financial, legal and regulatory systems in ways that are adverse to a Fund's investment strategy, all of which could adversely affect a Fund's ability to fulfill its investment objectives.

Inflation Risk. Certain investments are subject to inflation risk, which is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money (i.e., as inflation increases, the values of assets can decline). Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and investments may not keep pace with inflation, which may result in losses to investors.

Enhanced Scrutiny and Certain Effects of Potential Regulatory Scrutiny. The regulatory environment for private funds and other financial entities is evolving. Changes in law or

regulations, or changes in judicial or administrative interpretations of existing laws and regulations, may adversely affect the value or performance of investments held (directly or indirectly) by a Fund, may affect the ability of a Fund to pursue its investment strategies, or may restrict or prevent HPC and/or the General Partners from continuing to perform services for a Fund in the manner currently contemplated.

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

Scrutiny of private investment firms (along with other alternative asset managers) and their investments by policy-makers, regulators and market commentators, and market perception of the impact of such scrutiny may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

The SEC, as well as other regulators, self-regulatory organizations and exchanges, have taken various extraordinary actions and may take additional actions in the future. For example, on August 23, 2023, the SEC adopted rules for certain private fund advisers under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), including new (i) restrictions on certain conflicted activities (including the charging of certain fees and expenses); (ii) prohibitions on certain preferential treatment relating to investment information and redemption rights, as well as increased transparency of all preferential treatment; (iii) requirements to issue quarterly statements to investors on performance, fees and expenses, and adviser and related person compensation; (iv) enhanced annual audit requirements; and (v) requirements relating to adviser-led secondary transactions. These rules prohibit private fund adviser activities that had previously been addressed through disclosure and significantly expand the information disclosed to investors and the SEC. It is anticipated that these changes to standard operating and disclosure practices will significantly increase the regulatory and compliance burden of private fund advisers and may adversely affect HPC, the General Partners, the Clients, and/or any Investor. Further, the effect of any future regulatory changes on HPC, the General Partners, the Clients, and/or any Investor could be substantial and result in material amendments to the terms of the Client Documents.

Additionally, the regulation of international securities markets has undergone substantial change in recent years, and such change is expected to continue for the foreseeable future. In particular, market disruptions and the dramatic increase in the capital allocated to alternative investment strategies (such as a Fund and the investments it might make) during recent years have led to increased governmental as well as self-regulatory scrutiny of investment funds and the financial industry in general. Many non-U.S. jurisdictions, including the EU, have implemented more extensive regulations with respect to marketing to investors in such jurisdictions, which may affect a Fund's ability to accept commitments from investors in such jurisdictions.

The EU directive on alternative investment fund managers (the "AIFM Directive") regulates managers and operators of certain collective investment undertakings defined in the AIFM Directive as "Alternative Investment Funds" ("AIFs"). The legislative process of implementing the AIFM Directive is ongoing. Some aspects of the AIFM Directive may apply to HPC as a fund manager established outside the EU, in particular, requirements in respect of marketing to EU investors and transparency. HPC will not be permitted to continue to utilize the national private

placement regimes in EU member states to market a Fund unless certain requirements are met. Such requirements may include, without limitation, the regulators of HPC and the regulators of a Fund having cooperation agreements in place with the regulators of the EU member states where a Fund is marketed, and compliance by HPC with certain transparency requirements that require information disclosure to a Fund's investors and the applicable EU regulator. Therefore, additional operating costs may be incurred by a Fund as a result of these requirements, which may affect the actual returns of a Fund.

Further, Congress has considered proposed legislation that would treat certain income allocations to service providers by partnerships such as a Fund (including any carried interest) as ordinary income for United States federal income tax purposes that under current law is treated as an allocation of the partnership's income, which may be taxed at lower rates than ordinary income. Enactment of any such legislation, whether during or after the initial closing of a Fund, could adversely affect the ability of entities within HPC or other individuals associated with a Fund or HPC who were or may in the future be granted direct or indirect interests in a General Partner, to benefit from carried interest taxed at lower rates. This may reduce such persons' after-tax returns from a Fund and the given General Partner, which could make it more difficult for the General Partners and their affiliates to incentivize, attract and retain individuals to perform services for a Fund.

Item 9 – Disciplinary Information

Neither HPC nor any of its management persons have any legal or disciplinary events that would be material to an Investor’s evaluation of HPC or the integrity of HPC’s management.

Item 10 – Other Financial Industry Activities and Affiliations

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

HPC serves as the investment manager to each Fund. As mentioned above, each General Partner is an affiliate of HPC by common ownership and control. Any persons acting on behalf of a General Partner are subject to the supervision and control of HPC. While the General Partners are not separately registered as an investment adviser, all of their activities are subject to the Advisers Act and the rules thereunder.

