

INVESTMENT ADVISER BROCHURE

PARKERGALE, LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of ParkerGale, LLC (“ParkerGale”). If you have any questions about the contents of this Brochure, please contact us at (312) 698-6300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

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

TABLE OF CONTENTS

COVER PAGE.....	1
TABLE OF CONTENTS.....	2
MATERIAL CHANGES	3
ADVISORY BUSINESS	3
FEES AND COMPENSATION.....	5
PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	11
TYPES OF CLIENTS	13
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	13
DISCIPLINARY INFORMATION	43
OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	43
CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING....	44
BROKERAGE PRACTICES	45
REVIEW OF ACCOUNTS	46
CLIENT REFERRALS AND OTHER COMPENSATION	46
CUSTODY	47
INVESTMENT DISCRETION	47
VOTING CLIENT SECURITIES	47
FINANCIAL INFORMATION	48

MATERIAL CHANGES

ParkerGale filed its most recent Form ADV Part 2 (the “**Brochure**”) on March 27, 2023. This annual amendment provides certain general informational updates as to aspects of ParkerGale’s operations. Material updates to the Brochure since ParkerGale’s last annual update include:

- The removal of Kristina Heinze from the control group of ParkerGale.
- The addition of ParkerGale Capital III, LP which became effective January 1, 2024.
- An updated description of the Management Fees in Item 5 to more efficiently describe how Management Fees are calculated following the investment period of a Fund.
- A more robust description of how ParkerGale handles the offset of Transaction Fees and other forms of compensation potentially received by ParkerGale or ParkerGale’s employees and former employees.
- Additional information around the use of fund level subscription facilities and the risks and conflicts associated with ParkerGale’s use of such fund level subscription facilities in Item 8.
- Additional description of the conflicts of interest around ParkerGale’s determination of Impaired Value Investments.

ParkerGale has made other changes throughout this Brochure in an effort to improve and clarify the descriptions of its and its affiliates’ business practices, compliance policies and procedures, risks and conflicts, and in response to evolving industry and firm practices, the updates do not represent material changes.

ADVISORY BUSINESS

ParkerGale, a Delaware limited liability company and a registered investment adviser, and its affiliated investment advisers provide investment advisory services to investment funds privately offered to qualified investors in the United States and elsewhere. ParkerGale is controlled by Devin Mathews, James Milbery, David Milligan and Corey Dossett (each, a “**Partner**,” and collectively, the “**Partners**”). ParkerGale commenced operations in April 2015.

ParkerGale’s current clients are the following (each, a “**Fund**,” and together with any future private investment fund to which ParkerGale or its affiliates provide investment advisory services, the “**Funds**”):

- ParkerGale Capital, LP
- ParkerGale Capital II, LP
- ParkerGale Capital III, LP

The following general partner entities (each, a “**General Partner**”, and collectively, together with any future affiliated general partner entities, the “**General Partners**”) are affiliated with ParkerGale:

- ParkerGale Management, LP
- ParkerGale Management II, LP
- ParkerGale Management III, LP

Except where specified, references to an “**Adviser**” in this Brochure refer to any of the adviser entities (including the General Partners) described above, and references to the “**ParkerGale**” collectively refer to all Advisers, and their affiliated entities.

Each General Partner is deemed registered and subject to the Advisers Act pursuant to ParkerGale’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with ParkerGale.

The Funds are private equity funds and invest through negotiated transactions in operating entities, generally referred to herein as “portfolio companies.” ParkerGale’s investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating the terms of investments, managing and monitoring investments and achieving dispositions for such investments. ParkerGale’s advisory services to the Funds are detailed in the applicable private placement memoranda or other offering documents (each, a “**Memorandum**”), limited partnership or other operating agreements or governing documents (each, a “**Partnership Agreement**” and, as applicable, together with any relevant Memorandum, the “**Governing Documents**”) and are further described below under “Methods of Analysis, Investment Strategies and Risk of Loss.” ParkerGale predominantly makes investments in non-public companies. However, investments in public companies are permitted under certain conditions. The Partners or other personnel of ParkerGale or its affiliates generally serve on portfolio companies’ respective boards of directors or otherwise act to influence control over management of portfolio companies in which the Funds have invested. Investors in the Funds participate in the overall investment program for the applicable Fund, and may only be excused from a particular investment due to legal, regulatory or other agreed-upon circumstances pursuant to the relevant Partnership Agreement. The Funds or the General Partners have entered into side letters or other similar agreements (“**Side Letters**”) with certain investors that have the effect of establishing rights under, or altering or supplementing the terms (including economic or other terms) of, the relevant Partnership Agreement with respect to such investors.

Additionally, as permitted by the relevant Governing Documents, ParkerGale reserves the right to provide (or agree to provide) investment or co-investment opportunities (including the opportunity to participate in investment vehicles established for the purpose of making an investment into a specific, pre-determined investment (a “**co-investment vehicle**”) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel,

ParkerGale personnel and/or certain other persons associated with ParkerGale and/or its affiliates. Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and other reasons, a co-investor or co-investment vehicle may purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or co-investment vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment. Where appropriate, and in ParkerGale's sole discretion, ParkerGale reserves the right to charge interest on the purchase to the co-investor or co-investment vehicle (or otherwise equitably adjust the purchase price under certain conditions) and to seek reimbursement to the Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the Fund.

As of December 31, 2023, the Firm managed \$547,348,089 in client assets on a discretionary basis.

FEES AND COMPENSATION

In general, ParkerGale receives a management fee and performance-based fees (called a “**carried interest**”) in connection with the performance of the advisory services described above. ParkerGale or other Firm entities or affiliates receive additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fees (as defined below) otherwise payable to ParkerGale. Investors in the Funds also bear certain fund expenses, as described below. Additionally, consistent with the Governing Documents of a Fund, a Fund typically bears certain out-of-pocket expenses incurred by ParkerGale in connection with the services provided to the Fund and/or the portfolio companies. Further details about certain fees and expenses are set forth below.

Management Fees

Each of the Funds pays ParkerGale, on a quarterly basis in advance, a management fee (the “**Management Fee**”) equal to 2.0% on an annual basis of aggregate Fund investor capital commitments (“**Commitments**”). Investors participating in a closing after the initial closing date of a Fund bear the Management Fee from the Fund's initial closing date. Upon the earlier to occur of (i) the date when all the Fund's Commitments have been invested or otherwise used to pay expenses of the Fund, or (ii) the term specified in the Partnership Agreements, the Management Fee will be reduced and will equal 2.0% of the aggregate amount of contributions used to make, or pay expenses directly connected to, an investment that has not yet been disposed of or completely written off for U.S. federal income tax purposes, subject to certain conditions set forth in the Fund's Partnership Agreement. After the date all of the Fund's assets have been distributed or upon the occurrence of certain other events specified in the applicable Partnership Agreement, the Fund's Management Fee will be reduced to zero. Installments of the Management Fee payable for any period other than a full three-month period are adjusted on *pro rata* basis according to the actual number of days in such period.

The Partnership Agreements provide that a Fund's Management Fees will be calculated and charged on a basis that is generally not tied to the Fund's then-current net asset value. As further specified in the Partnership Agreements, from the effective date of the relevant Fund until a date specified in the Partnership Agreements (the "**Stepdown Date**"), Management Fees generally will be charged based on a formula tied to the amount of the relevant Fund's aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions (including, where applicable, a Fund borrowing component) made by the relevant Fund relating to investments that have not been realized or completely written off for U.S. federal income tax purposes (such investments, "**Impaired Value Investments**").

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

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

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

The Governing Documents set forth the full list of terms under which Management Fees will be reduced, offset or otherwise be limited, and consequently investors should expect to bear the full specified Management Fee rate in the Governing Documents until they are reduced in the circumstances and on the date(s) specified therein.

