

## **ADV PART 2A: FIRM BROCHURE**



**Antarctica Investment Advisors, LLC  
Antarctica Data Partners, LLC  
Antarctica Infrastructure Partners, LLC  
Antarctica Structured Investment Advisors, LLC  
Antarctica Credit Partners, LLC  
Antarctica Real Estate Partners, LLC  
Antarctica Special Situations Partners, LLC**

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March 30, 2024

This Investment Adviser Brochure ("Brochure") provides information about the qualifications and business practices of Antarctica Investment Advisors, LLC ("AIA") and its relying advisers, Antarctica Data Partners, LLC ("ADP"), Antarctica Infrastructure Partners, LLC ("AIP"), Antarctica Structured Investment Advisors, LLC ("ASIA"), Antarctica Credit Partners, LLC ("ACP"), Antarctica Real Estate Partners, LLC ("AREP"), Antarctica Special Situations Partners, LLC ("ASSP") (AIA, ADP, AIP, ASIA, ACP, AREP, and ASSP, each individually, an "Adviser," and collectively, the "Advisers"). If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer at (212) 983-1602. 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.

AIA is a registered investment adviser with the SEC under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and ADP, AIP, ASIA, ACP, AREP, and ASSP are each relying advisers that rely on the registration of AIA. However, such registration does not imply a certain level of skill or training.

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

## **Item 2 - Material Changes**

Since the last version of the Brochure (March 31, 2023), the Advisers have made the following material changes to the Brochure:

- Updates to the regulatory assets under management figure in Item 4;
- Updates to the description of the types of Fund clients in Item 7;
- Certain updates to risk disclosures and strategies included in Item 8;
- Updates to the firm's affiliates disclosed in Item 10, reflecting the recently closed transaction with Midwest Holding Inc.; and
- Inclusion of a summary of the Advisers' investment opportunity allocation policies in Item 11.

The Advisers' current and potential investors are encouraged to read this Brochure as well as all of the governing documents applicable to their current or prospective investment in their entirety.

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## **Item 4 - Advisory Business**

This brochure applies to Antarctica Investment Advisors, LLC (“AIA”) and relying advisers Antarctica Data Partners, LLC (“ADP”), Antarctica Infrastructure Partners, LLC (“AIP”), Antarctica Structured Investment Advisors, LLC (“ASIA”), Antarctica Credit Partners, LLC (“ACP”), Antarctica Real Estate Partners, LLC (“AREP”), and Antarctica Special Situations Partners, LLC (“ASSP”) (collectively the “Relying Advisers”, and together with AIA, the “Advisers”) are all Delaware limited liability companies. AIA is a Delaware limited liability company that commenced operations in 2014 and is registered as an investment adviser pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”) with the U.S. Securities and Exchange Commission (the “SEC”). Each Relying Adviser relies on the investment adviser registration of AIA, which files a single umbrella registration on behalf of itself and the Relying Advisers. The Relying Advisers were launched as follows: ADP, a limited liability company which was formed in 2021, AIP, a limited liability company which was formed in 2012, ASIA, a limited liability company which was formed in 2018, ACP, a limited liability company which was formed in 2019, AREP, a limited liability company which was formed in 2006, and ASSP, a limited liability company which was formed in 2022.

Antarctica Capital, LLC (the “Sponsor”) is dedicated to investments in private equity, debt, infrastructure, real estate, growth capital, special situations, alternative energy, and structured credit strategies, which invest capital primarily through acquiring interests in companies or underlying assets. The indirect principal owner of the Sponsor and each of the Advisers is Chandra R. Patel (the “Managing Member”), who, together with certain other members of the senior management team of the Sponsor, indirectly controls the Sponsor and the Advisers. The Sponsor and the Advisers collectively operate as an alternative asset management firm headquartered in New York City under the name “Antarctica Capital.” For purposes of this brochure, “Antarctica Capital” includes (where the context permits) affiliated general partners of the Funds (as defined below) and other affiliates that provide advisory, management or other services to the Funds.

In addition, in the future the Sponsor may establish an affiliate to provide investment advisory services to certain entities, and/or investment vehicles, the investment strategy of which could be similar to, overlap with, or be different from the strategies of the Funds (as defined below).

Antarctica Capital’s investment approach emphasizes deep knowledge of industry and target asset/company dynamics, conviction around specific trends, and the pursuit of catalyst-driven market opportunities. The Advisers’ objective is to offer investors access to transaction opportunities that are either off-market or require a particular set of expertise and relationships not readily available to other alternative investment managers. This often leads an Adviser towards investment strategies or overlooked companies and assets that it believes can be enhanced through operational transformation or consolidation strategies. The Advisers have an absolute return focus which leads them to rigorously evaluate and build conviction around idiosyncratic investment opportunities.

The Advisers manage various private funds and other pooled investment vehicles, including single-investor funds customized for the needs of a particular investor (each a “Fund” and collectively, “Funds”). Investment advisory services provided to each Fund are tailored to such Fund’s specific investment strategy, objectives, limitations and restrictions, as set forth in each investment advisory agreement, private placement memorandum, offering circular and other Fund constituent documents (“Fund Documents”).

To the extent permitted by the relevant Fund Documents, Antarctica Capital on behalf of a Fund, as applicable, can, in its sole and absolute discretion, agree to waive or modify the application of any provision of the offering terms described herein with respect to any limited partner, by side letter or otherwise, without obtaining the consent of any other limited partner. Such side letters can provide for the following modified terms: (i) various

notification requirements; (ii) limitations on the Fund's ability to distribute securities in kind; (iii) the provision of audited financial statements within certain periods of time; (iv) the provision of information relating to a Fund's portfolio holdings (subject to non-disclosure agreements and other confidentiality considerations); (v) reduced management fees, carried interest or fee rebates; (vi) minor investment restrictions that do not materially affect a Fund; (vii) the provision of periodic pricing information; or (viii) provisions necessary to accommodate a particular investor's legal, tax, sovereign or regulatory status, accounting considerations, contractual obligations, or internal guidelines or policies.

The Advisers' investment strategies include SEREY™, SIGA®, and SARO®. The SEREY™ (Structured Equity Release and Enhanced Yield) strategy utilizes annuity-based reinsurance to provide investors an opportunity to finance illiquid assets attractively, providing incremental yield/return and diversification of exposure. SIGA® (Secure Income and Growth Assets) is an investment strategy for originating and optimizing investments related to real assets that offer income generation and opportunities for capital appreciation. The SARO® (Structural Alpha and Return Optimization) strategy seeks to enhance asset values through the identification of structural alpha and return optimization. SARO®'s value creation levers include structural arbitrage, capital optimization, maturity transformation, collateral transformation, credit transformation, liquidity transformation, and regulatory optimization. Please see Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss for additional detail.

As of December 31, 2023, the Advisers had approximately \$3,508,548,221 in client regulatory assets under management on a discretionary basis.

## **Item 5 - Fees and Compensation**

This Item 5 summarizes the fees paid by the Funds. All investors and prospective investors should, however, review the Fund Documents delivered in connection with an investment in a Fund in addition to this Brochure for more complete information on the fees, compensation and expenses related to a specific Fund. The below descriptions of fees and expenses are subject in their entirety to the information provided in such Fund Documents. In addition, and as previously described, the Advisers may occasionally enter into a side letter arrangement with certain Fund investors, in which the Advisers may grant such investors with preferential terms.

### **Management Fees**

The Advisers generally charge the Funds an annual management fee of up to 2% of a Fund's capital commitments, invested capital or another agreed upon metric, payable on a monthly or quarterly basis in advance or in arrears to the Advisers or an affiliate. However, from time to time the Advisers will negotiate a different fee structure, such as a flat fee for management services (collectively, the "Management Fee"). The Management Fee calculations and timing of payments are governed by the Fund Documents.

Pursuant to the terms of the applicable Fund Documents, any Management Fees paid in advance will be refunded on a pro rata basis if the advisory relationship is terminated prior to the end of the relevant billing period.

### **Other Expenses**

In addition, certain investment advisory agreements or other Fund Documents, as applicable, provide for an incentive fee, carried interest or incentive allocation (collectively, "Performance-Based Fees") of up to 35% of

all net income and gains derived from portfolio investments. In some cases, Performance-Based Fees are subject to a hurdle rate of return equal to either a fixed dollar amount, a percentage return, or a floating rate of interest. In addition to paying Management Fees and Performance-Based Fees, the Funds also pay other investment expenses, such as expenses incurred in connection with the evaluation, discovery, investigation, development, acquisition, monitoring, management, holding, enhancement, restructuring or disposition of portfolio investments, whether or not consummated, and any other expenses reasonably related to the purchase, management, administration, custody, sale or transmittal of Fund assets, or obtaining necessary insurance coverage, including any out of pocket costs initially paid by an Adviser. Out of pocket costs are reimbursed as specified in the relevant Fund's Fund Documents. To the extent applicable, a Fund will incur brokerage, pursuit, diligence and other transactions costs. Fund investors should review the Fund Documents carefully for additional information related to conflicts of interest that arise in connection with the Management Fees.

The Advisers or certain of their affiliates have the right to receive certain non-investment advisory fees in connection with the Funds or portfolio companies, as described in the respective Fund Documents. For example, the Advisers or their affiliates could be entitled to receive (i) certain professional services or related fees from a portfolio company in connection with certain transactions; (ii) certain monitoring or consulting fees from a portfolio company for services provided to the portfolio company; (iii) fees for serving on the board of directors of a portfolio company; and (iv) other administrative, operational, transaction, advisor, executive, or related fees with respect to portfolio investments.

**The information contained herein is a summary only and complete disclosures describing fees and expenses are provided to investors in the respective Fund Documents.**

## **Item 6 - Performance-Based Fees**

As discussed in Item 5, certain Funds are subject to Performance-Based Fees as provided in the relevant Fund Documents. Such Performance-Based Fees create an incentive for the Advisers to make investments that are riskier or more speculative than in their absence and to make different decisions regarding the timing and manner of realization of such investments.

Performance-Based Fees payable to the Advisers and/or their advisory affiliates are primarily based on net income and realized and unrealized gains and losses. For other Funds, performance fees received by the Advisers and/or their affiliates are primarily based on a return of capital plus a designated preferred return.

To mitigate these potential conflicts of interest, the Advisers and the Sponsor follow detailed investment and allocation processes designed to ensure that over time investment opportunities are allocated fairly and equitably among the Funds managed by the Advisers without undue consideration for potential Performance-Based Fees. Please see Item 11 for additional information.

## **Item 7 - Types of Clients**

The Advisers provide portfolio management services to the Funds. Each Fund limits its respective investors to persons who are both: (i) "accredited investors" as defined in the Securities Act of 1933, as amended (the "Securities Act"), and (ii) "qualified clients" as defined in the Investment Advisers Act of 1940, as amended, and/or "qualified purchasers" as defined in the Investment Company Act of 1940, as amended (the "1940 Act"). Investors in the Funds are generally institutional and other sophisticated investors. Any initial subscription or commitment minimums for investors are disclosed in the Fund Documents, although the

general partners/managing members of such Funds have the ability to waive such minimum investment. As noted in Item 4, some Funds are organized as commingled investment vehicles, while other Funds are established as single-investor funds based on the specific needs of an investor. Investors in such single-investor funds are typically insurance companies or other highly sophisticated institutional investors.

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

### **Investment Strategies and Methods of Analysis**

The information set forth below summarizes the investment methods and strategies utilized by the Funds. Please consult the respective Fund Documents for a complete description of the methods of analysis and investment strategies utilized by the Advisers. This summary should not be interpreted to limit in any way the Advisers' investment activities. The Advisers offer advisory services, provide advice with respect to investment strategies and make investments that they, in the exercise of their respective discretion, consider appropriate, subject to each Fund's investment objectives and guidelines. There can be no assurance that the investment objectives of any Fund will be achieved.

Subject to the respective Fund Documents, the relevant Adviser and general partner of a Fund are responsible for making all investment decisions, including any buy, sell and financing decisions. While the decisions of such Adviser and general partner of such Fund will be subject to the investment objectives and guidelines set forth in the applicable Fund Documents, the relevant Adviser and general partner of such Fund could take into account other factors, considerations and other interests in making such decisions, including their own interests or the interests of other Funds or any of their respective portfolio investments.

The Advisers advise the Funds and other investment vehicles that pursue private equity, debt, infrastructure, real estate, growth capital, special situations, alternative energy, and structured credit strategies, which invest capital primarily through acquiring interests in companies or underlying assets. The Advisers emphasize deep knowledge of industry and target asset/company dynamics, conviction around specific trends, and the pursuit of catalyst-driven market opportunities. The Funds' objectives are to offer investors access to transaction opportunities sourced by the Advisers and that the Advisers believe require a particular set of expertise and relationships not readily available to other alternative investment managers. This often results in investments in overlooked companies and assets that can be enhanced through operational transformation or consolidation strategies. The Funds have an absolute return focus which leads the Advisers to rigorously evaluate and build conviction around idiosyncratic investment opportunities.