HPC's affiliation with the General Partners creates a potential conflict of interest in that such affiliation may cause HPC or the General Partners to take greater risks than they may have otherwise. This conflict of interest is addressed as described in Item 6.

HPC has adopted a Code of Ethics concerning trading by personnel of HPC that is designed to detect and prevent potential conflicts of interest between HPC, each Fund and each Fund's Investors. Please refer to Item 11 below for additional information regarding HPC's Code of Ethics.

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

HPC has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 of the Advisers Act. The Code applies to HPC’s “Access Persons,” which generally includes all employees of HPC and its affiliates.

The Code sets forth a standard of business conduct and requires Access Persons to act in the Funds’ best interests and in accordance with applicable rules and regulations. Upon hire and at least annually thereafter, all Access Persons are required to acknowledge their receipt of, and agreement to abide by, the Code. Further, Access Persons are required to promptly bring violations of the Code to the attention of HPC’s Chief Compliance Officer.

HPC prohibits most personal trading by its Access Persons, except for certain securities and in certain instances that are exempt from this policy, such as trading in mutual funds, ETFs, money market funds, United States treasuries, and cash equivalents. The Code details HPC’s policies for maintaining current and accurate records of all personal securities accounts of its Access Persons and their immediate family residing in their households, as well as accounts over which Access Persons have discretion, in an effort to monitor personal trading activity in accordance with Advisers Act Rule 204A-1.

HPC maintains a “Restricted List” with the names of issuers of securities about which HPC (or its Access Persons) has learned material, non-public information. Access Persons are strictly prohibited from trading securities on the Restricted List (or any other securities to which the material, non-public information relates).

HPC recognizes the potential for conflicts of interest. Procedures for identifying and resolving such potential conflicts are discussed in the Code. Also, as discussed below, the applicable Fund’s LP Advisory Committee (as defined below) may be called upon, as necessary, to provide advice and counsel in connection with potential conflicts of interest and other matters related to a Fund.

The paragraphs above only represent a summary of the key provisions in HPC’s Code. Investors or prospective Investors may obtain a copy of the entire Code upon request.

Certain of the General Partners have established a committee (the “LP Advisory Committee”) comprised of representatives of selected Investors. The LP Advisory Committee provides advice and counsel as requested by the General Partner in connection with potential conflicts of interest and other matters related to a Fund. There can be no assurance that HPC or the General Partner will resolve all conflicts of interest in a manner that is favorable to the given Fund, but in all circumstances, HPC will attempt to resolve any conflicts of interest by exercising the good faith required of fiduciaries, and further believes that it will be able to resolve conflicts on an equitable basis.

In the event that HPC or an affiliate is entitled to receive higher management fees and/or a higher percentage of performance-based compensation of the account of one Client than the percentage that HPC or an affiliate receives from another Client with a similar investment strategy, then HPC may have an incentive to favor, or to allocate certain riskier or more speculative investments to, the Client that is subject to the higher management fees and/or higher percentage of performance-based compensation.

With respect to the Funds, to alleviate potential conflicts of interest that could arise from simultaneously pursuing active investments on behalf of two or more Funds with

similar/overlapping investment strategies, a Fund's Client Documents will typically prohibit HPC, without the prior approval of the Fund's LP Advisory Committee, from closing on a successor Fund with an investment strategy substantially similar to that of the current Fund until such date(s) when permitted by the current Fund.

Dispositions of Investments Held By Multiple Clients

From time to time, the same security may be held in the account of one or more Clients. If the term of a Client account ends at a different time than other Client accounts, HPC may be required to sell a security in one Client account before another. Furthermore, certain Clients may not be restricted in their ability to sell a security at any time. These sales may impact the values of such securities and the returns of the other Client accounts.

Investments in Which the Clients Have a Different Interest

The Clients may invest in a broad range of securities, instruments and obligations throughout the corporate capital structure. These investments may include (but are not limited to) investments in corporate loans and debt obligations, preferred equity securities, common equity securities and derivatives. It is possible that one Client may invest in a different part of the capital structure of a company than another Client. For example, one Client could purchase debt or other instruments from a company at a different level in its capital structure than another Client's investments. In these situations, HPC is expected to face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of, such Clients (e.g., with respect to the terms of such debt securities or other instruments, the enforcement of covenants, the terms of recapitalizations, exercise of rights, pursuit of remedies, etc.). In addition, where more than one Client invests in different parts of the capital structure of a company, their respective interests may diverge significantly in the case of financial distress of the company. For example, in a bankruptcy proceeding a Client's interest may be subordinated or otherwise adversely affected by virtue of the involvement of other Clients and actions relating to their investment.