To the extent specified in the a Fund's Partnership Agreement, ParkerGale will be permitted to receive certain Transaction Fees (as defined in the applicable Fund's Partnership Agreement), which include closing fees, investment banking fees, placement fees, commitment fees, breakup fees, litigation proceeds from unconsummated transactions, monitoring fees, consulting fees and directors' fees, but only to the extent such fees are net of the Firm's expenses incurred in connection with the generation of such fees, as provided in the applicable Partnership Agreement. A Fund's Governing Documents generally will provide that Transaction Fees received by ParkerGale and attributable to a Fund's investment in a portfolio company will be credited against Management Fees otherwise owed to ParkerGale in a specified percentage. The remaining amount of such Transaction Fees will be retained by ParkerGale. To the extent that such an offset credit would reduce the Management Fee for a given three-month period below zero, the credit will be carried forward for future application against payable Management Fees. If a credit remains as of the liquidation of the Fund (or upon certain other events set forth in the applicable Partnership Agreement), a payment will be made crediting limited partners unless a limited partner has elected to waive such amount (*e.g.*, where an adverse tax consequence may result). Certain Funds may provide in their Partnership Agreements that all Transaction Fees received after a specified time will not be subject to any offset or rebate.

Management fees are not negotiable. However, ParkerGale and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures, information rights, co-investment rights, and liquidity or transfer rights.

ParkerGale reserves the right to be paid Transaction Fees from, on behalf of, or with respect to co-investors in an investment. The receipt of such fees will not reduce the Management Fee payable by any Fund(s) that have also invested in such investment, and as a result a Fund will, in most cases, only benefit with respect to its allocable portion of any such fee and not the portion of any fee that related to: (i) General Partner or affiliated partner commitments, (ii) co-investors or potential co-investors (which could include co-investment vehicles managed by ParkerGale, service providers, third parties, current or former portfolio company management or employees, sellers that have rolled their interest or reinvested proceeds in the portfolio company and/or others; or (iii) the value of profits, participation or equity interests in or relating to the relevant portfolio company, including interests owned by current or former portfolio company management, which have the potential to be significant.

Certain Governing Documents permit the applicable General Partner to waive or agree to reduce the Management Fee. Certain waived portions of the Management Fee are treated by the Governing Documents as a deemed capital contribution by the applicable General Partner, which is effectively invested in the applicable Fund on such General Partner's behalf, and operates to reduce the amount of capital such General Partner would otherwise be required to contribute to the Fund. The limited partners of a Fund may be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be

required of the Firm in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration (or delay) of investor capital contributions. Waived or reduced Management Fees are not subject to the Management Fee offsets described above, and the amount of such waived or reduced Management Fees has the potential to be significant. Due to waived or reduced Management Fees by ParkerGale and/or timing of receipt of compensation subject to offsets (as described above), it is possible that Management Fee offsets will be delayed or not be fully realized by investors in the Fund, resulting in a net additional benefit to ParkerGale.

Carried Interest

ParkerGale will receive a carried interest with respect to each Fund equal to 20% of all realized profits subject to an 8% compound preferred return but including a “catch up” provision, as more fully described in the applicable Partnership Agreement. The carried interest distributed to ParkerGale is subject to a potential clawback or giveback at the end of life of the Fund if ParkerGale has received excess cumulative distributions.

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

Other Information

ParkerGale is permitted to exempt certain “affiliated partner” investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including ParkerGale and any other person designated by the applicable General Partner. Any such exemption from fees and/or carried interest may be made by a direct exemption, a rebate by ParkerGale and/or its affiliates, or through other Funds which co-invest with a Fund. For example, in instances where a ParkerGale professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, ParkerGale has the right to permit investors, affiliated with ParkerGale or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. In general, the Management Fee offsets described above apply only with respect to the capital commitments of fee-paying investors.

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

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

In addition to the Management Fee and carried interest payable to ParkerGale, each Fund bears or is expected to bear certain expenses. As set forth more fully in the Governing Documents of each Fund, each Fund bears all fees, costs, expenses, liabilities and obligations relating to the Fund’s activities, investments, business, portfolio companies or actual or potential

investments (including with respect to any entity formed to effect the acquisition and/or holding of a portfolio company) to the extent not reimbursed by a portfolio company or potential portfolio company, including without limitation all fees, costs, expenses, liabilities and obligations relating or attributable to: (i) activities with respect to the structuring, organizing, negotiating, consummating, financing, refinancing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, or otherwise disposing of, as applicable, portfolio companies and the Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other fees and expenses payable to attorneys, accountants, investment bankers, lenders, third-party diligence software and service providers, consultants and similar professionals in connection therewith and any fees and expenses related to transactions that may have been offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful; (ii) indebtedness of, or guarantees made by, the Fund, ParkerGale or any affiliated partner on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee; (iii) financing, commitment, origination and similar fees and expenses; (iv) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees, sales commissions, investment banker, finder and similar services; (v) brokerage, sale, custodial, depository, trustee, record keeping, account and similar services; (vi) legal, accounting, research, auditing, administration (including fees and expenses associated with the Funds' third-party administrator and administration or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees and other compensation paid to consultants performing investment initiatives and other similar consultants), tax and other professional services; (vii) reverse breakup, termination and other similar fees; (viii) directors and officers liability, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance and regulatory expenses; (ix) filing, title, transfer, registration and other similar fees and expenses; (x) printing, communications, marketing and publicity; (xi) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K-1s, or any other administrative, compliance or regulatory filings or reports, or other information, including fees and costs of any third-party service providers and professionals related to the foregoing; (xii) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software or other administrative or reporting tools (including subscription-based services) for the benefit of the Fund or its limited partners; (xiii) any activities with respect to protecting the confidential or non-public nature of any information or data; (xiv) to the extent provided in the Partnership Agreement, or otherwise approved by the applicable General Partner in its sole discretion, activities or proceedings of the advisory board of the Fund (including any reasonable out-of-pocket costs and expenses incurred by representatives of the applicable General Partner, the advisory board members, permitted observers and other persons in attending or otherwise participating in meetings of such advisory board); (xv) indemnification (including any fees, costs and expenses incurred in connection with indemnifying a Fund partner or other person pursuant to the applicable Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim

that may be subject to a right of indemnification pursuant to the applicable Partnership Agreement), except as otherwise set forth in such Partnership Agreement; (xvi) actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including any judgment, other award or settlement entered into in connection therewith (except, in the case of any such fees, costs and expenses incurred in connection with indemnifying any Fund partner or other person pursuant to the applicable Partnership Agreement, to the extent such amounts have been determined to be excluded from the indemnification provided for in the applicable Partnership Agreement); (xvii) any annual limited partner meeting or other periodic, if any, meetings of the limited partners and any other conference or meeting with any limited partner(s), in each case to the extent incurred by the Fund, the Firm or any of its affiliates; (xviii) except as otherwise determined by the applicable General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles related to the Fund to the extent not paid by the investors investing in such entities; (xix) the termination, liquidation, winding up or dissolution of the Fund; (xx) defaults by Fund partners in the payment of any capital contributions; (xxi) amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the Fund, any parallel fund, and any alternative investment vehicle of the Fund or its parallel fund, including the preparation, distribution and implementation thereof; (xxii) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of its General Partner incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the applicable Partnership Agreement; (xxiii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer of Fund interests contemplated by the applicable Partnership Agreement; (xxiv) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, inquiry, investigation settlement or review of the Fund (except to the extent that the Partnership is reimbursed therefor or such tax, fee or charge is treated as having been distributed to the Fund partners) and any costs of or related to the “partnership representative”; (xxv) distributions to the Fund partners and other expenses associated with the acquisition, holding and disposition of the Fund’s investments, including extraordinary expenses; (xxvi) compliance or regulatory matters related to the Fund, except as otherwise set forth in the applicable Partnership Agreement; (xxvii) any travel (but not including private air travel expenses), lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment, restructuring and disposition opportunities; (xxviii) any organizational expenses in excess of an amount specified in the applicable Partnership Agreement; (xxix) any placement fees; and (xxx) any other fees, costs, expenses, liabilities or obligations approved by the Fund’s advisory board; but not including ordinary overhead and administrative expenses that are payable by the Firm pursuant to the applicable Partnership Agreement. The Funds also bear expenses indirectly to the extent a portfolio company pays expenses, including expenses of ParkerGale and/or its affiliates, such

as the cost of attending training programs, meetings or other events for portfolio companies and/or their personnel sponsored by ParkerGale. As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices.”