The Advisers have a rigorous investment process and their respective teams bring in-depth expertise to each element of the investment process: origination and underwriting of opportunities, investment and execution, asset management, and disposition. The Advisers employ an extensive and rigorous approach to diligence that incorporates various methods of analysis, including fundamental and technical methods, when analyzing potential investments. The Advisers' investment teams utilize multiple sources of information in analyzing investments, including third-party consultants (e.g., industry experts, technical and/or market consultants that provide industry and technical advice), lawyers, accountants, asset operators, in-person meetings with the portfolio company's management, due diligence visits to operational facilities and other physical assets, and discussions, as appropriate, with suppliers, customers, competitors and former employees. The Advisers will also utilize financial and industry data sources, public and private databases, inspections of corporate activities, research materials prepared by the Advisers' or their affiliates' investment teams that are actively involved in shaping the direction and transformation of portfolio companies and assets. In addition to value

creation tools employed by traditional public and private market investors, such as debt pay down, profit growth initiatives, technology re-engineering and management team enhancements, the Advisers seek to drive value by focusing on creative solutions to operational, financial and/or liquidity challenges and providing resources and operating expertise drawing on the Advisers' resources and relationships. Their investment approach which emphasizes strong underwriting discipline, partnering with leading management teams, execution of growth strategies, technology, operational consulting, and capital structure optimization, helps to maximize value throughout the investment lifecycle.

The Advisers' investment focus includes:

- 1) Financial Services - An investment strategy that targets investments in debt, preferred equity, surplus notes and equity of public and private financial services companies. This includes investment in vehicles in order to obtain direct or indirect ownership of underlying securities or companies in this sector. The Advisers' focus is on segments in the financial services market in which the Advisers have specific expertise and experience including, but not limited to, insurance, reinsurance, specialty finance, and asset management. These investments include those that deliver not only standalone profitability but also can provide access to permanent or long-term capital.
- 2) Real Assets - A targeted investment focus on investments in infrastructure and real estate assets and companies across a broad range of sectors and investment types. Sectors include transportation and logistics (e.g., airports, ports, roads, bridges, tunnels, railway lines, parking, and mass transit structures), alternative energy (including renewables such as wind and solar, battery storage, transmission and energy transition assets as well as the land on which any of these assets are located), power & utilities, water assets, telecommunications, real asset-related business services such as parking and security services, and digital infrastructure, including data centers, data transport, wireless assets, and tech-enabled infrastructure. The strategy also includes investments in carbon credit and capture related companies and assets including royalties. In addition the Advisers target investments in real estate assets, including direct investments in commercial or residential real property, land, debt (including commercial mortgage backed securities, including CMBS and CRE CLOs and commercial and residential loans including whole loans, participations, subordinated tranches of commercial mortgage backed securities known as "B-Pieces," and subordinate tranches of real estate debt in the form of b-notes, subordinate participations, mezzanine debt, and preferred equity), strategic investments, and businesses with significant real estate holdings across residential properties, active adult or senior living facilities, industrial and logistics properties, student housing, healthcare and life science services, parking facilities, self-storage properties, office, hotels, and other segments.
- 3) Data Collection, Communications and Analytics— A targeted investment focus on growth companies that are: collecting, aggregating and/or distributing data (including remote sensing, data scraping, or in-situ sensors); providing analytics and/or software to derive insights (including the application of cloud technologies and artificial intelligence/machine learning); or providing communication services and/or other new technology-enabled business models that displace incumbent infrastructure players or change their markets.
- 4) Debt – A focus on secured, unsecured and subordinated debt investments in companies and assets that are be structured as first-lien (including debtor-in-possession financings), second lien and mezzanine investments backed by assets, and can be investment grade rated, non-investment grade rated or unrated. These investments include equity in the form of warrants or other equity-linked securities affording participation in the upside performance of the issuer. Debt investments, such as surplus notes, trust preferred securities and other hybrid securities, can be structured to provide equity capital credit to the borrower. In addition, credit opportunities potentially not only include single name investments, but also credit risk transfer investments or other structured transactions. These pooled investments tend to be debt securities issued by special purpose vehicles or credit-



linked notes, collateralized financial guarantees and collateralized credit default swaps. The returns usually are linked to the performance of loans (for example, portfolios of loans to small and medium enterprises, commercial and industrial loans, counterparty exposure, and residential mortgages) and secondary positions with exposure to similar assets of banks and insurance companies. The transactions usually help issuing banks and insurance companies to reduce risk-weighted assets, improve regulatory capital ratios, transfer the risk of credit losses and meet other regulatory requirements. The Advisors' fundamental credit evaluation is based on quantitative analysis and business judgment.

- 5) Structured credit - Generally includes investments in collateralized debt obligations ("CDOs") (including, without limitation, securitized asset funds in the form of collateralized loan obligations ("CLOs"), trust preferred CDOs, commercial real estate CDOs, collateralized synthetic obligations, multi-sector CDOs, other corporate CDOs and asset-backed securities ("ABS") CDOs), ABS (including, without limitation, securities backed by consumer and commercial receivables, aircraft leases, shipping leases, data center leases, future flow payments, whole business securitizations, litigation finance and other non-mortgage ABS), Mortgage-Backed Securities ("MBS") (including without limitation, agency and non-agency securities backed by residential and commercial loans, re-securitizations and re-REMICs), as well as synthetic or structured versions of any of the foregoing. Structured credit investments are subject to risks associated with defaults in the underlying assets as well as interest rate, market, documentation, prepayments, sovereign and other risks. The Advisers also make investments in vehicles in order to acquire or obtain direct or indirect ownership of underlying securities, loans or other assets or instruments. The Advisers make investments throughout the capital structure, and in certain circumstances at multiple levels of the same issuer.
- 6) Special Situations - A targeted special situations strategy that looks for events or catalysts to drive value, and to invest in opportunities where the Advisers believe they can benefit from market inefficiencies or significant complexity. This strategy seeks to protect against loss by making investments at what the Advisers perceive to be substantial discounts to intrinsic value, and the strategy also involves active participation in restructurings or other event-driven situations in order to help alleviate circumstances we perceive to be the root causes of market dislocation. The special situations strategy combines expertise in both credit and private equity investing and seeks to generate equity-like returns while taking less than commensurate risk. This strategy includes investing in special purpose acquisition companies (SPACs), the sponsors of such SPACs or in investment vehicles that invest in such SPACs or their sponsors.

## **Risk of Loss**

### **THERE CAN BE NO ASSURANCE THAT CLIENTS WILL ACHIEVE THEIR INVESTMENT OBJECTIVE**

#### **Material Risks**

Investing in securities involves a substantial degree of risk. A Fund could lose all or a substantial portion of its investments, and Funds and their investors must be prepared to bear the risk of a complete loss of their investments. In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the risk factors summarized below. These risk factors are not applicable to all Funds. Such summary does not purport to be a complete list or explanation of the risks involved in an investment in a Fund. The Fund Documents include a more detailed summary of material risks applicable to the Fund and its investment strategy and structure and should be read in conjunction with the risks below. Investors should also refer to such Fund Documents for a description of the risk factors specific to such Fund.

*General Risks relating to the Funds.* Investments made by the Funds, involve a number of material risks including (but not limited to) the risks discussed below.

*General Economic and Market Conditions.* General economic or market conditions can adversely affect the performance of the investments made by the Funds. Factors affecting economic conditions, including, for example, public market volatility, inflation rates, rising interest rates, currency devaluation, exchange rate fluctuations, industry conditions, competition, technological developments, domestic and worldwide political, military and diplomatic events and trends, and innumerable other factors, none of which will be in the control of the Funds, the Advisers or the Funds' portfolio companies, can substantially and adversely affect the business and prospects of the Funds and their portfolio companies. A general economic downturn could also result in the diminution or loss of value of the investments made by the Funds due to a number of factors, including a reduced demand for the products or services produced by the Funds' portfolio companies. In addition, a downturn or contraction in the economy or in the capital markets, or in certain industries or geographic regions, can restrict the availability of suitable investment opportunities for the Funds and opportunities to liquidate the Funds' investments on favorable economic terms, each of which could prevent the Funds from meeting their investment objectives.

*No Assurance of Investment Return.* The Funds cannot provide assurance that it will be able to choose, make and realize investments in any particular company or portfolio. Partial or complete sales, transfers or other dispositions of investments which can result in a return of capital or the realization of gains, if any, are generally not expected to occur for a number of years after an investment is made. There is no assurance that the Funds will be able to generate returns for investors or that the returns will be commensurate with the risks of investing in the type of companies described herein. The Interests are not readily marketable, and the Funds' investments will be illiquid. An investment in the Funds should only be considered by persons who can afford a loss of their entire investment. Past performance of investments associated with the Advisers is not necessarily indicative of future results of the Funds, and there can be no assurance that projected or targeted returns for the Funds will be achieved.

*Illiquid and Long-Term Investments.* Investment in the Funds are speculative in nature and require a long-term commitment, with no certainty of return of capital or gains. The investments are expected to be predominantly illiquid and there can be no assurance that the Funds will be able to generate returns for investors. An investment can be illiquid because it is thinly traded or because a particular position is large in relation to the overall market for the security. The Funds can own investments that are relatively liquid when acquired but that later become illiquid. The Funds may not be able to liquidate illiquid positions if the need were to arise; rapid sales of such investments could depress the market value of those positions, reducing investment returns (or increasing losses) in the positions. In addition, the Funds invest in private securities for which no immediate market for divestiture exists. Investors should be aware that the value assigned to illiquid investments (including thinly traded securities) and large blocks of securities for purposes of determining the Funds' net asset values and determining net profit and net loss could differ from the value the Funds are ultimately able to realize on those securities. The realizable value of a highly illiquid investment could be different than its intrinsic value.

Although certain investments by the Funds generate current income, the return of capital and the realization of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment, as to which there can be no certainty. While investments of the Funds can generally be sold at any time, sales typically only occur a substantial number of years after the investment is made. The Funds will generally not be able to sell securities comprising an investment publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, in some cases a Fund will be prohibited by contract from selling certain securities for a period of time, which will restrict their ability to exit the relevant investment and sometimes means that the Fund is unable to take advantage of favorable market prices when doing so. In view of such limitations on liquidity, which are illustrative and not exhaustive, the Funds will generally not be able to realize on an investment until the sale of such investment. Furthermore, such illiquidity sometimes continues even if the underlying portfolio companies or other relevant issuers obtain listings on securities exchanges. There can be no assurance that a

Fund will be able to dispose of its investments at the price and at the time it wishes to do so, and investors should expect that they will likely not receive a return of their capital for a long period of time even if the investments of the Fund in which they are invested prove successful. Certain investments by the Funds are in securities that are or may become publicly traded. Such investments are subject to economic, political, interest rate and other risks, any of which could result in an adverse change in the market price.

*Valuation Risks.* The Funds rely on the Advisers and the relevant general partner or managing member of a Fund, as applicable (each an “Antarctica GP”), for valuation of their assets and liabilities. The Funds primarily hold securities and other assets that will not have readily ascertainable market values. In such instances, Antarctica Capital will determine the fair value of such securities and assets in its reasonable judgment based on various factors and in reliance on internal pricing models, in accordance with Antarctica Capital’s valuation policies and procedures. Antarctica Capital makes use of, and relies on, valuation information and data developed and provided by certain third-parties. Such valuations sometimes vary from similar valuations performed by other independent third-parties for similar types of securities or assets. The valuation of illiquid securities and other assets is inherently subjective and subject to increased risk that the information utilized to value such assets or to create the price models could be inaccurate or subject to other error. The value of a Fund is sometimes also affected by changes in accounting standards, policies or practices as well as general economic, political, regulatory and market conditions and the actual operations of portfolio investments which are not predictable and can have a material impact on the reliability and accuracy of such valuations. Due to a wide variety of market factors and the nature of certain securities and assets to be held by the Funds, there is no guarantee that the value determined by Antarctica Capital will represent the value that will be realized by a Fund on the eventual disposition of an investment or that would, in fact, be realized upon an immediate disposition of the investment. Antarctica Capital reports to investors and prospective investors certain metrics of the Funds’ performance, such as rates of return and multiples of invested capital, which calculations depend on the value of such Funds’ investments, including unrealized investments, and involves uncertainties and subjective determinations, including for difficult to value assets. The amount and timing of carried interest distributions received by Antarctica with respect to a Fund will depend in part on the value of a Fund’s assets and liabilities. If the valuations made by Antarctica are incorrect, the amount of carried interest received by Antarctica Capital or the timing of receipt of carried interest distributions would also be expected to be incorrect. Moreover, Antarctica Capital is subject to a conflict of interest with respect to its valuation of Fund assets and liabilities because it has an incentive to overstate valuation to improve performance or increase management fees. In certain instances, as set forth in the operative documents for a Fund, Antarctica will seek valuation from a third-party with respect to the Fund’s assets and liabilities.