While the possibility of conflicts in such circumstances can never be fully mitigated, prior to making any new investment in an investment on behalf of a Client, HPC will consider whether the interests of other Clients invested in the capital structure of the company may impair its ability to act in the best interest of the Client in question. When HPC is required to take action that presents a conflict, HPC is expected to, but will not be obligated to, take one or more actions on behalf of a Client, including, without limitation, any one or more of the following: (i) causing a Client to remain passive in a situation in which it is otherwise entitled to vote, which may mean that such Client defers to the decision or judgment of an independent, third party investor in the same class of equity or debt securities or other financial instruments held by the Client; (ii) referring the matter to one or more persons that is not affiliated with HPC to review or approve of an intended course of action with respect to such matter; (iii) consulting with the limited partners on such matter or otherwise requesting that the limited partners (or an advisory board) approve such matter; (iv) as between two Clients, ensuring (or seeking to ensure) that the underlying investors therein own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interest; (v) establishing ethical screens or information barriers to separate HPC investment professionals or assigning different teams of HPC investment professionals, in each case, who are supported by separate legal counsel and other advisers, to act independently of each other in representing different Clients that hold different classes, series or tranches of an issuer's capital structure; or (vi) causing a Client to divest itself of a security, which may include a cross trade or sale to a limited partner of a Client. There can be no assurance that any of these measures will be feasible or effective in any particular situation, and it is possible that the outcome for one

Client will be less favorable than might otherwise have been the case if HPC had not had duties to other Clients.

Investor Due Diligence Information

Due in part to the fact that potential investors in a Client (including purchasers of a limited partner's interests in a secondary transaction) may ask different questions and request different information, HPC may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors, limited partners or clients.

Co-Investments

Subject to any specific allocation requirements set forth in the Client Documents and/or side letters granted to Investors, the following selection and allocation criteria will be considered in determining the selection of co-investors and the allocation of co-investment opportunities.

Co-Investor Determination/Selection Criteria

Co-investments will be offered to investors based on a range of factors, including, but not limited to:

- Size of a co-investment opportunity;
- Strategic value of a prospective co-investor to the portfolio company to which a co-investment opportunity relates;
- The ability of a prospective co-investor to conduct its own due diligence, make an investment decision and fund a co-investment opportunity within the applicable timeline for completing the co-investment;
- Whether a prospective co-investor has the financial and other resources to make the co-investment;
- Whether a prospective co-investor has previously indicated a desire to make investments of the type represented by the co-investment opportunity;
- Whether a prospective co-investor is likely to prove to be a suitable partner to the portfolio company to which the co-investment opportunity relates (e.g., by demonstrating to the applicable Fund's general partner and/or such portfolio company's satisfaction that it: (i) will be able to meet future investment needs of such portfolio company on a timely basis and (ii) adequately understands the business plan and operations of such portfolio company);
- Any requirements or restrictions relating to the selection of co-investors set forth in the governing documents of the Fund(s) to which a co-investment opportunity relates and/or in any side letters granted to applicable Investors;
- Tax, legal and/or regulatory considerations; and
- Any other factors determined by the applicable Fund's general partner, in its sole discretion, to be relevant to the co-investor selection process.

Allocation Amongst Interested Co-Investors

After the selection of interested co-investors, co-investment opportunities will be allocated based first on allocation-related requirements (including capacity reserves) set forth in any side letters granted to Investors in the Fund(s), as well as any applicable legal or regulatory requirements. After

such allocations, HPC and its affiliates will, in their sole discretion, determine the allocation of such investment opportunity that is available for co-investment.

In addition, a Fund is permitted to buy assets from, or sell assets to, HPC, its affiliates or its management personnel (including the Principal). This could potentially create a conflict of interest between HPC and a Fund because HPC would have an incentive to negotiate more favorable terms for itself, its affiliates or its management personnel at the expense of the Fund. As a result, HPC is subject to notice and consent obligations in connection with the operation of the Funds for which it acts as an investment manager in the event it enters transactions deemed to be “principal transactions.” HPC has established policies and procedures that address these principal transactions. Additionally, the Client Documents may establish the terms of any principal transactions or restrict principal transactions. To the extent that a Fund may engage in principal transactions with HPC, its affiliates or its management personnel, HPC provides Investors disclosure of the potential for principal transactions and the process for approving such transactions. Any principal and cross transactions will be executed in accordance with Section 206(3) of the Advisers Act.