In certain circumstances, one Fund is expected to pay an expense common to multiple Funds and/or co-investors (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time), and be reimbursed by the other Funds by their share of such expense, without interest. While ParkerGale believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, ParkerGale is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

As described above, in certain circumstances, the relevant General Partner is expected to permit certain investors to co-invest in portfolio companies alongside the Fund, subject to ParkerGale’s related policies and the relevant Partnership Agreement and/or Side Letter(s). Where a co-investment vehicle is formed, such entity generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds.

In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all broken deal expenses relating to such proposed transaction will be borne by the Fund, and not by any potential co-investors, that were to have participated in such transaction. To the extent that such co-investors have already executed definitive documentation (*e.g.*, a binding letter of intent or a co-investment or other vehicle’s subscription agreement) in connection with such transaction, such co-investor is expected to bear its pro rata share of such broken deal expenses. The Advisers’ practice of allocating broken deal expenses among investing Funds is discussed under “Conflicts of Interest,” below.

ParkerGale and/or its affiliates generally have discretion over whether to charge Transaction Fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company’s holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of Transaction Fees generally will give rise to potential conflicts of interest between the Funds, on the one hand, and ParkerGale and/or its affiliates on the other hand.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under “Fees and Compensation,” the relevant General Partner receives a carried interest allocation on certain realized profits in its Funds. ParkerGale does not advise Funds not subject to a carried interest, although it generally has the authority to waive carried interest with respect to certain affiliated partners as described under “Fees and Compensation.”

The existence of performance-based compensation has the potential to create conflicts of interest. Potential conflicts of interest include, but are not limited to, (i) allocating investments to Funds paying higher carried interest or performance-based fees, (ii) selecting higher-risk or more speculative investments for Funds or operating the Funds in a riskier or more speculative manner to try and maximize performance-based compensation, and (iii) determining the valuation of portfolio investments.

Allocation of Investment Opportunities

ParkerGale, and its investment professionals, have complete discretion over how to allocate investment opportunities. To the extent ParkerGale personnel are assigned varying percentages of carried interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage. In order to mitigate any conflicts of interest in the allocation of investment opportunities between two (or more) Funds, ParkerGale has in place allocation policies that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Fund's investment guidelines and Governing Documents, as well as other factors that do not include the amount of performance-based compensation received by the ParkerGale or any ParkerGale personnel. Additionally, ParkerGale is prohibited from raising/investing a new fund with the same or similar strategy until the preceding fund has invested a predetermined amount of its committed capital. Finally, the Funds managed by ParkerGale have the same fee structures in an effort to ensure that there is no incentive to allocate investment opportunities to a specific Fund on the basis of higher potential performance-based fees.

Speculative or Higher-Risk Investments

The existence of performance-based compensation has the potential to create an incentive for ParkerGale to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would otherwise make in the absence of such arrangement. ParkerGale generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. In addition, ParkerGale's Partners and personnel have invested significantly in the Funds further aligning their interests with the Funds' investors.

Valuation of Investments

Performance-based compensation has the potential to incentivize ParkerGale to value investments higher in order to maximize performance-based compensation. However, ParkerGale has contractually structured the calculation of management and performance-based fees such that the holding value of an investment is not relevant to the receipt of higher Management Fees or performance-based fees. Carried Interest is only received upon the disposition of an investment.

and is subject to a preferred return to investors at the Fund level before any performance-based fees are allocated to ParkerGale.

ParkerGale also manages ad hoc co-investment vehicles that are not charged performance-based compensation, or are charged performance-based compensation in lower percentages or with higher preferred return amounts that must be met before ParkerGale is compensated. ParkerGale does not believe this practice presents a conflict of interest because such co-investment vehicles are designed to make only one investment, which is disclosed to its investors in advance.

TYPES OF CLIENTS

ParkerGale provides investment advice to the Funds. The Funds may include investment partnerships or other investment entities formed under domestic or foreign laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended. The investors participating in the Funds include individuals, banks or thrift institutions, other investment entities, university endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations or other corporations or business entities, as well as, directly or indirectly, principals or other employees of ParkerGale and its affiliates and members of their families, or other service providers retained by ParkerGale or a Fund.

The Funds may include alternative investment vehicles established in order to permit one or more investors to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

The Funds generally have a minimum investment amount for third-party investors, and the Funds' interests are offered and sold solely to qualified purchasers (or qualified knowledgeable Firm personnel). A Fund's Investment minimum is disclosed in each Fund's Governing Documents. Such minimum investment amount may be waived by ParkerGale.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

General

ParkerGale is a private investment firm focused on investments in companies believed to benefit from ParkerGale's hands-on operating value creation approach. ParkerGale's investment advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. ParkerGale's investment strategy for the Funds is to take controlling equity interests in growing profitable technology companies within the smaller end of the private equity market and professionalize them during its ownership to deliver attractive returns to its investors. ParkerGale has a particular interest in acquiring founder-owned companies where the Fund or Funds are the company's first institutional capital and divisions or assets from larger

companies that are being under-managed and require additional focus and management. Target companies generally will have positive EBITDA and will generally be less than \$100 million in enterprise value. Equity investments will generally range in size from \$15 million to \$75 million.

Investing in securities involves the risk of loss. There can be no assurance that ParkerGale will achieve the investment objectives of any Fund and a complete loss of investment is possible.

Investment and Operating Strategy

Deal Sourcing. ParkerGale focuses on four main avenues for deal flow: (1) actively represented companies; (2) proactive industry and executive research and networking; (3) corporate development executive correspondence; and (4) thought leadership and brand recognition. ParkerGale manages relationships with different types of intermediaries including brokers, bankers, lawyers, accountants and independent sponsors in different ways. The Firm's goal is to remain top-of-mind with intermediaries of all types by maintaining consistent contact with them. Beyond the deal flow of intermediated companies, ParkerGale believes that it continually needs to become an expert in the technology sub-sectors it pursues and is focused on specific, thesis-based markets to research. Investments are oftentimes looked at in conjunction with senior industry executives who will take a full-time operating or board role post-closing. ParkerGale has an ongoing process to meet and track these key executives. In addition, ParkerGale has a list of corporate development executive targets and contacts it maintains relationships with to not only know the potential buyers of their businesses, but to specifically have insight into and become aware of corporate carve-outs. ParkerGale believes that ParkerGale needs to also stake a claim in thought leadership and increase its visibility to founders and companies that are not actively in a sale process. Using print and online media, and social networks, the ParkerGale team seeks to build its brand to appeal to company owners and intermediaries. In 2013, members of the team started a podcast called the Private Equity FunCast that is focused on the issues founders encounter when running their growing companies, and the ParkerGale team provides examples from its experience to offer advice to common problems these founders often face. Additionally, the Partners of ParkerGale are often sought out for their opinions about private equity and technology and have appeared in Fortune.com, PEHUB.com, at conferences, roundtables and in local and regional publications. ParkerGale believes these efforts help establish ParkerGale as a trusted partner to founders and deal sources.

Investment Screening. ParkerGale evaluates potential investment opportunities meeting basic type, sector, size and financial criteria through two broad themes ParkerGale's Partners have refined over their careers based on their experience buying small companies. ParkerGale targets opportunities with common characteristics in terms of the company type and investment dynamics. These characteristics are: (i) majority control positions only; (ii) focus on niche markets and technology solutions; (iii) first institutional capital in the company; (iv) situations where operational improvements can be made; (v) having an angle to win the transaction and execute post-closing; and (vi) situations where the entry valuation is compelling.