*In-House Models; Benchmarking.* In addition to other analytical tools, the Advisers utilize in-house financial models to evaluate prospective investments and monitor and value existing holdings. The accuracy and effectiveness of these models cannot be guaranteed. The Advisers will also make determinations of market rates (i.e., rates that fall within a range that the Advisers have determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on their consideration of a number of factors, which are generally expected to include the Advisers’ experience with non-affiliated service providers, whether services are being provided at cost, as well as benchmarking data and other methodologies determined by the Advisers to be appropriate under the circumstances and may rely on unverified third-party data.

*Due Diligence.* Antarctica Capital seeks to conduct reasonable and appropriate analysis and due diligence of its investments based on the facts and circumstances applicable to each investment. The objective of such analysis and due diligence is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment, to identify possible risks associated with that investment and, in the case of most private equity and real asset investments, to prepare a framework for driving operational achievement and value creation from the date of acquisition. Due diligence generally entails evaluation of important and complex business, financial, tax, accounting, ESG, regulatory and legal issues, assessment of

cybersecurity, information technology systems and other technological factors. Consultants, legal advisors, accountants, investment banks and other third-parties are generally involved in the due diligence process to varying degrees depending on the type of investment. Involvement of third-party advisors or consultants present a number of risks primarily relating to Antarctica Capital's reduced control of the functions that are outsourced. In addition, if Antarctica Capital is unable to timely engage third-party providers, their ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Antarctica Capital will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Antarctica Capital carries out with respect to any investment opportunity will not always reveal or highlight all relevant facts that are necessary or helpful in evaluating such investment opportunity. In addition, instances of fraud and other deceptive practices committed by the management teams or stakeholders of portfolio companies could undermine Antarctica Capital's due diligence efforts with respect to such companies. Moreover, such an investigation will not necessarily result in the investment being successful. Conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on a Fund. Additionally, in connection with the evaluation of potential investment opportunities, Antarctica Capital engages with individuals retained by expert networks who are under an obligation not to disclose confidential information. Antarctica Capital seeks to avoid inadvertently obtaining confidential information from such sources. However, no assurance can be made that such individuals do not share confidential information. In such cases, Antarctica Capital could become restricted from pursuing investments, which could have an adverse impact on a Fund.

*Financial Projections.* Antarctica Capital sometimes invests in the securities or interests of an issuer on the basis of the company's financial projections. Management judgments are generally the basis for projected operating results. Projections are merely estimates of future results based on assumptions made when the projections were developed. There is no certainty that a company will achieve its projected results, and actual results can vary significantly from projections. Unpredictable general economic conditions can have a material adverse impact on the reliability of such projections and the performance of an investment.

*Reliance on Adviser and Management Teams.* Limited partners in the Funds have no right or power to participate in the management of the Funds or to make investment decisions and thus must depend solely upon the ability of the Advisers or their affiliates' management teams to identify and consummate suitable investments and to dispose of investments of the Funds at a profit. The loss of the services of one or more of Chandra R. Patel and/or any one of a limited number of principals of Antarctica Capital could have a material adverse impact on the Antarctica Capital's ability to realize the investment objectives of its various Funds. There can be no assurance that each of Chandra R. Patel, any one of a limited number of principals of Antarctica Capital, or the principals of an Antarctica GP and the Advisers will continue to be associated with any particular Fund throughout its anticipated term. Although an Antarctica GP will monitor the performance of each investment, each Fund's portfolio company's day-to-day operations will be the responsibility of such portfolio company's management team. Although each Antarctica GP intends to invest in companies operated by strong management teams, there can be no assurance that any portfolio company's existing management team, or any successor, will be able to successfully operate such portfolio company.

*Expedited Transactions; Reliance on Consultants.* Investment analyses and decisions by Antarctica Capital are frequently required to be undertaken on an expedited basis to take advantage of certain investment opportunities. In such cases, the information available to Antarctica Capital at the time of making an investment decision is often limited, and Antarctica Capital might not have access to detailed information regarding the investment. Therefore, no assurance can be given that Antarctica Capital will have knowledge of all circumstances that adversely affect an investment. In addition, Antarctica Capital expects often to rely on outside advisors or consultants in connection with its evaluation of proposed investments. No assurance can be given as to the accuracy or completeness of the information provided by such outside advisors or

consultants, and the Funds could incur liability as a result of such outside advisors' or consultants' actions.

*Risk Arising from Provision of Oversight Rights.* The Funds often seek to obtain oversight rights with respect to Funds' investments in portfolio companies, and from time to time Antarctica Capital executives serve on the boards of directors of portfolio companies. The designation of directors and other types of participation could expose the assets of a Fund to liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and government regulations (including securities laws) and other types of liability, for which the limited liability generally afforded to investors could be ignored, as well as claims by a portfolio company, its other security holders, its creditors, governmental authorities and other third-parties, which could exceed the value of a Fund's initial investment in that portfolio company. Regulators and courts in some jurisdictions could find a basis for attributing liability to a Fund even where the nexus between the Fund and the activities at the portfolio company that led to the liability being incurred in the first place are attenuated.

*Complex Investments.* Antarctica Capital often pursues complex investment opportunities. This can often take the form of substantial business, regulatory or legal complexity that might deter other investment managers. Antarctica Capital's tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny, the application of complex tax laws and/or a greater risk of contingent liabilities. A Fund's transactions often involve complex tax structures that are costly to establish, monitor and maintain, and as Antarctica Capital pursues a larger number of transactions across multiple assets classes and in multiple jurisdictions, such costs will increase and the risk that a tax matter is overlooked or inadequately or inconsistently addressed will increase. Consequently, Antarctica Capital is subject to the risk of failing to achieve the desired tax benefit or otherwise decrease the returns of a Fund. Changes in law and regulation and in the enforcement of existing law and regulation, such as antitrust laws, data privacy and data protection laws and tax laws, also add complexity and risk to Antarctica Capital's investment strategies. Further, there is a risk that the Funds will acquire an investment that is subject to contingent liabilities, which could be unknown to Antarctica Capital at the time of acquisition or, if they are known to Antarctica Capital, that Antarctica Capital will not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for the Funds.

*Limited Number of Investments.* The Funds will not be as diversified as many other investment funds. While Antarctica Capital intends to limit investments that could create excessive concentration in a particular issuer or industry, the investment management agreements for the Funds do not so require, nor will the Funds divest positions when appreciation (or other positions' depreciation) causes them to comprise an outsized portion of the Funds' portfolio, and the Funds at times have a relatively large portion of its capital exposed to a relatively small number of positions and/or a particular industry. Losses in one or more large positions, or a downturn in an industry in which the Funds are concentrated, could materially adversely affect the Funds' performance and could have a materially adverse effect on the Funds' overall financial condition. During periods of difficult market conditions or slowdowns in certain regions or geographies, the adverse effect on a Fund could be exacerbated by the geographic or sectoral concentration of its investments. If a Fund is unable to sell, assign or otherwise syndicate out positions in investments that it holds that are greater than such Fund's target positions, such Fund will be forced to hold its excess interest in such investments for an indeterminate period of time. This could result in such Fund's investments being over-concentrated in certain companies, sectors or geographies. To the extent that a Fund's investments are concentrated in a particular company, sector or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. In addition, to the extent an investor in a Fund is also an investor in one or more other Funds that co-invest alongside each other in a particular investment, such investor's exposure to and risk of loss with respect to such investment will be further concentrated.

*Investment Leverage; Availability of Financing.* The Funds' investments typically include investments in companies and assets whose capital structures include significant indebtedness. Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. A highly leveraged company or asset often will be subject to restrictive covenants in its financing agreements restricting its activity, including making investments or obtaining additional financing, and will have increased exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of target issuer or its industry. In addition, leveraged entities or assets are often subject to restrictions on making interest payments and other distributions. If an event occurs that prohibits a portfolio investment from making distributions for a particular period, this could affect the levels and timing of any returns of a Fund. This leverage could result in more serious adverse consequences to such companies or assets (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged investments. If a highly leveraged company or asset cannot generate adequate cash flow to meet debt obligations, it could default on its debt obligations and/or be forced into bankruptcy resulting in a restructuring of its capital structure or liquidation. Furthermore, to the extent companies or assets in which the Funds have invested become insolvent, the Funds could determine, in cooperation with other investors or on their own, to engage, at the Funds' expense in whole or in part, counsel and other advisors in connection therewith. In addition to leverage in the capital structure of companies and other assets, an Antarctica GP could incur leverage on behalf of the Funds.

A Fund's ability to achieve attractive rates of return in many cases will depend on the availability and terms of any borrowings that are required or desirable with respect to its investment strategy. For example, from time to time the market for private equity transactions has been adversely affected by a decrease in the availability of senior or subordinated financings for transactions. A decrease in the availability of financing or an increase in either interest rates or risk spreads demanded by financing sources, whether due to changes in economic or financial market conditions or a decreased appetite for risk by lenders, could also make it more expensive to finance investments by the Funds on acquisition and throughout the term of their investments and could make it more difficult to compete for new investments with other potential buyers that have a lower cost of capital. A portion of the indebtedness used to finance investments on acquisition and throughout the term of a Fund's investments often includes high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there are times when a Fund will not be able to access those markets at attractive rates, or at all, when completing an investment or as otherwise required during the term of the Fund's investment. Leverage may also be applied with respect to a Fund's portfolio in its entirety or with respect to one or more portfolio investments, and the presence of such borrowings will magnify the volatility of such Fund's investment portfolio and could substantially increase the risk profile of a Fund and its investments. Any failure by lenders to provide previously committed financing can also expose the Funds to potential claims by sellers of businesses which the Funds have contracted to purchase.

*Availability of Suitable Investment Opportunities.* The success of a Fund's investment strategy depends on the ability of Antarctica Capital to identify and select appropriate investment opportunities and to acquire these investments. The industries and sectors in which a Fund invests are highly competitive. The Funds compete for investments with operating companies, financial institutions, and other institutional investors as well as private equity, hedge, and other investment funds, and this competition could adversely impact the availability of investments and the terms upon which Antarctica Capital enters and exits them.

*Interest Rate Risk.* Fund investments expose a Fund to interest rate risk, meaning that changes in prevailing market interest rates could negatively affect the value of such investments. Factors that can affect market interest rates include, without limitation, inflation, deflation, slow or stagnant economic growth or recession, unemployment, money supply, governmental monetary policies, international disorder and instability in domestic and foreign financial markets. There are from time to time significant unexpected movements in interest rates, which movements could have adverse effects on portfolio companies and the broader economy. In light of the foregoing, and more generally, a Fund could periodically experience imbalances in the

interest rate sensitivities of its assets and liabilities and the relationships of various interest rates to each other, which could adversely affect their performance.

Certain Fund investments are highly leveraged. As such, movements in the level of interest rates affect the returns from these assets more significantly than other assets. The structure and nature of the debt encumbering an investment is therefore an important element to consider in assessing the interest rate risk of the investment. In particular, the type of facilities, maturity profile, rates being paid, fixed versus variable components and covenants in place (including the manner in which they affect returns to equity holders) are crucial factors in assessing any interest rate risk.

Funds and their portfolio companies utilize the corporate debt markets in order to obtain financing for their operations. Favorable market conditions in certain countries have been and are dependent to some extent on continued monetary policy accommodations from central banks, including the U.S. Federal Reserve. If the U.S. Federal Reserve raises its benchmark interest rate, the cost of financing will rise and economic growth in the United States could slow. Furthermore, higher interest rates in the United States could also reduce the relative attractiveness of other global markets, thereby applying pressure to foreign asset values and currencies. To the extent that credit markets render such financing difficult to obtain or more expensive, this could negatively impact the operating performance of Antarctica Capital portfolio companies and, therefore, the investment returns of the Funds.

*Inflation Risk.* If a portfolio company is unable to increase its revenue in times of higher inflation, its profitability would be adversely affected. Typically, as inflation rises, a portfolio company will earn more revenue but also will incur higher expenses; as inflation declines, a portfolio company might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real interest rates would likely result in higher financing costs for portfolio companies and could therefore result in a reduction in the amount of cash available for distribution to investors or the value of the portfolio company.

*Commodity Price Risk.* Investments made by certain Funds are often subject to commodity price risk. The operation and cash flows of any investment will depend, in some cases to a significant extent, upon prevailing market prices of commodities, including, for example, commodities such as oil, natural gas, coal, electricity, steel, concrete, agricultural products, or water. Commodity prices fluctuate depending on a variety of factors beyond the control of Antarctica Capital, the Funds, including, without limitation, weather conditions, foreign and domestic supply and demand, force majeure events, pandemics such as COVID-19, changes in laws, governmental regulations, price and availability of alternative commodities, international political conditions and overall economic conditions. Some Antarctica Capital investments or portfolio companies, such as commodity producers benefit from an increase in commodity prices (or be harmed by a decline in commodity prices), while other Antarctica Capital investments or portfolio companies, such as companies dependent on the use of commodities, are affected inversely. If certain portfolio companies are unable to raise prices to offset increases in the cost of raw materials or other inputs, or if consumers defer purchases of or seek substitutes for the products of Funds or such portfolio companies, Funds or such portfolio companies could experience lower operating income which could in turn reduce the valuation of investments of such Funds or those portfolio companies. In addition, portfolio companies are dependent to varying degrees on the energy sector through, for example, the provision of equipment and services used in energy exploration and production. These companies benefit from an increase or suffer from a decline in commodity prices.