Cross-Trading Policy

HPC has adopted a Cross-Trading Policy to address any potential conflicts which might arise from effecting trades between client accounts. This policy permits HPC to effect trades between Funds where HPC believes it to be in the best interests of both Funds and permitted under the Client Documents of each Fund, subject to the following limitations and guidelines:

- (1) HPC will not effect a cross trade between Funds if such cross trade would constitute a principal transaction, unless prior notice and consent requirements required by law are satisfied.
- (2) The cross trade shall be effected for cash consideration at the current fair value of the particular securities.
- (3) Neither HPC nor any of its affiliates may receive any compensation for effecting the trade.

Subject to the foregoing guidelines, it is HPC’s policy prior to effecting a cross trade, whether for rebalancing or for any other purpose, to determine independently that such cross trade would be appropriate for both Funds involved, based upon, among other things, each Fund’s investment/risk parameters, assets under management, liquidity and portfolio exposure, tax considerations and any other relevant factors.

Item 12 – Brokerage Practices

Best Execution

HPC has sole authority for selecting the broker-dealer used in each transaction of publicly-traded securities and for negotiating fees paid to the broker-dealer in connection with such transactions. When executing transactions in exchange-traded securities, HPC recognizes that it has a duty to obtain “best execution” for any securities transactions made for a Fund.

HPC will consider a number of factors in selecting appropriate broker-dealers, including, but not limited to, commission rates, reliability, financial responsibility, strength of the broker, ability of the broker to efficiently execute transactions, the broker’s facilities and the broker’s provision or payment of the costs of brokerage and research services. In the selection of brokers, HPC may also be influenced by other services provided by brokers including, without limitation, marketing assistance, consulting with respect to technology, operations or equipment and other services or items.

HPC may utilize third-party outsourced trading services providers. The total execution costs associated with transactions executed through such providers typically exceed the costs charged by prime brokers. This additional cost is offset, in part, through what HPC believes are better execution prices that such providers are able to obtain. HPC believes that the use of an agent in such instances is consistent with its duty of obtaining “best execution” for its Funds.

HPC conducts periodic and systematic evaluations of its broker-dealers and trading practices in an effort to meet its duty to obtain “best execution” of securities transactions.

Directed Brokerage Arrangements

HPC does not permit Investors to recommend directed brokerage arrangements to a Fund.

Soft Dollars

The Client Documents of certain Clients authorize the use of soft dollars.

HPC uses soft dollars and such arrangements currently fall within the “safe harbor” under Section 28(e) of the Exchange Act.

Section 28(e) of the Exchange Act provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain research and brokerage products and services (commonly referred to as a “soft dollar” arrangement). That practice involves a conflict of interest, but Section 28(e) of the Exchange Act provides that it does not breach HPC’s fiduciary duty to a Fund if the products and services consist of “research” or “brokerage” and certain other conditions and requirements are met.

HPC is authorized to pay higher prices for the purchase of securities from, or accept lower prices for the sale of securities to, brokerage firms that provide it with such research and trading related products and services or to pay higher commissions to such firms if HPC determines such prices or commissions are reasonable in relation to the overall services provided. Accordingly, a Fund may be deemed to be paying for research and other products and services with “soft” or commission dollars.

HPC may utilize proprietary and third-party research and brokerage products and services provided by brokers that provide value to a Fund's investment activities. Such research and brokerage products and services could include: reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial and industry publications; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; analytical software; proxy analysis services and systems; quotation services; and other products and services that may enhance HPC's investment decision-making.

HPC's use of soft dollars currently falls within the safe harbor provided by Section 28(e) of the Exchange Act. The fact that HPC may be provided with research and brokerage products and services rather than having to produce or pay for such products and services itself presents a conflict of interest and could incentivize HPC to choose brokers providing such products and services.

Subject to its best execution obligations, HPC may use capital introduction or referral services provided by broker-dealers for a Fund. If HPC were to pay for such services with its soft dollars, such services would fall outside the safe harbor. This presents a potential conflict of interest because HPC is compensated based upon assets under management and performance and therefore has an incentive to select broker-dealers based upon investor referrals, which could lead to higher compensation for HPC. HPC may consider such services in selecting broker dealers for a Fund and address the potential conflicts of interest in connection with its brokerage practices through its best execution review process.