Post-Investment Operations. Post-acquisition, ParkerGale will be actively engaged in the management of the business in areas including building out the team, implementing sales

and marketing initiatives, building technology for resiliency and scalability, developing new products, and improving overall systems and reporting to help the acquired company plan and execute its growth plans during ParkerGale's ownership period and beyond. ParkerGale is involved in recruiting and hiring senior executives across its portfolio companies and ParkerGale's Partners expect to regularly tap their network to bring world class talent to small companies that might not have access to such talent without the involvement of ParkerGale. In addition, immediately following acquisition, a portfolio company is often still operating on the same technology platform, applications, and network infrastructure with which it started several years in the past. ParkerGale's experience is that investments in these areas are paramount to unlock growth potential and allow small companies to scale. During due diligence, ParkerGale assesses the need for these upgrades and prioritizes their implementation from the outset. Furthermore, ParkerGale invests heavily in product initiatives throughout its ownership period, and offers portfolio companies technical talent to help management teams take meaningful steps in product features, reliability, scalability and competitive differentiation. To support sales growth, ParkerGale helps portfolio companies determine the key metrics that are most predictive of long-term revenue growth and then build systems to track and report those metrics. Once a system is in place, ParkerGale helps develop a process for hiring new salespeople and developing existing ones. After adequate systems and processes are in place, the focus shifts to accelerating sales and marketing investments and activities. ParkerGale's external resources help its portfolio companies with CRM design and implementation, sales training and development, product marketing, branding and messaging, customer interviews and analysis, market segmentation and other sales and marketing related tasks.

Investment Monitoring & Exiting. ParkerGale evaluates each portfolio company's path to liquidity at quarterly review meetings to determine if it is on track or off track compared to initial expectations. If the target return threshold for a company is reached faster than expected, the Partners will discuss the risk-reward tradeoffs of holding the investment longer taking into account the market conditions, the management team's abilities, the competitive dynamic and the visibility of future financial performance among other factors. Generally, ParkerGale chooses in favor of liquidating an investment when the return is attractive rather than holding on for future, but uncertain, gains. When portfolio companies are not performing to expectation, ParkerGale will use the resources at its disposal to improve performance. ParkerGale ultimately needs to balance the effort required to manage underperforming investments with the potential for a turnaround. It is ParkerGale's strong desire (and part of initial underwriting) to recoup initial cost even in underperforming investments, though this cannot be controlled in all situations. ParkerGale will also strive to achieve interim liquidity during its investment period through the prudent use of leverage and dividend recapitalizations.

ParkerGale believes it is its Partners' responsibility to know the likely buyers of its companies from the outset of its investments. ParkerGale does not rely solely on intermediary relationships to interpret the market interest in its portfolio companies, so its partners proactively reach out to the likely buyers directly and start forming relationships long before a potential sale. ParkerGale actively manages these relationships over the investment period.

Risks of Investment

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

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

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

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

Lack of Sufficient and Highly Competitive Market for Investment Opportunities. The business of identifying and structuring private equity transactions is highly competitive and involves a high degree of uncertainty. The Funds expect to encounter competition from other entities having similar investment objectives. Potential competitors include other investment partnerships and corporations, business development companies, strategic industry acquirers, financial institutions, investment funds affiliated with other financial sponsors or institutional investors, private equity, and other financial investors investing directly or through affiliates. Further, over the past several years, an ever-increasing number of investment funds have been formed (and many such existing funds have grown in size). Additional funds with similar investment objectives may be formed in the future by other unrelated parties. As a result of recent dislocations in the capital markets and the overall economy, other firms and institutions are seeking to capitalize on the perceived opportunities with vehicles, funds and other products that are expected to compete with the Funds for investments. Some of these competitors may have more relevant experience, greater financial resources and more personnel than ParkerGale and the Funds. Competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to the Funds and adversely affecting the terms upon which investments can be made. It is also possible that the Funds will never be fully invested if enough sufficiently attractive investments are not identified. However, investors will be required to bear Management Fees through the Funds during the relevant investment period based on the entire amount of the investor commitments and other expenses as set forth in the Partnership Agreement. To the extent that the Funds encounter competition for investments, returns to investors may decrease.

Small Buyout Transactions. The Funds' strategy will include targeting small buyout investments. While small buyouts investments offer the opportunity for significant capital gains,

such investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. Small buyout portfolio companies have smaller profit bases from which to fund their growth and operational needs. Small buyout portfolio companies may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

Unspecified Investments. Each Fund will be relying on the ability of ParkerGale and its General Partner to locate and evaluate the investments to be made by the Funds. The business of identifying, structuring, completing and realizing debt investments involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that ParkerGale and the General Partner will be able to identify, or the Fund will be able to complete, portfolio investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Fund will be able fully to invest its committed capital.

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

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

invested in the portfolio company, which could adversely affect the returns of such Fund. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, the Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the companies in which a Fund will invest generally will not be rated by a credit rating agency. Except where otherwise required by the relevant Governing Documents, a Fund will not be obligated to borrow on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company. A Fund may also borrow money or guarantee indebtedness (such as a guaranty of a portfolio company's debt). The use of leverage by a Fund also will result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. A Fund reserves the right to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by its general partner or any of its affiliates, including through Fund subsidiaries and other intermediate entities and may have a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. In addition, to the extent a Fund incurs leverage (or provides such guaranties), such amounts may be secured by capital commitments made by the Fund's investors and such investors' contributions may be required to be made directly to the lenders instead of the Fund.

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

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment and negotiation of the terms of the borrowing facility, as well as expenses relating to maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the Governing Documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases the Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or

results in short-term gains to a Fund, which in certain circumstances enhances the relevant Fund's return calculations and thereby may be deemed to benefit the marketing efforts of the General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Governing Documents. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. Calling a large amount of capital at once to repay the then current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the

accumulated, larger capital calls at the same time. A Fund may also utilize Fund-level borrowing when a General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If the Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses.

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

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

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

Although the applicable General Partner will monitor the performance of the applicable Fund investments, it will primarily be the responsibility of each portfolio company's management team to operate such portfolio company on a day-to-day basis. Although each Fund generally intends to invest in companies with strong management or recruit strong management to such companies, there can be no assurance that the management of such companies will be able or willing to successfully operate a company in accordance with such Fund's objectives.

Absence of Operating History. A Fund will be entirely dependent on its General Partner. There can be no assurance that a Fund's investments will achieve results similar to those attained

by previous investments of the Partners of the Fund's General Partner. In addition, a Fund's investments may differ from previous investments made by the Partners of the Fund's General Partner in a number of respects, including target return levels, level of risk associated with a particular investment, amount invested in a particular company, types of companies within a particular industry sector, amount of leverage used, structure, and holding period.

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by the Fund's General Partner in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material effect on the reliability of projections.

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

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

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the 2008-2009 downturn in the U.S. and global financial markets, 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 reserves the right to invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of ParkerGale and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact ParkerGale and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant

time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to the Funds. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

U.S. Taxation of Carried Interest. U.S. federal income tax law treats certain allocations of capital gains to service providers by partnerships such as the Funds as short-term capital gain (taxed at higher ordinary income rates) unless the partnership has held the asset that generated such gain for more than three years. Additionally, 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 U.S. federal income tax purposes that under current law are treated as an allocation of the partnership's income (and which may be taxed at lower rates than ordinary income). Such rules, as well as any such legislation that may be enacted in the future, could apply to reduce the after-tax returns of individuals associated with a Fund, its General Partner or ParkerGale who were or may in the future be granted direct or indirect interests in carried interest, which could make it more difficult for the relevant General Partner and its affiliates to incentivize, attract and retain individuals to perform services for a Fund. This creates potential incentives for ParkerGale to cause a Fund to hold investments for a longer period than would be the case if such greater-than-three-year holding period requirement did not exist.

Alternative Investment Fund Managers Directive. The European Union ("EU") Alternative Investment Fund Managers Directive (the "AIFMD") regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA") and the United Kingdom. To the extent a Fund is actively marketed to investors domiciled or having their registered office in the EEA or the United Kingdom: (i) the Fund will be subject to certain reporting, disclosure and other compliance obligations under the AIFMD, which will result in the Fund incurring additional costs and expenses; (ii) the Fund and its General Partner may become subject to additional regulatory or compliance obligations arising under national law in certain EEA jurisdictions and/or the United Kingdom, which would result in the Fund incurring additional costs and expenses or otherwise affect the management and operation of the Fund; (iii) the applicable General Partner will be required to make detailed information relating to the Fund and its investments available to regulators and third parties; and (iv) the AIFMD will also restrict certain activities of the Fund in relation to EEA and/or United Kingdom portfolio companies including, in some circumstances, the Fund's ability to recapitalize, refinance or potentially restructure a portfolio company within the first two years of ownership. In addition, it is possible that some jurisdictions will elect to restrict or prohibit the marketing of non-EEA or United Kingdom funds to investors based in those jurisdictions, which may make it more difficult for a Fund to raise its targeted amount of commitments.