*Currency Risk.* Some of the investments by the Funds and the income received by the Funds with respect to such investments, are denominated in various currencies. The books of the Funds, will however, be maintained, and capital contributions to and distributions from the Funds will be made, in U.S. dollars or another base currency. Accordingly, fluctuations in currency values could adversely affect the relevant base currency value of portfolio investments, interest, dividends and other revenue streams received by the Funds, gains and losses realized on the sale of investments and the amount of distributions, if any, made by the Funds. In particular, certain countries have experienced substantial devaluations compared to the U.S. dollar and

further devaluations could occur in the future. Certain countries have implemented or could implement strict controls on foreign exchange, which could result in artificially pegged exchange rates that distort the results of, and returns on, investments in such countries. To the extent that the U.S. dollar appreciates relative to these currencies, the U.S. dollar value of these investments is likely to be adversely affected. In addition, if the currency in which a Fund receives dividends, interest or other types of payments (such as liquidating payments) declines in value against the U.S. dollar before such payments are distributed, the dollar value of these payments would be adversely affected if not sufficiently hedged. Among the factors that could affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political and economic developments. Antarctica Capital could try to hedge these risks by investing directly in foreign currencies, buying and selling forward foreign currency exchange contracts and selling options on foreign currencies, but there can be no assurance such strategies will be effective. Further, the ability of a Fund and companies in which they invest to convert freely between the U.S. dollar and the local currencies could be restricted or limited and, in a number of instances, exchange rates and currency conversion are controlled directly or indirectly by governments or related entities. Currencies of some countries in which the Funds are expected to invest are often subject to government intervention, restrictions on repatriation and similar restrictions, which exacerbate the risk of unexpected fluctuations and/or could cause the Funds and/or their investments to incur significant costs or experience substantial delays in, or be prohibited from, converting currencies. Varying rates of exchange between the U.S. dollar and another currency in which an investment is consummated, will vary the percentage interests of the investors from investment to investment (determined at the time each investment is made). In addition, the Funds will incur costs in converting investment proceeds from one currency to another.

*Hedging.* Antarctica Capital, on behalf of certain Funds sometimes has discretion to (but is under no obligation to) enter into swaps, forward contracts and other arrangements for hedging purposes to preserve a return on a particular investment or to seek to protect against risks relating to a Fund's investments, including currency exchange rate fluctuations. Such transactions have special risks associated with them, including the possible bankruptcy, or insolvency of, or default by the counterparty to the transaction and the illiquidity of the instrument acquired by the Fund relating thereto. Although a Fund might benefit from the use of hedging transactions, unanticipated changes in interest rates, securities prices or currency exchange rates and the costs associated with these arrangements could result in a poorer overall performance for the Fund than if it had not entered into such hedging transactions. Due to the regulation of over the counter ("OTC") derivatives, Funds' ability to enter into such hedging transactions could be limited. Antarctica Capital does not always apply a hedging strategy on behalf of the Funds (and is under no obligation to do so), and hedging strategies applied across Funds and Antarctica Capital proprietary entities sometimes differ in material respects. The absence or divergence of hedging strategies for a particular Fund could result in poorer overall performance compared to what the performance would have been if such Fund had entered into hedging transactions at all or had entered into the same hedging transactions of Other Funds or Antarctica Capital proprietary entities. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations. When engaging in hedging transaction with respect to the Funds, Antarctica Capital will not be taking into consideration any hedging transactions separately entered into by investors in such the Funds, which could result in an investor's own hedging activities being rendered ineffective or resulting in adverse or otherwise undesired effects with respect to an investor's interest in a Fund. Portfolio companies also enter into hedging transactions in order to hedge risks applicable to them. Such transactions are subject to similar risks to those described above. A Fund would be exposed to such risks by reason of its investment in the relevant portfolio company, and there can be no assurance that any hedging strategies will be effective in protecting against currency exchange rate fluctuations or other risks. In addition, although such hedging transactions are designed to hedge economic risks, they may not be effective hedges for tax purposes. For example, the tax character of the gain or loss on the hedging transaction could differ from the character of the loss or gain on



the investment, or the timing or gain or loss for tax purposes could differ between the hedging transaction and the investment.

*Credit Risk; Collateral.* The terms of derivative hedging arrangements entered into by a Fund sometimes provide that related collateral given to, or received by, the Fund is permitted to be reinvested or otherwise reused by the Fund for its own purposes which exposes the Fund to the risk of loss on that investment and reduced protection if the counterparty defaults. Similarly, if the counterparty reinvests or otherwise reuses collateral received from the Fund and suffers a loss as a result, it might not be in a position to return that collateral to the Fund should the relevant transaction be completed, unwound or otherwise terminated, exposing the Fund to the risk of loss of the amount of collateral provided to the counterparty.

*Pandemics, Epidemics and Other Public Health Crises.* A pandemic, epidemic or other public health crisis could adversely impact Antarctica Capital, the Funds and their portfolio companies. Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and COVID-19, resulting, from time to time, in the imposition of local and more widespread quarantine measures, border closures and travel restrictions. The implementation of any such restrictions could have a material adverse impact on local economies and on the Funds' portfolio companies that do business in such countries or geographic regions.

*Investments through Offshore Holding Companies.* Certain Funds are permitted to invest in portfolio companies operating in a particular country indirectly through holding companies organized outside of such country. Government regulation in the first country will from time to time restrict the ability of a portfolio company to pay dividends or make other payments to a foreign holding company. Additionally, any transfer of funds from a holding company to its operating subsidiary, either as a shareholder loan or as an increase in equity capital, is from time to time subject to registration with or approval by government authorities in such country. Such restrictions could materially and adversely limit the ability of any foreign holding company in which the Funds invest to grow or make investments or acquisitions that could be beneficial to its businesses, pay dividends, or otherwise fund and conduct its business.

*Regulatory Approvals and Government Licenses.* Portfolio companies in certain jurisdictions are dependent upon the grant, renewal or continuance in force of appropriate contracts, licenses, permits and regulatory approvals and consents which are generally valid only for a defined time period, subject to limitations or provide for withdrawal in certain circumstances. There can be no assurance that a portfolio company targeted by a Fund will be able to (i) obtain all such required regulatory approvals and licenses that it does not yet have or that it will require in the future; (ii) obtain any necessary modifications to existing regulatory approvals and licenses; or (iii) maintain required regulatory approvals and licenses. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals and licenses, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility owned by a portfolio company, the completion of a previously announced acquisition or sales to third-parties, could limit the portfolio company's ability to engage in certain regulated activities or could otherwise result in additional costs to a portfolio company. Additionally, governments and other regulators often impose conditions on the operations and activities of a portfolio company as a condition of granting its approval or to satisfy regulatory requirements. Such conditions, which could be statutory or commercial in nature, could limit a portfolio company's ability to invest in competing industries or acquire significant market power in a particular market, or provide a disincentive to do so. Further, governmental agencies from time to time impose conditions of ongoing ownership or equivalent requirements on a portfolio company in respect of underlying projects. This could include a requirement that certain assets remain managed by a portfolio company, a Fund or their affiliates in the absence of further approval. Such conditions are susceptible to revision or cancellation and legal redress could be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements cannot be assured.

*Risks from Operations of Other Funds Sponsored by the Sponsor.* The Funds and other investment funds sponsored by the Sponsor have made (and/or will in the future make) investments in portfolio companies that have operations and assets in many jurisdictions around the world. It is possible that the activities of one portfolio company will have adverse consequences on one or more other portfolio companies (including the Funds' portfolio companies), even in cases where the portfolio companies are held by different Funds and have no other connection to each other. In particular, the laws and regulations governing the limited liability of such portfolio companies vary from jurisdiction to jurisdiction, and in certain contexts (by way of example only, bankruptcy, environmental liabilities, consumer protection or pension/labor law matters) the laws of certain jurisdictions can provide not only for carve-outs from limited liability protection for the portfolio company that has incurred the liabilities, but also for recourse to assets of other entities under common control with, or that are part of the same economic group as, such portfolio company. For example, if one of a Fund's portfolio companies is subject to bankruptcy or insolvency proceedings in a jurisdiction and is found to have liabilities under the local consumer protection laws, the laws of that jurisdiction can permit authorities or creditors to file a lien on, or to otherwise have recourse to, assets held by other portfolio companies (including the Funds') in that jurisdiction. There can be no assurance that the Funds will not be adversely affected as a result of the foregoing risks. Similar conflicts will arise if other clients or investment funds invest in different levels of the capital structure of an issuer.

*Tax Risks.* An investment in the Funds will generally involve complex U.S. federal, state and local income tax and non-U.S. and non-income tax considerations that will differ for each investor depending on the investor's particular circumstances. There can be no assurance that the structure of a Fund or of any investment made by the Fund will be tax-efficient for any particular investor or will not result in adverse tax consequences to such investor. There could be changes in tax laws or interpretations of such laws adverse to Funds or their investors. Prospective investors are urged to consult their own tax advisors regarding the U.S. and non-U.S. tax considerations of an investment in the Funds with reference to their specific tax situations.

*Risk of Default or Bankruptcy of Third-Parties.* The Funds may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, a Fund could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid. In addition, the Fund could suffer losses if there were a default or bankruptcy by certain other third-parties, including brokerage firms and banks with which the Fund does business, or to which securities, commodities, other financial instruments and/or other assets have been entrusted for custodial purposes. For example, if the Funds' prime broker and custodian were to become insolvent or file for bankruptcy, the Funds could suffer significant losses with respect to any securities held by such firm.

*Insurance.* Certain losses of a catastrophic nature impact companies and assets acquired by the Funds, such as wars, natural disasters, epidemics and pandemics, terrorist attacks or other similar events beyond Antarctica Capital's control, and are either uninsurable or insurable at such high rates that to maintain such coverage would cause an adverse impact on the related investments. Even where insurance is available, Antarctica Capital sometimes determines not to obtain such insurance if Antarctica Capital concludes that the terms are not commercially reasonable, and sometimes when such insurance is obtained, it has meaningful coverage limits and high deductibles. Funds or their affiliates often maintain insurance, where available on terms they believe to be commercially reasonable, for a Fund's portfolio companies and investments to protect against certain risks, such as business interruption insurance that is intended to offset loss of revenues during an operational interruption. Such insurance is likely to be subject to customary deductibles and coverage limits and are frequently insufficient to recoup all losses with respect to the relevant investment. There can be no assurance that such insurance would cover liabilities resulting from claims relating to the design, construction, maintenance, or operation of the real assets and businesses in which the Funds invest, and lost revenues or increased expenses could result from such damage. If a major uninsured loss occurs, a Fund could lose both invested capital in and anticipated profits from, the affected investments.

To the extent it determines to obtain insurance coverage, Antarctica Capital will obtain joint insurance policies that cover certain Funds, as well as Antarctica Capital and its affiliates. As noted in Item 5 above, the Funds and Antarctica Capital will bear an allocable portion of the premiums and fees for such policies, including any expenses or fees of insurance brokers, as set forth in the relevant Fund Documents. Antarctica Capital believes that employing insurance policies covering multiple parties enables Antarctica Capital to achieve lower overall premiums and fees for the Funds and Antarctica Capital and its affiliates. Such policies typically carry a per occurrence deductible, which would be expected to be borne by the relevant insured person(s) making a claim under the policy and not by other insured persons. Such insurance policies also typically have a maximum amount that will be paid to insured person(s) making any claim, and, as such, it is possible that a Fund will have insufficient coverage to the extent that a claim by another Fund, Antarctica Capital and/or one or more of its affiliates is paid for their insurance claims up to such maximum amount. In addition, because certain insurance policies maintained by Antarctica Capital cover multiple parties, if a substantial claim were to be made against one or several covered entities, including Antarctica Capital or its affiliates, there could be a resulting increase in insurance premiums for all parties covered under the applicable insurance policy.

*Force Majeure and Climate Change.* Portfolio investments could be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability). Some force majeure events could adversely affect the ability of a party (including a portfolio company or a counterparty to a Fund or a portfolio company) to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from a portfolio company, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to a portfolio company or a Fund of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure might have a permanent adverse effect on a portfolio company. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which the Funds specifically invest. Additionally, a major governmental intervention into industry, including the nationalization of an industry or the assertion of control over one or more portfolio companies or its assets, could result in a loss to the Funds, including if the investment in such portfolio companies is canceled, unwound or acquired (which could be without adequate compensation).