Trade Aggregation

If HPC determines that it would be appropriate for the Main Funds and other vehicles or accounts sponsored or managed by HPC or its affiliates to participate in an investment opportunity (taking into account such factors as HPC in good faith deems appropriate), HPC will seek to execute orders for all of the participating accounts on an equitable basis. If HPC has determined to trade in the same direction in the same security at the same time for the Main Funds and other vehicles or accounts, HPC is authorized generally to combine such order and if all such orders are not filled at the same price, the orders may be filled at an average price, which normally will be the same average price at which contemporaneously entered proprietary orders are filled on that day. Similarly, if an order on behalf of more than one account cannot be fully executed under prevailing market conditions HPC may allocate the trades among the different accounts on a basis that it considers equitable. Situations may occur where one vehicle or account could be disadvantaged because of the various other activities conducted by HPC.

Item 13 – Review of Accounts

HPC continuously reviews investments for investment performance, valuation changes, market developments, adherence to investment guidelines and strategies, risk analysis and monthly reporting.

Generally, Investors will receive unaudited quarterly reports, annual audited financial statements within 120 days of the fiscal year-end (*i.e.*, generally by April 30) and annual tax information.

Item 14 – Client Referrals and Other Compensation

HPC is not currently party to any agreement to compensate a third party for investor referrals and marketing advice but may enter into such agreements or arrangements in the future. These arrangements are intended to be in compliance with the applicable rules and regulations of the Advisers Act. HPC effectively bears any placement agent fees either directly or by offsetting the Management Fees payable to it by the amount of any placement agent fees on a dollar-for-dollar basis. Investors should be aware that the receipt of compensation by a placement agent or third party solicitor may create a conflict of interest, and may affect the judgment of the placement agent or solicitor when making a recommendation for an investment with a Fund managed by HPC. In addition, any third-party compensation arrangement will comply with federal and state laws regulating third-party compensation.

Please refer to Item 12 above for disclosure regarding HPC's use of capital introduction or referral services provided by broker-dealers for a Fund.

Item 15 – Custody

HPC is deemed to have custody of each Fund's assets pursuant to Advisers Act Rule 206(4)-2. To ensure compliance with Rule 206(4)-2, the Funds undergo an annual audit performed by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. The audited financial statements are distributed to Investors within 120 days of each Fund's fiscal year-end.

Funds will invest in exchange-traded securities and those securities and other assets will be maintained with a qualified custodian under the Fund's name. The qualified custodian will send HPC the account statements for each Fund's account monthly. See Item 13 for information related to reports delivered to Investors.

HPC's investment program may also involve uncertificated investments in private companies. HPC generally will be exempt from the requirement that those securities be maintained with a qualified custodian.

Item 16 – Investment Discretion

HPC has discretionary authority to manage securities accounts on behalf of each Fund, subject to the applicable Client Documents. Investors do not have the ability to impose limitations on the discretionary authority of HPC.

Each Investor must execute a subscription agreement in which it makes various representations, including representations regarding its suitability to invest in a high-risk investment pool.

HPC or the applicable General Partner may, from time to time, cause a Fund to enter into side letter agreements. Such side letter agreements may provide certain Investors with terms (e.g., Management Fees, Carried Interest, rights to participate in co-investment opportunities, limitations on certain investments, etc.) additional to, or different from, those terms set forth in the Client Documents. Investors of a Client could also negotiate with the applicable General Partner in side letter agreements for more specific limitations applicable to the Investor, such as prohibited investments in specified countries, that could result in such Investor (but not necessarily the Client itself) not participating in such prohibited investments.

Item 17 – Voting Client Securities

HPC understands and appreciates the importance of proxy voting. HPC has developed policies and procedures in the event that it must vote proxies on behalf of each Fund.

HPC will vote any proxies received in the best interests of each Fund and in accordance with any procedures described to Investors. Prior to voting any proxies with respect to a Fund, HPC will review the applicable proxy solicitation materials for potential conflicts of interest. If a conflict is identified, HPC will determine whether the conflict is material. If no material conflict is identified pursuant to these procedures, HPC will vote such proxy in accordance with the best interests of each Fund in a manner that HPC believes would maximize the value or minimize the losses of each Fund.

If a material conflict is identified, HPC will consider the conflict and determine what course of action is in the best interests of each Fund and how to mitigate such conflict. Steps used to mitigate a conflict of interest may include, but are not limited to, voting in the manner determined to be in the best economic interests of a Fund, voting in the manner determined to be appropriate in consultation with outside counsel or voting in accordance with the recommendations of an independent third-party proxy voting service. Further, HPC will determine (in its sole discretion) whether it is appropriate to disclose the conflict to Investors.

Investors do not have the ability to direct proxy votes. Investors may obtain additional information regarding how HPC has voted proxies and may obtain a copy of HPC's proxy voting policies and procedures by contacting the Chief Compliance Officer.

Item 18 – Financial Information

HPC has no financial condition that impairs its ability to meet contractual commitments to clients.
HPC has not been the subject of any bankruptcy petition.