Need for Follow-On Investments. Following its initial investment in a given portfolio company, a Fund reserves the right to decide to provide additional funds to such portfolio company or consider have the opportunity to increase its investment in a successful portfolio company (whether for opportunistic reasons, to fund the needs of the business, as an equity cure under applicable debt documents or for other reasons). There is no assurance that a Fund will

make follow on investments or that a Fund will have sufficient funds to make all or any of such investments. Any decision by a Fund not to make follow on investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment (including an event of default under applicable debt documents in the event an equity cure cannot be made). Additionally, such failure to make such investments result in a lost opportunity for a Fund to increase its participation in a successful portfolio company or the dilution of a Fund's ownership in a portfolio company if a third party or co-investor is permitted to invest in such portfolio company.

Non-U.S. Investments. The Funds reserve the right to invest in portfolio companies that are organized or headquartered or have substantial sales or operations outside of the United States, its territories, and possessions. Such investments may be subject to certain additional risks due to, among other things, potentially unsettled points of applicable governing law, the risks associated with fluctuating currency exchange rates, capital repatriation regulations (as such regulations may be given effect during the term of the applicable Fund), the application of complex U.S. and non-U.S. tax rules to cross-border investments, possible imposition of non-U.S. taxes on the applicable Fund and/or its partners with respect to such Fund's income, and possible non-U.S. tax return filing requirements for such Fund and/or its partners. Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of the Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "**Distress Event**"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, ParkerGale, any General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any

intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impact on banking or brokerage conditions or markets.

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

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

Hedging Arrangements; Related Regulation. A General Partner reserves the right to (but is not obligated to) endeavor to manage its Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. Such Fund reserves the right to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject a Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of

assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

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

Public Company Holdings. A Fund's investment portfolio may contain securities and debt issued by publicly held companies. Such investments may subject the Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the Fund to dispose of such securities and debt at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including ParkerGale's principals, and increased costs associated with each of the aforementioned risks.

Non-controlling Investments. A Fund reserves the right to hold meaningful minority stakes in privately held companies, and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, a Fund at times reserves the right to hold minority equity stakes of any size such as might occur if portfolio companies are taken public. As is the case with minority holdings in general, such minority stakes that a Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where a Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company. Even if a Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business and investment objectives and goals.

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

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

Market Conditions. Any material change in the economic environment, including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates, could have a negative impact on the performance and/or valuation of the portfolio companies. A Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the United States in 2011 or the COVID 19 pandemic, which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event the Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of the Fund to dispose of investments at prices that its General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objectives.

Ability to Finance and Consummate Investments. A Fund's ability to generate attractive investment returns may be adversely affected to the extent a Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events occur, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of a Fund to realize its investments at favorable times or for favorable prices.

Valuation of Assets. There is not expected to be an actively traded market for most of the securities owned by the Funds. When estimating fair value, the applicable General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been

determined had an active market existed for such securities and may differ from the prices at which such securities ultimately may be sold. The exercise of discretion in valuation by a General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of management fees.

Unfunded Pension Liabilities of 80%-Owned Portfolio Companies. Recent court decisions have suggested that, where an investment fund owns 80% or more of a portfolio company, such fund (and any other 80%-owned portfolio companies of such fund) might be found liable for certain pension liabilities of such a portfolio company to the extent the portfolio company is unable to satisfy such liabilities. Although the Fund intends to manage its investments to minimize any such exposure, the Funds reserve the right to own an 80% or greater interest in a portfolio company that has unfunded pension fund liabilities. If the Funds (or other 80%-owned portfolio companies of the Fund) were deemed to be liable for such pension liabilities, this could have a material adverse effect on the operations of a Fund and the companies in which a Fund invests 80% or more of the equity.

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

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

Material Non-Public Information. As a result of the operations of ParkerGale and its affiliates, ParkerGale comes into possession of confidential or material non-public information. Therefore, ParkerGale and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or ParkerGale's internal policies. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold.

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

Data Protection Considerations. Prospective investors from countries in the European Union and the United Kingdom should be aware that, in considering and/or making an investment in a Fund, and interacting with a Fund, its affiliates, agents, advisers and/or delegates by: (i) submitting subscription documents, (ii) communicating through telephone calls, written correspondence and emails (all of which may be recorded); or (iii) providing personal data concerning individuals connected with the investor, such as directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners, advisers and/or agents, they may be providing the Fund, its affiliates, agents, advisers and/or delegates with personal data, as defined in any applicable EU and/or United Kingdom data protection legislation. The Firm has prepared a EU/UK privacy notice, which provides further information regarding the personal data collected and used by it including in relation to a Fund, and the purposes for which such personal data is processed. The EU/UK privacy notice will be provided to EU/UK investors and is also available from the applicable General Partner upon request.

Public Health Emergencies. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruption, and future such emergencies have the potential to materially and adversely impact economic production and activity in ways that are impossible to predict, all of which may result in significant losses to the Funds. The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds.

Secondaries and other GP-Led Transactions. There continues to be a significant market for secondary sales, GP-led transactions, continuation funds, successor fund investments and other transactions, and ParkerGale reserves the right to dispose of (or seek additional capital for) Fund investments by such means. Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase all or a portion of one or more investments that will continue to be managed by ParkerGale following the transaction. Such transactions are permitted to be undertaken for various reasons, including, for example, to balance

competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where ParkerGale believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by ParkerGale and its affiliates), often on different terms than their original investment in the Fund. However, certain of such transactions are expected to involve a limited partner investing (or being required to invest) additional capital in the existing Fund and/or other investment vehicles, a greater exposure to one or more particular portfolio companies, and/or a delay in the full liquidation of the Fund's investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive carried interest, if any), effectively diluting their interests.

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

its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents.

Conflicts of Interest

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

Allocation of Investment Opportunities; Co-Investments. During the investment period of a Fund, all appropriate investment opportunities will be pursued by ParkerGale, subject to certain limited exceptions set forth in the Funds' Governing Documents and ParkerGale's allocation policies. Without limitation, ParkerGale's Partners currently manage, and expect in the future to manage, several other investments similar to those in which a Fund will be investing, and expect to direct certain relevant investment opportunities or resources to those investments. ParkerGale personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. ParkerGale's Partners and ParkerGale's investment staff will continue to manage and monitor such investments until their realization. Such other investments that ParkerGale's Partners expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the commitment period of a Fund, ParkerGale's Partners may and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in ParkerGale's sole discretion, ParkerGale and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, ParkerGale personnel are permitted to serve on boards or act in other roles unaffiliated with ParkerGale, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

ParkerGale expects to be presented with certain investment opportunities that would be suitable not only for a Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of ParkerGale. In determining which investment vehicles should participate in such investment opportunities, ParkerGale and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Except as required by the relevant Governing

Documents, ParkerGale is not obligated to recommend any investment to any particular investment vehicle. Investments by more than one client of ParkerGale in a portfolio company may also raise the risk of using assets of a client of ParkerGale to support positions taken by other clients of ParkerGale.

ParkerGale must first determine which Fund(s) will, or are required to, participate in the relevant investment opportunity. ParkerGale generally assesses whether an investment opportunity is appropriate for a particular Fund based on the Fund's Partnership Agreement, as well as factors including but not limited to: conflict of interest provisions in the relevant Governing Documents and Side Letters, investment restrictions and objectives, diversification limitations, strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life-cycle and structure. ParkerGale will determine if the amount of an investment opportunity in which a Fund will invest exceeds the amount that would be appropriate for such Fund and any such excess may be offered to one or more potential co-investors, including third parties, as determined by the Fund's Partnership Agreements, Side Letters and ParkerGale's procedures regarding allocation. In certain circumstances, during the period that a portfolio company is owned by a Fund, it could acquire size, revenue, earnings, change in business focus or other characteristics that would make a follow-on investment a suitable investment for another Fund.