Various regulatory agencies have enacted or proposed new or revised environmental regulations in an effort to reduce carbon emissions and the emissions of other gases believed to be contributing factors to climate change. These measures could materially impact the performance of portfolio companies in many ways, including by increasing costs of doing business or compliance, through the imposition of fines or other penalties, or through reputational damage resulting from association (or perceived association) with industries viewed as contributing to climate change.

*Geopolitical Events and Risks.* Economies and financial markets worldwide are becoming increasingly interconnected, which increases the likelihood that events or conditions in one country or region will adversely impact markets or issuers in other countries or regions, including in ways that are difficult to predict or foresee. The impacts of these events can be exacerbated by failures of governments and societies to respond adequately to an emerging event or threat. For example, local or regional armed conflicts have led to significant sanctions against certain countries and persons and companies connected with certain countries by the United States, Europe and other countries. Such armed conflicts and sanctions and other local or regional developments can exacerbate global supply and pricing issues, particularly those related to oil and

gas, and result in other adverse developments and circumstances, as well as increased general uncertainty, for markets, economies, issuers, businesses and societies globally. For example, in 2022, the global economic and geopolitical environment was characterized by persistent inflation, rising interest rates, volatility in global financial markets (leading to, among other things, a decline in equity prices), supply chain complications, recessionary fears, and geopolitical uncertainty regarding the war between Russia and Ukraine and its impact on the global markets, including the energy markets. Although these types of events have occurred and could also occur in the future, it is difficult to predict when similar events or conditions affecting the U.S. or global financial markets and economies may occur, the effects of such events or conditions, potential retaliations in response to sanctions or similar actions and the duration or ultimate impact of those events. Any such events or conditions could have a significant adverse impact on the value and risk profile of a Fund and their investments, with or without direct exposure to the specific geographies, markets, countries or persons involved in an armed conflict or subject to sanctions.

*Recent Developments in the Bank Industry.* Recent bank closures in the United States have caused uncertainty for financial services companies and fear of instability in the global financial system generally. In addition, certain financial institutions – in particular smaller and/or regional banks – have experienced volatile stock prices and significant losses in their equity value, and there is concern that depositors at these institutions have withdrawn, or may withdraw in the future, significant sums from their accounts at these institutions. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of banks that have recently closed, there is no guarantee that the uninsured depositors of a financial institution that closes (which depositors could include a client and/or their underlying investments) will be made whole or, even if made whole, that such deposits will become available for withdrawal in short order. There is a risk that other banks, or other financial institutions, may be similarly impacted, and it is uncertain what steps (if any) regulators may take in such circumstances. As a consequence, for example, a client and/or their underlying investments may be delayed or prevented from accessing money, making any required payments under their own debt or other contractual obligations or pursuing key strategic initiatives. Uncertainty caused by recent bank failures – and general concern regarding the financial health and outlook for other financial institutions – could have an overall negative effect on banking systems and financial markets generally. These recent developments may also have other implications for broader economic and monetary policy, including interest rate policy. For the foregoing reasons, there can be no assurances that conditions in the banking sector and in global financial markets will not worsen and/or adversely affect a Fund, its underlying investments or their financial performance.

*Control Person Liability.* The Funds generally have controlling interests in a number of portfolio companies. Exercising control over a company can impose additional risks of liabilities arising from activities of one or more portfolio companies, including liability for environmental damage, product defects, failure to supervise management, escheat or abandoned property laws, legal violations, pension and other fringe benefits, labor, tax, governmental regulation (including securities laws, anti-bribery, anti-money laundering, trade sanctions, and anti-corruption laws and anti-trust laws) and other types of liabilities for which the limited liability characteristic of business ownership could be ignored. As a result, the Funds could become jointly and severally liable for all or part of fines imposed on portfolio companies or be fined directly for violations committed by portfolio companies, and such fines imposed directly on the Funds could be greater than those imposed on the portfolio company.

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*The following are descriptions of certain risks based on the particular investment strategies utilized by the Fund.*

*International Investments.* The Funds invest globally and in particular invest in emerging or developing market countries (including in Asia, Central and South America, Eastern Europe, countries in the Middle East and Africa). Investments in emerging and developing markets, as well as in certain more developed non-U.S.

markets, involve certain factors not typically associated with investing in more developed countries and economies, including, without limitation, risks relating to: (i) differences arising from less developed securities markets, including the relatively small size and low trading volumes of such markets, resulting in lack of liquidity and price volatility; (ii) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements which could result in unreliable financial information or otherwise adversely affect the ability to perform due diligence; (iii) less government supervision and regulation in some countries, which could result in lower-quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors, the absence of developed legal structures governing private or foreign investment and private property, and less developed bankruptcy laws and difficulty in bringing suit and enforcing contractual obligations; (iv) certain economic and political risks, including potential economic, political or social instability, lower levels of democratic accountability, exchange control regulations, restrictions on foreign investment and repatriation of capital (possibly requiring government approval), expropriation or confiscatory taxation and higher rates of inflation or hyper-inflation and reliance on a more limited number of commodity inputs, service providers and/or distribution mechanisms; (v) unpredictable governmental influence on the national and local economies, including the risk of nationalization of key industries or changes in a country's policies on privatizations; (vi) fewer or less attractive financing and structuring alternatives and exit strategies; (vii) the possible imposition of local taxes on income and gains recognized with respect to investments; (viii) increased currency, interest rate and credit risks; and (ix) different corporate governance frameworks. In addition, various countries and regulatory bodies from time to time implement controls on foreign exchange and outbound remittances of currency, which could impact not only the timing and amount of capital contributions that are required to be made to the Funds, but also the value, in U.S. dollars, of the investments and investment proceeds to the Funds. For example, China has implemented stricter controls on foreign exchange and outbound remittances. The risks of investing in emerging and developing markets, including the risks described above, are usually greater than the risks involved in investing in more developed markets and also increase counterparty risks for investments in those markets. In addition, investor risk aversion to developing or emerging markets can have a significant adverse effect on the value and/or liquidity of investments made in or exposed to such markets and can accentuate any downward movement in the actual or anticipated value of such investments which is caused by the factors described above.

*Investments in Emerging and Less Established Companies.* Certain of the Funds make investments in companies that are in a conceptual or at an early stage of development. These companies are often characterized by short operating histories, new technologies and products, quickly evolving markets and management teams that sometimes have limited experience working together, all of which enhance the difficulty of evaluating these investment opportunities. The management of such companies will need to implement and maintain successful sales and marketing, finance capabilities and personnel and other operational strategies in order to become and remain successful. Other substantial operational risks to which such companies are subject include uncertain market acceptance of the company's products or services, a high degree of regulatory risk for new or untried and/or untested business models, products and services, high levels of competition among similarly situated companies, lower capitalizations and fewer financial resources, the potential for rapid organizational or strategic change and susceptibility to personal misconduct by or departure of key executives or founders. Emerging technology companies are subject to specific industry-based risks, including the possibility that rapid technological developments could render such companies' technology obsolete, uneconomical or uncompetitive prior to the company achieving profitability. Certain of these companies will need substantial additional capital to support expansion or to achieve or maintain a competitive position. Such companies also often have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. In addition, emerging growth companies are often more susceptible to macroeconomic effects and industry downturns. Such companies also face intense competition, including from companies with greater financial resources, more extensive marketing and service capabilities and a larger number of qualified personnel.

*Investments in Companies in Regulated Industries and Companies Subject to Collective Bargaining Agreements.* Certain industries are heavily regulated. Certain Funds make investments in companies in these industries, and these investments pose additional risks relative to investments in other companies. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. Portfolio companies also could be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such issuers. Governments have considerable discretion in implementing regulations that impact a portfolio company's business, and governments are influenced by political considerations and make decisions that adversely affect a portfolio company's business. Additionally, certain portfolio companies have a unionized workforce or employees who are covered by a collective bargaining agreement, which could subject any such issuer's activities and labor relations matters to complex laws and regulations relating thereto. Moreover, a portfolio company's operations and profitability could suffer if it experiences labor relations problems. Upon the expiration of any such portfolio company's collective bargaining agreements, it could be unable to negotiate new collective bargaining agreements on terms favorable to it, and its business operations at one or more of its facilities could be interrupted as a result of labor disputes or difficulties and delays in the process of renegotiating its collective bargaining agreements. A work stoppage at one or more of any such portfolio company's facilities could have a material adverse effect on its business, results of operations and financial condition. Any such problems additionally create the potential for scrutiny and attention to the Funds, which could adversely affect the Funds' ability to implement its investment objectives.

*Investments in Restructurings.* Certain Funds can make investments in issuers that are experiencing or are expected to experience financial difficulties. These financial difficulties might never be overcome and from time to time cause such portfolio investments to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject a Fund to certain additional potential liabilities that exceed the value of the Fund's original investment therein. In addition, under certain circumstances, payments to the Funds and distributions by the Funds to investors could be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in companies undergoing restructuring could be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

*Debt Investments.* Certain Funds invest in debt instruments, including through vehicles holding debt issued by a Fund portfolio company, which vehicles are managed by Antarctica Capital, and other the Funds that make debt investments in or relating to real estate-related businesses, assets or interests. In the absence of appropriate hedging measures, changes in interest rates generally will cause the value of debt investments to vary inversely to such changes. The obligor of a debt security or instrument might not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement and collateral might not be available or sufficient to cover such liabilities. Commercial bank lenders and other creditors could be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements. Investments are often made in loans and other forms of debt that are not marketable securities and therefore are not liquid. Sub-participation interests in syndicated debt could be subject to certain risks because they have no direct contractual relationship with underlying borrowers. Debt securities and instruments, in which the Funds invest are generally rated below investment grade by recognized rating agencies or unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments. Issuers of debt investments from time to time become involved in bankruptcy or other

reorganization and liquidation proceedings. Such investments involve a substantial degree of risk. Any deterioration of real estate fundamentals generally, and in the U.S. in particular, generally negatively impact the performance of the Funds that make real estate debt investments, increasing the default risk applicable to borrowers, and/or making it relatively more difficult for such vehicles to generate attractive risk-adjusted returns. Please see “*Investments in Real Estate*” below for further information.

*Equity and Equity-Related Securities and Instruments.* Certain Funds expect to make direct equity investments in certain companies or assets and expects that such equity investments will typically be made in situations that involve (i) companies requiring growth capital to execute on a business plan in which the applicable Fund has high conviction, (ii) support a company through a restructuring process or other event driven scenarios, or (iii) attractive asset values. The value of equity securities varies in response to many factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer’s securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer’s stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. In addition, certain options and other equity-related instruments are be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and could involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which a Fund invests and can result in significant losses to the Funds.

*Investment in Junior Securities.* Certain Funds can invest in securities that are among the most junior in a portfolio company’s overall capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment by a Fund once it is made.

*Investment in Middle-Market Companies.* Investments in middle-market companies, such as those that the Funds generally intend to invest in, generally entail larger risks than are customarily associated with investments in large companies. Middle-market companies often have more limited product lines, markets and financial resources, and can be dependent on a smaller management group and on additional financing. As a result, such companies are more vulnerable to general economic trends and to specific changes in markets and technology. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which will make realizations of gains more difficult.

*Investment in Growth Equity Transactions.* Growth equity investments, such as those that certain Funds generally intend to make, offer the opportunity for significant capital gains, but involve a higher degree of business and financial risk that can result in substantial or total loss. Growth equity portfolio companies can operate at a loss or with substantial variations in operating results from period to period, and many growth equity portfolio companies will need substantial additional capital to support additional research and development activities or expansion, to achieve or maintain a competitive position, and/or to expand or develop management resources. Growth equity portfolio companies often 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.

*Investments in Structured Products.* Certain Funds pursue certain tailored, structured equity investments in situations that involve (i) an element of distress or dislocation or (ii) a degree of complexity that makes them incompatible with more mainstream capital solutions. Such investments include securities backed by, or representing interests in, certain underlying instruments or “structured products,” including, but not limited to, CLOs, structured debt obligations or similarly structured investment vehicles. The performance of a particular structured product will be affected by a variety of factors, including its priority in the capital structure of the issuer, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being

securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets. The risks associated with structured products involve the risks of loss of principal due to market movement. In addition, investments in structured products are often illiquid in nature, with no readily available secondary market. Because they are linked to their underlying markets or instruments, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or instrument. Total return on a structured product is derived by linking the return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which the Funds can invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. The Funds invest in a class or tranche of structured products that is either subordinated or unsubordinated to the right of payment of another class or tranche. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products. In addition, certain issuers of structured products are deemed to be "investment companies" as defined in the 1940 Act. As a result, the Funds' investments in these structured products will be limited by the restrictions contained in the 1940 Act. Structured products are typically sold in private placement transactions, and there is no guarantee that there will be a trading market for structured products. As a result, certain structured products in which the Funds invest will be illiquid.