To the extent co-investment opportunities are available, ParkerGale reserves the right, in its sole discretion, to provide or commit to provide co-investment opportunities to one or more potential co-investors, including limited partners, vendors, service providers and/or other third parties, as determined by the Governing Documents, Side Letters and ParkerGale's procedures regarding allocation. Potential conflicts of interest are expected to arise in the allocation of such co-investment opportunities. The allocation of co-investment opportunities, which, may be made to one or more persons for any number of reasons as determined by ParkerGale in its sole discretion, may not be in the best interests of any individual investor. In exercising its sole discretion in connection with such available co-investment opportunities, ParkerGale is permitted to consider some or all of a wide range of factors, which may include an investor's participation in the first close of a Fund, the amount of an investor's commitment to a Fund and/or the likelihood that an investor may invest in a future fund sponsored by ParkerGale. Additional factors ParkerGale's procedures permit it to take into consideration in making such determinations include but are not limited to: expressed interest in co-investment opportunities; expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; perceived ability to quickly execute on transactions; tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; ParkerGale's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair ParkerGale's ability to execute the relevant transaction in the desired time or on desired terms; size of the investment allocation and practicality of dividing it up among multiple co-investors; ability of the prospective investor to invest an amount of capital consistent with the needs of the investment (including for potential add-on acquisitions); lender requirements; whether

ParkerGale believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or ParkerGale; the prospective investor's history of co-investing with ParkerGale; whether the prospective co-investor has the financial and operational resources and other relevant wherewithal to evaluate and participate in a co-investment opportunity; the likelihood that the prospective co-investor would require governance rights that would complicate or jeopardize the transaction or would be willing to defer to ParkerGale in governing the investment; whether the prospective co-investor has any interests in any competitor of the underlying investment; the size of the prospective co-investor's interest to be held in the underlying portfolio company; whether the prospective co-investor has any known investment policies and restrictions, guideline limitations or investment objectives that are relevant to the transaction, including the need for early or recurring distributions; the extent to which the prospective co-investor has previously been provided a greater amount of co-investment opportunities relative to other prospective co-investor; the expected investment holding period; and services provided by the prospective co-investor with respect to the investment. ParkerGale may grant certain third-party investors the opportunity to evaluate specified amounts of prospective co-investments in Fund portfolio companies or otherwise to have priority in co-investment opportunities. Additionally, ParkerGale expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services, these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors.

Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and ParkerGale expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such

investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment.

When and to the extent that employees and related persons of ParkerGale and its affiliates make capital investments in or alongside certain Funds, ParkerGale and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

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

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Investments by more than one client of ParkerGale in a portfolio company also have the potential to raise the risk of using assets of one client of ParkerGale to support positions taken by other clients. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. ParkerGale and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds. Subject to any relevant restrictions or other limitations contained in the Partnership Agreements of the Funds, ParkerGale will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances

and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, ParkerGale may be faced with a variety of potential conflicts of interest.

As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-investment vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. Co-investment vehicles not controlled by ParkerGale are generally not eligible to reimburse expenses associated with a particular investment unless they have definitively agreed to participate in such investment. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by ParkerGale or its affiliates using their reasonable judgment, considering such factors as they deem relevant, but in their sole discretion to be fair and equitable across these vehicles. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or co-investment vehicles (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has greater benefit to a Fund or ParkerGale. Funds generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in Funds bearing different levels of expenses with respect to the same investment.

Secondary Transfers. In certain cases, ParkerGale will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Partnership Agreement, no obligation) to identify one or more secondary transferees of interests in a Fund. In such cases, ParkerGale will not receive compensation for identifying such transferees, and will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Partnership Agreement, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund investors. Moreover, ParkerGale is permitted to purchase the interests for its own account, subject to the requirements of the applicable Fund's Governing Documents.

Portfolio Company Board Service. Employees of ParkerGale serve as directors of, or observers on boards with respect to, portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflict with those of a Fund, it is expected that the interests will be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on a Fund. Furthermore, ParkerGale personnel serving as a director to a portfolio company owes a fiduciary duty to the shareholders and, in some instances, the creditors of the portfolio company, on the one hand, and the relevant Fund, on the other hand. Such ParkerGale personnel may be in a position where they must make a decision that is either not in the best interest of a Fund or is not in the best interest of the shareholders or creditors of the portfolio company. In addition, to the extent a ParkerGale employee serves as a director on the board of more than one portfolio company, such employees' fiduciaries duties with respect to the two portfolio companies may create a conflict of interest. Certain decisions made by a ParkerGale director may subject ParkerGale, its affiliate or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, breach of duty of care, usurpation of corporate

opportunities, securities claims and other director-related claims. In general, a Fund will indemnify ParkerGale personnel from such claims. In addition, employees of ParkerGale may leave the employment of ParkerGale or its affiliates and become an officer or employee of a portfolio company.

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

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

In connection with its services to the Funds and their investments, ParkerGale, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of ParkerGale's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, ParkerGale and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "**ParkerGale Information**"). In many cases, ParkerGale Information will include tools, procedures and resources developed by ParkerGale to organize or systematize ParkerGale Information for ongoing or future use. Although ParkerGale expects its Funds and their portfolio companies generally to benefit from ParkerGale's possession of ParkerGale Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by ParkerGale and its personnel) and not by the Fund or portfolio company from which ParkerGale Information was originally received or derived. ParkerGale Information will be the sole intellectual property of ParkerGale and solely for the use of ParkerGale. ParkerGale reserves the right to use, share, license, sell or monetize ParkerGale Information, without offset to Management Fees, and the

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

Service Providers. ParkerGale generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for products or services, and such service providers are expected to include: (i) ParkerGale or a related person of ParkerGale (which may include a portfolio company of a Fund), (ii) an entity with which ParkerGale or its affiliates or current or former personnel has a relationship or from which ParkerGale or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, ParkerGale expects to be presented with opportunities to receive financing and/or other services in connection with a Fund’s investments from certain limited partners or their affiliates that are engaged in lending or related business. This discretion subjects ParkerGale to conflicts of interest, because although ParkerGale selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, ParkerGale has a potential incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest, such as an interest in maintaining goodwill between itself and its former, existing and prospective portfolio companies. There is a possibility that ParkerGale, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or ParkerGale), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. ParkerGale will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although ParkerGale generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, ParkerGale expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships and the timing of services these persons have the potential to have information advantages relative to other investors or co-investors, and likely will be offered co-investment opportunities before such opportunities are presented to other interested prospective co-investors. Based on the foregoing factors, limited partners should not expect service providers to ParkerGale or any Fund to provide services that will be the most beneficial to any limited partner. In certain circumstances where ParkerGale commits or has committed to seek “market” or “arms-length” rates or terms, ParkerGale will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. ParkerGale reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently, ParkerGale undertakes no minimum amount of benchmarking,

and does not represent that any such benchmarking ultimately will be accurate, comparable or relate specifically to the assets, services, geographies or comparable markets to which such rates or terms relate. Where such rates or terms include hourly components, ParkerGale reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not ParkerGale has a relationship or receives financial or other benefit from recommending a particular service provider, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at higher quality or lesser cost.