*Options.* Certain Funds can invest in options. Purchasing put and call options, as well as writing options, are highly specialized activities and entail greater than normal investment risks. Although an option buyer's risk is limited to the amount of the original purchase of the option, from time to time, an investment in an option is subject to greater fluctuation than an investment in the underlying securities entails. An uncovered call writer's loss is potentially unlimited, but the risk of loss is generally limited by the expiration date of the call option. The risk for put option writers is that the price of the underlying securities falls below the exercise price. The ability to trade on or exercise options would likely be restricted if trading in the underlying securities interest becomes restricted. Unlike exchange-traded options, which are standardized with respect to the underlying instrument, expiration date, contract size and strike price, the terms of the OTC options (options not traded on exchanges) are generally established through negotiation with the other party to the option contract. While this type of arrangement allows the Funds greater flexibility to tailor options to their needs, these arrangements also involve greater credit risk than exchange-traded options, which are guaranteed by the clearing organization of the exchanges where they were traded.

*Synthetic Instruments.* Certain Funds invest in synthetic instruments such as swaps (including total return swaps), synthetic swaps, OTC and other derivative instruments. Investing through the purchase of synthetic instruments presents risks in addition to those resulting from direct purchases of underlying securities or assets. The Funds usually have a contractual relationship with the counterparty of such synthetic instrument, rather than the underlying obligor. The collapse of certain financial institutions during the 2007-2009 financial market turmoil is indicative of increased counterparty risk with respect to transactions involving synthetic instruments. Under the terms of these synthetic instruments, the Funds will generally have neither the right to enforce compliance by the underlying obligor directly, nor any voting or other consensual rights of ownership with respect to the underlying obligation. The Funds will not benefit directly from any collateral supporting the underlying obligation and will not have the benefit of remedies normally available to a holder of such underlying obligation. In addition, if the counterparty becomes insolvent, the Funds will be treated as general creditors of such counterparty and will not have any claim of title with respect to the underlying obligation. Consequently, the Funds will be subject to the credit risk of the counterparty as well as that of the underlying obligor.

*Convertible Securities, Rights and Warrants.* Certain Funds invest in hybrid securities that are exchangeable for, converted into or exercised to acquire a predetermined number of shares of an issuer's common stock at the option of the holder during a specified time period (such as convertible preferred stocks, convertible debentures, stock purchase rights, and warrants). Convertible securities generally pay interest or dividends



and provide for participation in the appreciation of the underlying common stock but at a lower level of risk because the yield is higher, and the security is senior to common stock. Convertible debt securities purchased by the Fund that are acquired for their equity characteristics are not subject to minimum rating requirements.

The value of a convertible security is a function of its “investment value” (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its “conversion value” (the security’s worth, at market value, if converted into the underlying common stock). The credit standing of the issuer and other factors can also affect the investment value of a convertible security. If the conversion value is low relative to the investment value, the price of the convertible security is governed principally by its investment value. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security is increasingly influenced by its conversion value.

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

*Collateralized Debt Obligations (“CDOs”); Collateralized Loan Obligations (“CLOs”); Collateralized Mortgage Obligations (“CMOs”).* Certain Funds can invest in CDOs, CLOs and CMOs consisting of CLO equity, multi-sector CDO equity, trust preferred CDO equity and CLO mezzanine debt. CDOs are subject to credit, liquidity and interest rate risks. The CDO equity purchased by the Fund will most likely be unrated or non-investment grade, which means that a greater possibility that adverse changes in the financial condition of an issuer or in general economic conditions or both can impair the ability of the related issuer or obligor to make payments of principal or interest. Such investments are speculative. In addition, as a holder of CDO equity, the Fund will have limited remedies available upon the default of the CDO. In the recent past, the market for CDOs has become highly illiquid resulting in severe declines of the prices of such instruments.

*Mezzanine Debt Securities.* Mezzanine debt securities are generally unrated or below investment grade rated investments that have greater credit and liquidity risk than more highly rated debt obligations. Mezzanine debt securities are typically issued in traditional private placements or in connection with acquisitions and other business combinations and have no trading market. Moreover, mezzanine debt securities are generally unsecured and subordinate to other obligations of the obligor and are subject to many of the same risks as those associated with high yield debt securities. Adverse changes in the financial condition of the obligor of mezzanine debt securities or in general economic conditions (including, for example, a substantial period of rising interest rates or declining earnings) or both can impair the ability of the obligor to make payment of principal and interest. Issuers of mezzanine debt securities can be highly leveraged, and their relatively high debt to equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations.

*Real Estate Investments.* Certain Funds make investments in real estate and other similar assets. A Fund’s real estate investments will be subject to the risks inherent in the ownership and operation of real estate and real estate-related businesses and assets. These risks include, but are not limited to, the burdens of ownership of real property, general and local economic conditions; the supply and demand for properties, energy and supply shortages; competition from other properties; energy and supply shortages; fluctuations in average occupancy and room rates the financial resources of tenants (including as a result of social distancing requirements and remote working during the COVID-19 pandemic); increased mortgage defaults; changes in interest rates and in the availability of debt financing or mortgage funding which could render the sale or refinancing of properties difficult or impracticable; changes in building, environmental and other laws and/or regulations; zoning laws; changes in real property tax rates; negative developments in the economy that depress travel or leasing activity; environmental liabilities; contingent liabilities on disposition of assets; uninsured or uninsurable casualties; acts of God (including, without limitation, epidemics and other health

issues, earthquakes, hurricanes and other natural disasters), terrorist attacks and war and other factors which are beyond the control of Antarctica Capital or their affiliates.

In addition, a Fund's investments will be subject to various risks which cause fluctuations in occupancy, rental rates, operating income and expenses, or render the sale or financing of its properties difficult or unattractive. For example, following the termination or expiration of a tenant's lease there could be a period of time before a Fund will begin receiving rental payments under a replacement lease. During that period, the Fund will continue to bear fixed expenses such as interest, real estate taxes, maintenance and other operating expenses. In addition, declining economic conditions could impair a Fund's ability to attract replacement tenants and achieve rental rates equal to or greater than the rents paid under previous leases. Increased competition for tenants could require a Fund to make otherwise unplanned capital improvements to properties which would not have otherwise been planned. Any unbudgeted capital improvements that a Fund undertakes could divert cash that would otherwise be available for distribution to investors or require additional capital commitments. Ultimately, to the extent that a Fund is unable to renew leases or re-let space as leases expire, decreased cash flow from tenants will result, which could adversely impact a Fund's operating results.

*Risks of Acquiring Real Estate Loans and Participations.* Certain Funds make investments in real estate loans and participations. Real estate loans or participation interests therein acquired by a Fund sometimes are non-performing at the time of their acquisition or become non-performing after their acquisition for a wide variety of reasons. Such non-performing real estate loans could require a substantial amount of workout negotiations and/or restructuring, entailing, among other things, a substantial reduction in the interest rate and a substantial write-down of the principal of such loan. However, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, replacement "takeout" financing will not be available. Purchases of participations in real estate loans raise many of the same risks as investments in real estate loans and also carry risks of illiquidity and lack of control. It is possible that a Fund finds it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased by such Fund. The foreclosure process varies jurisdiction by jurisdiction and can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including, without limitation, lender liability claims and defenses, even when such assertions have no basis in fact, in an effort to prolong the foreclosure action. In some states or other jurisdictions, foreclosure actions can take up to several years or more to conclude. During the foreclosure proceedings, a borrower generally has the ability to file for bankruptcy, potentially staying the foreclosure action and further delaying the foreclosure process. Foreclosure litigation tends to create a negative public image of the collateral property and disrupts ongoing leasing and management of the property.

*Commercial and Residential Mortgage Loans.* From time to time, certain Funds invest in commercial mortgage loans, which are secured by multifamily or commercial property and are subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with loans made on the security of single-family residential property. In addition, certain of the mortgage loans in which a Fund invests may be structured so that all or a substantial portion of the principal will not be paid until maturity, which increases the risk of default at that time. The ability of a borrower to repay a loan secured by an income-producing property typically is dependent primarily upon the successful operation of such property rather than upon the existence of independent income or assets of the borrower. If the net operating income of the property is reduced, the borrower's ability to repay the loan could become impaired. Net operating income of an income-producing property can be affected by, among other things: tenant mix, success of tenant businesses, property management decisions, property location and condition, competition from comparable types of properties, changes in laws that increase operating expense or limit rents that could be charged, any need to address environmental contamination at the property, the occurrence of any uninsured casualty at the property, changes in national, regional or local economic conditions and/or specific industry segments, declines in regional or local real estate values, declines in regional or local rental or occupancy rates, increases in interest rates, real estate tax rates and other operating expenses, changes in governmental rules, regulations and fiscal

policies, including environmental legislation, acts of God, terrorism, social unrest and civil disturbances.

Certain Funds can also invest in residential mortgage loans, which are secured by single-family residential property and are subject to risks of delinquency and foreclosure, and risks of loss. The ability of a borrower to repay a loan secured by a residential property is dependent upon the income or assets of the borrower. A number of factors could impair borrowers' abilities to repay their loans, including a general economic downturn, acts of God, terrorism, social unrest, and civil disturbances. Asset-backed securities are bonds or notes backed by loans and/or other financial assets. Subordinated tranches of asset-backed securities are entitled to receive repayment of principal only after all principal payments have been made on more senior tranches and have subordinated rights as to receipt of interest distributions and are therefore subject to a greater risk of nonpayment than senior tranches. In addition, the secondary market for subordinated securities is not as active and well-developed as the market for other mortgage or asset-based securities. Accordingly, such subordinated tranches would have limited marketability, and there can be no assurance that a more efficient secondary market will develop. Although senior tranches are not as risky subordinated tranches of the same issue, they are still subject to the risk of loss. The ability of a borrower to repay these loans or other financial assets is dependent upon the income or assets of these borrowers, and the ability of an issuer of asset-backed securities to enforce its interest in the underlying assets is often limited.

In the event of any default under a mortgage loan held directly by a Fund, it will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the principal and accrued interest of the mortgage loan, which could have a material adverse effect on the profitability of such Fund. In the event of the bankruptcy of a mortgage loan borrower, the mortgage loan to such borrower will be deemed to be secured only to the extent of the value of the underlying collateral at the time of bankruptcy (as determined by the bankruptcy court), and the lien securing the mortgage loan will be subject to the avoidance powers of the bankruptcy trustee or debtor-in-possession to the extent that the lien is unenforceable under state law.

Foreclosure of a mortgage loan can be an expensive and lengthy process which could have a substantial negative effect on the anticipated return on the foreclosed mortgage loan. Residential mortgage-backed securities evidence interests in or are secured by pools of residential mortgage loans and commercial mortgage-backed securities evidence interests in or are secured by a single commercial mortgage loan or a pool of commercial mortgage loans. Accordingly, the mortgage-backed securities in which a Fund invests are subject to all of the risks of the underlying mortgage loans.

*Risks Associated with Servicers and Third-Party Service Providers.* Certain mortgage loans owned by a Fund will be serviced by one or more third party servicers. As mentioned directly above, mortgage servicers are subject to numerous laws, regulations and rules. A Fund will likely not be able to successfully detect and prevent violations of such laws or, more generally, fraud or incompetence by such third parties, which could expose a Fund to material liability. Terminating a mortgage servicer is a cumbersome process, which could result in delays in realizing a Fund's investment strategies, thereby adversely affecting returns.

Whether relating to a Fund's investments in mortgage loans or RMBS, the relevant servicer generally is required to make advances in respect of delinquent mortgage loans. However, servicers experiencing financial difficulties will not be able to perform these obligations. Servicers who have sought bankruptcy protection may, due to application of the provisions of bankruptcy law, not be required to advance such amounts. Even if a servicer were able to advance amounts in respect of delinquent mortgage loans, its obligation to make such advances could be limited to the extent that it does not expect to recover such advances due to the deteriorating credit of the delinquent mortgage loans. In addition, a servicer's obligation to make such advances could be limited to the amount of its servicing fee.

Additional third parties will be retained to provide services in respect of a Fund's mortgage loan investments, which services include those relating to evaluating loss mitigation strategies, assisting with valuation of underlying properties, assisting with foreclosures or general management of the loans. A Fund's investments

could be negatively affected by the actions taken, or advice given, by such third parties.

*Applicable Law and Regulations.* State and federal laws, public policy and general principles of equity relating to the protection of consumers, abusive debt collection practices, and unfair, discriminatory and deceptive practices generally apply to the origination, servicing and collection of a Fund's residential mortgage loans and residential mortgage loans backing certain Fund's residential mortgage backed securities ("RMBS"). Violations of these laws, policies and principles (including violations that occurred period to a Fund's ownership of the relevant asset) can limit the ability of a Fund (or, as applicable, the issuer of RMBS) to collect all or part of the principal of or interest on the mortgage loans, or entitle a borrower to a refund of amounts previously paid, and could subject the owner of a mortgage loan to damages and administrative enforcement.