Cross-Transactions. Although uncommon, ParkerGale reserves the right to cause the Fund to enter into a transaction whereby the Fund purchases securities from, or sells securities to, other Funds managed by ParkerGale, or co-investors or co-investment vehicles. Such transactions may arise in the context of automatic or other re-balancing of an investment among parallel investing entities or in contexts where a portfolio company owned by one Fund is acquired by a portfolio company acquired by another Fund. In some cases a portfolio company of one Fund will be merged with or into a portfolio company owned by another Fund. Any of these transactions raise potential conflicts of interest, including where: (i) the investment of one Fund supports the value of portfolio companies owned by another Fund; or (ii) the transaction allows ParkerGale or its affiliates to realize carried interest or receive future management fees or other compensation with respect to such investments. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represent what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of ParkerGale, ParkerGale reserves the right seek to mitigate such conflicts by seeking input from an unaffiliated third party (including the use of a consultant or investment banker paid for by the relevant Fund(s) to opine as to the fairness of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of ParkerGale) or by obtaining the consent of the Fund (including, where authorized, the consent of the Fund's advisory committee) to such transactions. ParkerGale reserves the right to determine that the willingness of a third party to make an investment on the same or similar terms demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions and therefore determine not to obtain a consent or fairness opinion (except where required by applicable law). ParkerGale intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to the Fund under the circumstances, including a consideration of the potential present and future benefits with respect to each Fund. Further, cross transactions are expected to arise in the context of automatic or other re-balancing of investments among parallel investing entities, and in such circumstances ParkerGale generally will not seek a fairness opinion or advisory committee consent given that such transactions typically are effected close in time to the initial Fund's investment or pursuant to authorizing provisions in the relevant Governing Documents.

Although ParkerGale generally structures transactions to avoid circumstances in which the Fund bears liability for all or part of the obligations of co-investors, co-investment vehicles or any other ParkerGale affiliate in certain circumstances lenders and other market participants negotiate for the right to face only select Fund entities, which may result in a single Fund being

solely liable for other co-investors' and co-investment vehicles' share of the relevant obligation and/or joint and several liability among investing entities. In each such case, ParkerGale intends to cause the relevant other investing entities to enter into a back-to-back guarantee, indemnification or similar reimbursement arrangement, although the Fund undertaking the obligation in the first instance generally will not receive compensation for being primarily liable under these arrangements. In other circumstances, lenders and other market parties are expected to seek "cross default" rights under which a Fund will be treated as in default under the relevant facility in the event of a default by another Fund or a ParkerGale affiliate relating to their respective lending or other facilities; if any such provision were to be triggered, a Fund's limited partners could suffer adverse effects resulting from any default by any Fund or a ParkerGale affiliate, whether or not related to the Fund in which such limited partners have invested.

ParkerGale and/or its affiliates reserve the right to employ personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by ParkerGale and/or its affiliates; conversely, former personnel or executives of ParkerGale and/or its affiliates are expected to serve in significant management roles at portfolio companies or service providers recommended by ParkerGale. Similarly, ParkerGale, its affiliates and/or personnel maintain relationships with (or invest in) financial institutions, service providers and other market participants, including but not limited to managers of private funds, banks, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, current and former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with an investor) in, engage in transactions with and/or provide services (including services at reduced rates) to, ParkerGale and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or through ParkerGale entities, whether or not relating to financing ParkerGale personnel obligations to fund General Partner commitment obligations) to ParkerGale personnel and their estate planning vehicles. ParkerGale expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide ParkerGale information about markets and industries in which ParkerGale operates (or is contemplating operations) or will provide other services that are beneficial to ParkerGale. ParkerGale expects to be subject to a potential conflict of interest in making such recommendations, in that ParkerGale has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to a Fund or its portfolio companies.

Conflicts Relating to ParkerGale and its Affiliates. ParkerGale, its affiliates, and equity holders, officers, principals and employees of ParkerGale and its affiliates reserve the right to buy or sell securities or other instruments that ParkerGale has recommended to a Fund. Any such transactions are subject to any restrictions in the Fund's Partnership Agreement and the policies and procedures set forth in ParkerGale's Code of Ethics, which, among other matters, forbids any trade that competes with a Fund investment and requires preclearance of

trades in securities in which the Firm may have material non-public information. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of ParkerGale have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, as well as in investment vehicles (including private funds) sponsored by potential competitors, and therefore expect to have additional conflicting interests in connection with these investments.

A Fund's General Partner generally is permitted to receive a distribution in kind from the Fund, including in connection with investment dispositions or the payment in kind of amounts owed to the General Partner as carried interest (which generally will be made using the value of the relevant securities on the date of distribution). In such circumstances, there is a potential conflict of interest between the General Partner (and its beneficial owners) and the relevant Fund's limited partners. For example, the General Partner and its beneficial owners may intend to hold the investment for a different time period than ParkerGale deems suitable for the Fund. Although the General Partner and its beneficial owners bear the risk that such securities will decrease during their holding period, to the extent the value of the relevant securities increases following the Fund's disposition thereof, neither the relevant Fund nor its limited partners will benefit from the increase, and over time the economic benefit to the General Partner and its beneficial owners could exceed the value of the General Partner's *pro rata* interest in the Fund and the amount of carried interest owed. To the extent the beneficial owners of the General Partner contribute such securities to a charity (including to a private foundation or other charitable organization associated with, operated or chosen by such persons or their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

In borrowing on behalf of a Fund, ParkerGale is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving carried interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs. ParkerGale will effect such borrowings in a

manner it believes to be fair and equitable to the relevant Fund, and consistent with ParkerGale's obligations to the Fund under the Governing Documents.

Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by ParkerGale, are reimbursed by a Fund and/or its portfolio companies, ParkerGale will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses and has no obligation to do so.

Because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of a Fund, based upon capital invested by such Fund, this fee structure may create an incentive to deploy capital when ParkerGale may not otherwise have done so.

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

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

The Adviser's wide-ranging authority on the determination of Impaired Value Investments, and the criteria used by the relevant General Partner or its affiliates in valuing an investment, or determining whether an investment is an Impaired Value Investment, have the potential to be subjective, to be influenced by market information and other factors and to vary over time. There can be no assurance that a third party or investor would agree with the substance or timing of the relevant General Partner's determination that an investment is an Impaired Value Investment, and except as set forth in the Governing Documents, neither the General Partner nor its affiliates is obligated to follow any third-party methodology in making its

determination on whether an investment meets the relevant standards or whether value can be recovered or retained during the Fund's holding period. In making its determination, the General Partner is entitled to make its own determination taking into account all facts and circumstances it deems relevant, subject to the provisions of the Governing Documents. As a general matter, the standards for determining Impaired Value Investments are intended to be high, and are not intended to apply to investments experiencing partial or temporary declines in value. Because the amount of the Adviser's compensation is dependent in part on an investment's status as an Impaired Value Investment, the relevant General Partner faces potential conflicts of interest in determining whether an investment meets, or continues to meet, the relevant criteria. Although the Adviser intends to operate in accordance with the Governing Documents, as well as ParkerGale's valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Since ParkerGale is permitted to retain certain Transaction Fees (as described under "Fees and Compensation") in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, Transaction Fees are based on enterprise value or other metrics relating to a portfolio company, but also have the potential to be charged on a flat-fee basis or based on another metric, and there can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of hours of work performed or tangible work product generated on behalf of the portfolio company. Additionally, ParkerGale, its personnel, affiliates or others designated by ParkerGale expect to receive compensation in the form of portfolio company securities. To the extent any such securities are received, after any applicable offset provisions in the Governing Documents are applied, ParkerGale and/or such other recipients will be permitted to retain such securities, and in doing so will be subject to potential conflicts of interest in determining whether to sell such securities (subject to restrictions imposed by the portfolio company and/or ParkerGale) or retain such securities for a period consistent with their own financial and investment objectives, which may differ from those of the relevant Fund. In addition, because portfolio company securities typically represent newly issued incentive equity (whether in the form of common stock, warrants or options to buy common stock, or similar instruments), the receipt of compensation in the form of securities typically has the result of diluting a Fund's relative ownership of the portfolio company awarding such compensation.

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

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

or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, as well as economic, procedural and other terms, many of which will not be subject to the “most-favored nation” provisions of a Fund’s Governing Documents.