Numerous laws, regulations and rules related to the servicing of mortgage loans, including in respect of foreclosure actions, have been enacted and/or proposed by federal, state and local governmental authorities, including the newly formed Consumer Financial Protection Bureau created under the Reform Act. Such laws, regulations and rules will likely delay foreclosure processes, reduce payments by borrowers or increase reimbursable servicing expenses, which in turn would likely result in delays and reductions in the distributions to be made to a Fund as the owners of residential mortgage loans or as an investor in RMBS and/or collateralized debt obligations backed by RMBS. In addition, the rate of foreclosures of properties backing subprime loans in certain states can prompt legislators, regulators and attorney general in those states to try to prevent certain foreclosures and bring lawsuits against participants in the financing of subprime loans in their states, including issuers of RMBS backed by such loans and investors in those RMBS, including a Fund. The Funds and other similarly situated investors will bear the risk that future regulatory developments will result in losses on their investments, whether due to delayed or reduced distributions or reduced market value.

*Investments in Land/New Development.* Certain Funds or their underlying portfolio entities may sometimes acquires direct or indirect interests in undeveloped land or underdeveloped real property, which are or become non-income producing. To the extent that a Fund or portfolio entity invests in such assets, it will be subject to the risks normally associated with such assets and development activities. Such risks include, without limitation, risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals (which could be more restrictive or unclear in certain developing or emerging markets), the cost and timely completion of construction (including risks beyond the control of such Fund or portfolio entity such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could have an adverse effect on a Fund. Properties under development or properties acquired for development often receives little or no cash flow from the date of acquisition through the date of completion of development and often experiences operating deficits after the date of completion. In addition, market conditions could change during the course of development that makes such development less attractive than at the time it commenced. Certain of the Funds are permitted to undertake development opportunities in various stages of completion. In such cases, the Funds will be subject to the risk of unanticipated delays in the completion of such development projects due to factors beyond the control of Antarctica Capital. These factors could include, among others, strikes, adverse weather, changes in building plans and specifications, material shortages and increases in the costs of labor and materials, all of which could cause additional expenses to be incurred and which will likely be borne by such Fund.

*Risks in Effecting Operating Improvements.* In some cases, the success of a Fund's investment strategy will depend, in part, on the ability of Antarctica Capital or its affiliates to restructure and effect improvements in the operations of a portfolio entity or its properties. The activity of identifying and implementing restructuring programs and operating improvements at portfolio entities entails a high degree of uncertainty. There can be no assurance that such Fund will be able to successfully identify and implement such restructuring programs and improvements.

*“Bad Boy” Guarantees.* Commercial real estate financings are generally structured as non-recourse to the borrower, which limits a lender’s recourse to the property pledged as collateral for the loan, and not the other assets of the borrower or to any parent of borrower, in the event of a loan default. However, lenders customarily will require that a creditworthy parent entity enter into so-called “recourse carve out” guarantees to protect the lender against certain bad-faith or other intentional acts of the borrower in violation of the loan documents. A “bad boy” guarantee typically provides that the lender can recover losses from the guarantors for certain bad acts, such as fraud or intentional misrepresentation, intentional waste, willful misconduct, criminal acts, misappropriation of funds, voluntary incurrence of prohibited debt and environmental losses sustained by lender. In addition, “bad boy” guarantees typically provide that the loan will be a full personal recourse obligation of the guarantor, for certain actions, such as prohibited transfers of the collateral or changes of control and voluntary bankruptcy of the borrower. It is expected that the financing arrangements with respect to a Fund’s investments generally will require “bad boy” guarantees from a Fund and in the event that such a guarantee is called, a Fund’s assets could be adversely affected. Moreover, a Fund’s “bad boy” guarantees could apply to actions of the joint venture partners associated with a Fund’s investments. While a Fund expects to negotiate indemnities from such joint venture partners to protect against such risks, there remains the possibility that the acts of such joint venture partner could result in liability to a Fund under such guarantees. Antarctica Capital and its affiliates have entered into “bad boy” guarantees with respect to certain investments, and such guarantees have been assumed by the relevant Fund in connection with the transfer of the relevant investments to such Fund.

*Loan Origination.* Antarctica Capital, on behalf of certain of its Funds, seeks to originate loans, including but not limited to, secured and unsecured notes, senior and second lien loans, mezzanine loans and other similar investments. Such Funds can subsequently offer such investments for sale to third-parties, which could include certain Other Funds. In determining the target amount to allocate to such an investment, a Fund will take into consideration the fact that it could sell, assign or offer participations in such investments to the third-parties described above. If the Fund is unable to sell, assign or successfully close transactions for the loans that it originates, such Fund may be forced to hold its interest in such loans for an indeterminate period of time. This could result in the Fund’s investments being over-concentrated in certain borrowers.

*Investments in Secured Loans.* The assets of the portfolio of certain Funds can include secured debt, which involve various degrees of risk of a loss of capital. The factors affecting an issuer’s secured leveraged loans, and its overall capital structure, are complex. Some secured loans do not necessarily have priority over all other debt of an issuer. For example, some secured loans permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve secured loans only on specified assets of an issuer (e.g., excluding real estate). Issuers of secured loans could have two tranches of secured debt outstanding each with secured debt on separate collateral. Furthermore, the liens referred to herein generally only cover domestic assets and non-U.S. assets are not included (other than, for example, where a borrower pledges a portion of the stock of first-tier non-U.S. subsidiaries). In the event of Chapter 11 filing by an issuer, the Bankruptcy Reform Act of 1978, as amended (the “Bankruptcy Code”) authorizes the issuer to use a creditor’s collateral and to obtain additional credit by grant of a priority lien on its property, senior even to liens that were first in priority prior to the filing, as long as the issuer provides what the presiding bankruptcy judge considers to be “adequate protection” which could but need not always consist of the grant of replacement or additional liens or the making of cash payments to the affected secured creditor. The imposition of priority liens on the Fund’s collateral would adversely affect the priority of the liens and claims held by the Fund and could adversely affect the Fund’s recovery on the affected loans. Any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity, and interest rate risk.

*Investments in Unsecured Loans.* Unsecured loans are unsecured obligations of the applicable obligor, and are often subordinated to other obligations of the obligor and generally have greater credit, insolvency and liquidity risk than is typically associated with investment grade obligations and secured obligations. Unsecured

obligations will generally have lower rates of recovery than secured obligations following a default. Also, in the event of the insolvency of an obligor of any unsecured obligation, the holders of such unsecured obligation will be considered general, unsecured creditors of the obligor, will have fewer rights than secured creditors of the obligor and will be subordinate to the secured creditors with respect to the related collateral.

*Second Lien Loans.* Certain Funds expect to make certain secured, unsecured and subordinated debt investments in companies and assets that are structured as second-lien investments backed by assets. Second lien loans are subject to the same risks associated with leveraged loans; however, a second lien loan is subordinate in right of collateral and/or payment to one or more senior secured loans of the related borrower and therefore is subject to additional risk that the cash flow of the related borrower and the collateral securing the second lien loan will be insufficient to make the scheduled payments to the lender of record after giving effect to any senior secured loans of the related borrower. Due to the subordinated nature of second lien loans, they involve a higher degree of overall risk and illiquidity than the senior secured loans of the same borrower. Second lien loans are typically subject to intercreditor arrangements, the provisions of which could prohibit or restrict the ability of the holder of a second lien loan to (i) exercise remedies against the collateral with respect to their second liens; (ii) challenge any exercise of remedies against the collateral by the first lien lenders with respect to their first liens; (iii) challenge the enforceability or priority of the first liens on the collateral; and (iv) exercise certain other secured creditor rights, both before and during a bankruptcy of the borrower. In addition, during a bankruptcy of a borrower, the holder of a second lien loan will often be required to give advance consent to (a) any use of cash collateral approved by the first lien creditors; (b) sales of collateral approved by the first lien lenders and the bankruptcy court, so long as the second liens continue to attach to the sale proceeds; and (c) debtor-in-possession financings.

*Bank Loans and Participations.* Certain Funds' investment programs include bank loans and participations. These obligations are subject to unique risks, including: (i) the possible invalidation of an investment transaction as a "fraudulent conveyance" under relevant creditors' rights laws; (ii) so-called "lender liability" claims by the issuer of the obligations; (iii) environmental liabilities that arise with respect to collateral securing the obligations; and (iv) limitations on the ability of the Fund to directly enforce its rights with respect to participations. In analyzing each bank loan or participation, Antarctica Capital compares the relative significance of the risks against the expected benefits.

A Fund can experience significant delays in the settlement of certain loan and/or bank debt transactions, particularly in the case of investments that are or become distressed. Until such transactions are settled, such Fund is subject to counterparty insolvency risk. Pursuant to certain insolvency laws, a counterparty may have the ability to reject or terminate an unsettled loan transaction. If a counterparty rejects an unsettled transaction, such Fund might lose any increase in value with respect to such loan that accrued while the transaction was unsettled.

Certain Funds also invest in loan participations where it will be subject to certain additional risks as a result of having no direct contractual relationship with the borrower of the underlying loan. In such circumstances, such Fund generally would depend on the lender to enforce its rights and obligations under the loan arrangements in the event of a default by the borrower on the underlying loan and will generally have no voting rights with respect to the issuer, as such rights are typically retained by the lender. Such investments are subject to the credit risk of the lender (as well as the borrower) since they will depend upon the lender forwarding payments of principal and interest received on the underlying loan. There can be no assurance that the lender will not default on its obligations under such arrangements, resulting in substantial losses to such Fund.

From time to time, Antarctica Capital will cause a Fund to acquire certain assets through participation and sub-participation arrangements with unaffiliated third-parties. Such arrangements can expose such Fund to additional credit risk compared to acquiring the asset directly because, in addition to the underlying credit risk of the asset, the Fund is exposed to the risk of the direct participant defaulting on its obligations to the Fund under the participation or sub-participation arrangement.

*Prepayment Risk.* The frequency at which prepayments (including voluntary prepayments by the obligors and liquidations due to default and foreclosures) occur on loans and other debt underlying certain of a Fund's investments will be affected by a variety of factors including, but not limited to, the prevailing level of interest rates as well as economic, demographic, tax, social, legal and other factors. In general, "premium" financial instruments (i.e., financial instruments whose market values exceed their principal or par amounts) are adversely affected by faster than anticipated prepayments, and "discount" financial instruments (i.e., financial instruments whose principal or par amounts exceed their market values) are adversely affected by slower than anticipated prepayments. A Fund's investments will likely include discount financial instruments when interest rates are high and may include premium financial instruments when interest rates are low, and such investments will likely be adversely affected by prepayments in any interest rate environment.

*Agency Provisions.* Agency provisions in the loans acquired by a Fund can impair enforcement actions against the collateral and expose the Fund to losses on the loans. These loans often consist of agented loans. Under the underlying loan agreement with respect to agented loans, the loan originator or another financial institution can be designated as the administrative agent and/or collateral agent. Under these arrangements, the borrower grants a lien to such agent on behalf of the lenders and directs payments to such agent, which, in turn, will distribute payments to the lenders, including the Fund. The agent is responsible for administering and enforcing the loan and generally will take actions only in accordance with the instructions from lenders holding a specified percentage in commitments or principal amount of the loan. In the case of loans that are part of a capital structure that includes both senior and subordinated loans, the agent can take such action in accordance with the instructions of one or more senior lenders without consultation with, or any right to vote (except in certain limited circumstances) by, the subordinated lenders. The loans held by the Fund can represent less than the amount sufficient to compel such actions or represent subordinated debt which is precluded from acting and, under such circumstances, the Fund would only be able to direct such actions if instructions from the Fund were made in conjunction with other lenders that together comprise the requisite percentage of lenders then entitled to take or direct the agent to take action. Conversely, if the required percentage of lenders other than the Fund desire to take or direct the agent to take certain actions, such actions can be taken even if the Fund did not support such actions. Furthermore, if a loan held by the Fund is subordinated to one or more senior loans made to the borrower, the ability of the Fund to exercise such rights will likely be subordinated to the exercise of such rights by the senior lenders. However certain actions, such as amendments to the material payment terms of the loans, typically will not be taken without consent of all lenders, including the Fund. If the loan is a syndicated revolving loan or delayed draw term loan, other lenders could fail to satisfy their full contractual funding commitments for such loan, which could create a breach of contract resulting in a lawsuit by the borrower against the lenders (including the Fund even if it did not default) and adversely affect the fair market value of such loan.

There is a risk that an agent could become subject to insolvency proceedings. Such an event could delay, and possibly impair, the ability of the lenders for such agented loan to take any enforcement action against the related borrower or the collateral securing a loan and to require the lenders to take action in the agent's insolvency proceeding to realize on proceeds or payments made by borrowers that are in the possession or control of the agent.

In addition, it is expected that agented loans will allow for the agent to resign. Agented loans do not always contain provisions for lenders to remove the agent. If an agent resigns or is removed, the lenders could be required to find, and the required percentage thereof agree to appoint, a successor agent that would likely be difficult to find or cost more than the predecessor agent.