ParkerGale is likely to have its own economic and/or other business incentives to provide certain terms to certain limited partners, e.g., based on commitment amount to a Fund or the timing thereof, the ability of a limited partner to provide sourcing or other services to ParkerGale, its affiliates and personnel or the Funds, or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to ParkerGale, its affiliates and personnel, or the Funds. Further, Side Letters also are expected to relate to strategic relationships under which an investor agrees to make Commitments to multiple Funds. Except in the circumstances and on the timing required by Governing Documents and/or applicable law, other investors will not receive copies of Side Letters or related provisions, and as a general matter, the other investors have no recourse against a Fund, ParkerGale, the relevant General Partner or any of their affiliates in the event that certain investors have received additional and/or different rights and/or terms as a result of such Side Letters. Side Letters subject ParkerGale to potential conflicts of interest, including in circumstances where an investor’s right to serve on the relevant Fund’s advisory committee results in the investor receiving additional information relative to other investors. To the extent an investor is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other investors may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. Other Side Letter rights are likely to confer benefits on the relevant limited partner at the expense of the relevant Fund or of limited partners as a whole, including in the event that a Side Letter confers additional reporting, information rights and/or transfer rights, the cost and expenses of which are expected to be borne by the relevant Fund.

As a consequence of one or more limited partners being excused or excluded, or from regulatory, tax or other factors altering or limiting their participation in investments or ability to bear certain liabilities or obligations, the aggregate returns realized by participating or non-participating limited partners could be adversely affected in a material manner by the unfavorable performance of particular investments; similar considerations apply in the event a limited partner defaults on a drawdown in respect of an investment. Although ParkerGale believes it to be unlikely, excuse or other rights requested or received by one or more limited partners (or such regulatory, tax or other factors applicable to such limited partners) representing a substantial percentage of a Fund have the potential to create significant variations in limited partner investment returns or exposures to liabilities or obligations, or to influence or affect the investment strategy and pursuit of investment opportunities by the General Partner on behalf of the relevant Fund as a whole. A limited partner’s voting rights for regulatory or other reasons can be limited in circumstances specified in the Governing Documents; conversely, a limitation on one or more limited partners’ voting rights generally will increase the voting rights percentage of other limited partners in the relevant Fund. Further, limited partners with different domiciles or tax categorizations could receive different investment returns or amounts of tax basis and/or pay different levels of expenses, e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund.

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

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

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

ParkerGale organizes and sponsors private limited partnerships. These pooled investment vehicles managed by ParkerGale are controlled by the affiliated General Partner entities (referred to in the "Advisory Services" section). ParkerGale is affiliated with the General Partners which operate as a single advisory business together with ParkerGale and serves as the general partner of the Funds and generally share common owners, officers, partners, employees, consultants or persons occupying similar positions.

ParkerGale is not affiliated with any investment advisers or broker-dealers.

Neither ParkerGale nor its personnel are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

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

ParkerGale has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of ParkerGale’s Partners and employees and addresses conflicts that arise from personal trading. The Code requires ParkerGale personnel to report their personal securities transactions, outside business activities, gifts and entertainment, political contributions, and all conflicts of interest (potential and actual, whether known or unknown to Ross Goffi, ParkerGale’s Chief Compliance Officer (“CCO”). The Code requires pre-clearance by ParkerGale personnel when directly or indirectly acquiring beneficial ownership or disposing of securities in an initial public offering or Limited Offering (as defined in Rule 204A-1 of the Advisers Act). In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to ParkerGale’s CCO, at (312) 698-6300. Personal securities transactions by employees who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

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

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

Partners and employees of ParkerGale and its affiliates reserve the right to directly or indirectly own an interest in one or more Funds, including certain co-investment vehicles. To the extent that co-investment vehicles exist, such vehicles reserve the right to invest in one or more of the same portfolio companies as a Fund. Co-investment opportunities may also be presented to certain affiliates of ParkerGale, as well as third party investors and other persons, and such co-investments may be effected through co-investment vehicles or directly in a particular portfolio company. Such co-investment opportunities generally will be allocated in the manner described under “Methods of Analysis, Investment Strategies and Risk of Loss,” and in the Funds’ Governing Docs and in accordance with ParkerGale’s investment allocation policy

ParkerGale and its affiliates, Partners and employees reserve the right to carry on investment activities for their own account and for family members, friends or others who do

not invest in a Fund, and reserve the right to give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, any Fund, even though their investment objectives may be the same or similar.

BROKERAGE PRACTICES

ParkerGale focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions in which the services of a broker-dealer may be retained. However, ParkerGale reserves the right to also distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, if a public trading market exists. Although ParkerGale does not intend to regularly engage in public securities transactions, to the extent it does so, it follows the brokerage practices described below.

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

If ParkerGale sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by ParkerGale. In such event, ParkerGale will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, ParkerGale may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

ParkerGale has no duty or obligation to seek in advance competitive bidding for the most favorable commission rate applicable to any particular client transaction or to select any broker on the basis of its purported or "posted" commission rate, but will endeavor to be aware of the current level of the charges of eligible brokers and to reduce the expenses incurred for effecting client transactions to the extent consistent with the interests of such clients. Although ParkerGale generally seeks competitive commission rates, it may not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker involved and thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine services.

Consistent with ParkerGale seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although ParkerGale generally does not make use of such services at the current time and has not made use of such services since its inception. ParkerGale does not anticipate engaging in significant public securities transactions; however, to the extent that ParkerGale engages in any

such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, ParkerGale reserves the right to also purchase or sell the same securities or instruments for several Funds simultaneously. ParkerGale is permitted, but not obligated, to purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of ParkerGale is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

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

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

REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. However, ParkerGale closely monitors companies in which the Funds invest. Portfolio investments are constantly monitored by ParkerGale’s investment professionals through active participation on the board of each portfolio company, weekly investment team and all company meetings and ParkerGale’s Chief Compliance Officer periodically checks to confirm that each Fund is maintained in accordance with its stated objectives.

Each Fund generally will provide to its limited partners (i) annual GAAP audited and quarterly unaudited financial statements, (ii) annual tax information necessary for each limited partner’s tax return and (iii) annual reports providing a narrative summary of the status of each portfolio company investment.

CLIENT REFERRALS AND OTHER COMPENSATION

ParkerGale and/or its affiliates reserve the right to provide certain business or consulting services to companies in a Fund’s portfolio and reserves the right to receive compensation from these companies in connection with such services. As described in the Partnership Agreement, this compensation may, in many cases, offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out of pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* “Fees and Compensation.”

ParkerGale reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents will be borne by ParkerGale indirectly through an offset against the applicable Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). ParkerGale retained Shannon Advisors LLC (“**Shannon**”) to serve as a placement agent for the Funds specified in their respective engagement agreements. In exchange for such placement services on behalf of ParkerGale and the applicable Fund, which include introducing prospective investors and reviewing such Fund’s offering materials, Shannon has or will receive a flat placement fee plus a percentage of commitments to the applicable Fund in excess of a specified threshold. Also, Shannon has or will have certain of its expenses reimbursed.

CUSTODY

ParkerGale maintains custody (within the meaning of Advisers Act Rule 206(4)-2 (the “**Custody Rule**”)) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, with the following qualified custodians: Silicon Valley Bank and BMO Harris N.A. Information about each Fund’s custodial relationship(s) may be found in Item 7.B.(1) of Form ADV, Part 1.

INVESTMENT DISCRETION

The General Partners have discretionary authority to manage investments on behalf of the Funds. As a general policy, ParkerGale does not allow investors/limited partners in the Funds to place limitations on this authority. Pursuant to the terms of the Partnership Agreements, however, ParkerGale and/or its affiliates reserve the right to enter into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund may be altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. ParkerGale assumes this discretionary authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

ParkerGale has adopted the ParkerGale Proxy Voting Policies and Procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for the Fund’s (and any other Fund’s) portfolio investments. The Proxy Policy seeks to ensure that ParkerGale votes proxies (or similar instruments) in the best interest of the applicable Fund, including where there may be material conflicts of interest in voting proxies. ParkerGale generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that ParkerGale reserves the right to address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board may approve ParkerGale’s vote in a particular solicitation. ParkerGale

does not consider service on portfolio company boards by ParkerGale personnel or ParkerGale's receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by ParkerGale when voting proxies on behalf of a Fund. Clients or investors that would like a copy of ParkerGale's complete Proxy Policy or information regarding how ParkerGale voted proxies for particular portfolio companies may contact Ross Goffi, ParkerGale's Chief Compliance Officer, at (312) 698-6300, and it will be provided at no charge.

FINANCIAL INFORMATION

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