*Cross-collateralization.* Certain of the loans held by certain Funds are cross-collateralized. Cross-collateralization arrangements may be subject to challenge, which could result in the subordination of a Fund's interest in the collateral or the loan itself. Cross-collateralization arrangements involving more than one borrower could be challenged as fraudulent conveyances by creditors of the related borrower in an action

brought outside a bankruptcy case or, if the borrower were to become a debtor in a bankruptcy case, by the borrower's representative (or the borrower as debtor-in-possession). If a court were to conclude that the granting of the liens to cross-collateralize a loan was a voidable fraudulent conveyance, such court could (a) subordinate all or part of the pertinent loan to existing or future indebtedness of that borrower, (b) recover payments made under that loan or (c) take other actions detrimental to the Fund, including, under certain circumstances, invalidating the loan or the Fund's interest in the collateral securing the cross-collateralized loan. Any of these actions could impair, delay or eliminate payments by the borrower of a loan that is cross-collateralized, which would adversely affect the returns expected by the Investors with respect to any such loan.

*Equitable Subordination.* Under common law principles that in some cases form the basis for lender liability claims, if a lender (a) intentionally takes an action that results in the undercapitalization of a borrower or issuer to the detriment of other creditors of such borrower or issuer, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower or issuer to the detriment of other creditors of such borrower or issuer, a court could elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors (a remedy called "equitable subordination"). The Funds do not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine; however, because of the nature of the debt obligations, certain Funds could be subject to claims from creditors of an obligor that debt obligations of such obligor which are held by the issuer should be equitably subordinated.

*Investments in Troubled Assets / Bankruptcy Considerations.* From time to time, certain Funds invest in real estate-related assets and businesses which are distressed or experiencing or are expected to experience severe financial difficulties that might never be overcome. There could be little or no near-term cash flow available to the relevant Fund's investors. Since many of the Funds only make a limited number of investments and since many of the investments involve a high degree of risk, poor performance by few of the investments could severely affect the total returns to the investors.

Certain Funds sometimes invest in non-performing, sub-performing, distressed, undercapitalized or other troubled real estate and real estate-related assets, which involve a high degree of financial risk. As a result of the speculative nature of a Fund's investments, the possibility of partial or total loss of capital exists.

Investments made in assets operating in workout modes or under bankruptcy, insolvency or other debtor-protection codes could, if a Fund inappropriately exercises control over the management and policies of the debtors, be subordinated or disallowed, and a Fund could be liable to third parties in such circumstances. Furthermore, distributions made to a Fund in respect of such investments could be recovered if such distributions are found to be a fraudulent conveyance or preferential payment or the equivalent under the laws of certain jurisdictions. Bankruptcy laws could delay the ability of a Fund to realize on collateral for loan positions held by it or adversely affect the priority of such loans through doctrines such as equitable subordination or result in a restructure of the debt through principles such as the "cram down" provisions of the bankruptcy laws. Non-U.S. jurisdictions present analogous or different credit issues.

*Litigation at the Property Level.* The acquisition, ownership and disposition of real properties carries certain specific litigation risks. Litigation could be commenced with respect to a property acquired by a Fund or its subsidiaries in relation to activities that took place prior to a Fund's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer could claim that it should have been afforded the opportunity to purchase the asset or alternatively that such potential buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosure made, if such buyer is passed over in favor of another as part of a Fund's efforts to maximize sale proceeds. Similarly, successful buyers could later sue a Fund under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence.



*Investments in Technology Companies.* Certain Funds make investments in companies involved in the technology industry or heavily dependent on new technologies. Technology companies confront various specific challenges, including rapidly changing market conditions and/or participants, new competing products, changing consumer preferences, short product life cycles, services and/or improvements in existing products or services. Portfolio companies of the Funds in the technology sector will compete in this volatile environment. There is no assurance that products or services sold by such portfolio companies will not be rendered obsolete or adversely affected by competing products and services or that the portfolio companies will not be adversely affected by other challenges. Barriers to entry in the software and technology industries are low and new products and services can be distributed broadly and quickly at relatively low cost. Moreover, competition in this sector can result in significant downward pressure on pricing. Valuations of technology companies are volatile, and in the event that the technology sector valuations decline, returns to investors from any portfolio companies involved in the technology industry will likely decrease. Moreover, the valuation of early-stage technology companies, including those pursuing regulatory approvals for commercialization, are often less predictable than later stage companies or companies in other sectors with more observable valuation inputs or readily available market pricing.

*Dependence on Patents, Trademarks and Other Intellectual Property.* Many technology companies depend heavily on intellectual property rights, including patents, trademarks, trade secret protection, non-disclosure agreements and service marks. The ability to effectively enforce patent, trademark and other intellectual property laws will affect the value of many of these companies. Patent disputes are frequent and can preclude commercialization of products, and patent litigation is costly and could subject a portfolio company to significant liabilities to third-parties. The presence of patents or other proprietary rights belonging to other parties could lead to the termination of the research and development of a portfolio company's particular product or one of its significant customers or counterparties. In addition, the patent position of health care products in many countries is highly uncertain and involves complex legal, scientific and factual questions. Furthermore, if a portfolio company or one of its significant customers or counterparties infringes on third-party patents or other proprietary rights, it could be prevented from using certain third-party technologies or forced to acquire licenses in order to obtain access to such technologies. In such a case, the portfolio company might not be able to obtain all licenses required for the success of its business, which could have a material adverse effect on its value. Moreover, if the patents and other proprietary rights of a portfolio company are infringed by third-parties, then it might not be able to take full advantage of existing demand for its products. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a portfolio company's technologies. While piracy adversely affects portfolio company revenue, the impact on revenue from outside the EU and the U.S. could be significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for intellectual property rights could adversely affect portfolio companies.

*Software Code Protection.* Source code is often critical to portfolio companies in the technology sector. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third-parties to compete with such portfolio company products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (i.e., viruses, worms, and other malicious software programs that attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cybersecurity breaches include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that have been caused. Remediation costs could also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

*Contrarian Investing.* If Antarctica Capital believes the price of certain securities will become depressed to the point that Antarctica Capital believes that such securities have lower downside risk than other investors may perceive (i.e., an investment will generally be made only if it is believed that the current market price is less than the intrinsic value of the security, based on assumptions as to asset values, total liabilities or claims, timing and the rate of return on the investment), certain Funds will likely invest in such securities. Because of the substantial uncertainty concerning the outcome of transactions involving financially troubled companies undergoing fundamental changes, there is always the potential risk of a substantial loss.

*Investments in Special Situations.* Certain Funds can invest in special situations (including opportunistic, event-driven investments in corporate credit, including restructurings and other distressed situations) and, in such cases, is expected to seek situations where principal is protected in a downside scenario and where the Advisers believe there are numerous catalysts to unlock value to maximize upside potential. The Advisers could, however, be incorrect in its assessment of the magnitude or probability of the downside risks associated with an investment, thus resulting in significant losses to the Funds. Investments in such securities are often difficult to analyze or can have limited trading histories or limited in-depth research coverage. Investing in special situations frequently requires the investor to make predictions about (i) the likelihood that an event will occur and (ii) the impact such event will have on the value of a company's financial instruments. If the event fails to occur or it does not have the effect foreseen, losses can result. For example, the adoption of new business strategies or completion of asset dispositions or debt reduction programs by a company cannot be valued as highly by the market as the Advisers had anticipated, resulting in losses. In addition, a company could announce a plan of restructuring which promises to enhance value, but fail to implement it, which can result in losses to investors. In liquidations and other forms of corporate reorganization, the risk exists that the reorganization either will be unsuccessful, will be delayed or will result in a distribution of cash or a new security, the value of which will be less than the price paid by the Funds for the security in respect of which such distribution was made. The consummation of mergers and tender and exchange offers can be prevented or delayed by a variety of factors, including: (i) opposition of the management or stockholders of the target company, which could result in litigation to enjoin the proposed transaction; (ii) intervention of a federal or state regulatory agency; (iii) efforts by the target company to pursue a "defensive" strategy, including a merger with, or a friendly tender offer by, a company other than the offeror; (iv) in the case of a merger, failure to obtain the necessary stockholder approvals; (v) market conditions resulting in material changes in securities prices; (vi) compliance with any applicable federal or state securities laws; and (vii) inability to obtain adequate financing. Because of the inherently speculative nature of investing in special situations, the results of the Funds' operations are expected to fluctuate from period to period.

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

*SPACs.* Certain Funds will invest in one or more special purpose acquisition companies (each, a "SPAC"). A SPAC is a publicly traded company formed for the purpose of raising capital through an initial public offering ("IPO") to fund the acquisition, through a merger, capital stock exchange, asset acquisition or other similar business combination, of one or more operating businesses. Thus, a portion of such Funds' profits will be dependent on a SPAC's ability to successfully complete its IPO and initial business combination transaction, the performance of a SPAC and of its acquired company at, and following, the business combination and the market value of a SPAC's securities. An investment in a SPAC, including SPACs sponsored by Antarctica SPAC Persons (as defined below), creates a number of significant risks, including those described below. To the

extent that a SPAC completes a business combination, it could be affected by numerous risks inherent in the business operations of the acquired company or companies. For these and additional reasons, investments in SPACs are speculative and involve a high degree of risk.

If a SPAC is unable to locate and acquire a target company by the deadline, the SPAC could be forced to liquidate its assets, which could result in losses due to the expenses and liabilities of the SPAC. Risks associated with investing in a SPAC include, among other things, that: (i) such SPAC will be unable to locate or acquire a target company by the deadline; (ii) assets in the trust would be subject to third-party claims against such SPAC, which could reduce the per share liquidation price received by the investors in the SPAC; (iii) that such SPAC is exempt from the rules promulgated by the SEC to protect investors in “blank check” companies, such as Rule 419 promulgated under the Securities Act, so that investors in such SPAC will not be afforded the benefits or protections of those rules; (iv) that such SPAC is only be able to complete one business combination, which could cause it to be solely dependent on a single business; (v) the value of any target company could decrease following its acquisition by such SPAC; (vi) the value of the funds invested and held in the trust decline; (vii) the inability to redeem due to the failure to hold the securities in the SPAC as of the record date or the failure to vote against the acquisition; and (viii) if the SPAC is unable to consummate a business combination, public stockholders (including Funds) will be forced to wait until the deadline before liquidating distributions are made.

In addition, certain SPACs are not as actively traded as other types of listed securities and could have a concentrated shareholder base that tends to be composed primarily of institutional investors, registered investment advisers and/or hedge funds (at least at inception). The Funds may invest in a SPAC that, at the time of investment, has not selected or approached any prospective target businesses with respect to a business combination. In such circumstances, there will be an extremely limited basis for the Funds to evaluate the possible merits or risks of such SPAC’s investment in any particular target business. Further, the SPAC could, in certain circumstances, complete an initial business combination without seeking stockholder approval. As a result, if the SPAC does not seek stockholder approval of an initial business combination, the Fund’s only opportunity to affect the investment decision regarding a potential business combination will be limited to exercising its redemption rights in connection with the initial business combination.

*SPACs Sponsored by Antarctica SPAC Persons.* Certain affiliates and key persons of Antarctica Capital (the “Antarctica SPAC Persons”) intend to sponsor certain SPACs (“Related SPACs”) in which certain Antarctica Capital clients could invest in the future. Each Related SPAC will be a newly formed company with no operating results and will not commence operations until obtaining funding through an IPO. Each Related SPAC, at the time of its formation, will have no plans, arrangements or understandings with any prospective target business concerning an initial business combination and could therefore be unable to complete its initial business combination. The past performance by Antarctica SPAC Persons is not a guarantee either (i) of success with respect to any business combination that a Related SPAC consummates or (ii) that such Related SPAC will be able to locate a suitable candidate for an initial business combination. In addition, prior to any Related SPAC’s IPO, there will have been no public market for any of its securities. The public offering price of a Related SPAC’s units will be negotiated between the Antarctica SPAC Persons and the IPO underwriters. The ultimate determination of any Related SPAC’s IPO price is more arbitrary than the pricing of securities of an operating company in a particular industry because there are no historical operations or past financial results to assess.

Although the Antarctica SPAC Persons will endeavor to evaluate the risks inherent in a particular target business for any Related SPAC, there is no guarantee that Antarctica SPAC Persons will properly ascertain or assess all of the significant risk factors or that they will have adequate time to complete due diligence. Furthermore, some of these risks will be outside of the target business and outside of any Related SPAC’s control and leave a Related SPAC with no ability to control or reduce the chances that those risks will adversely impact a target business. Even if Antarctica SPAC Persons conduct extensive due diligence on a target business, there can be no guarantee that all material issues will be uncovered or that the value of a target

business will be properly assessed. As a result, any Related SPAC could be forced to later write-down or write-off assets, restructure its operations, or incur impairment or other charges that could result in reporting losses. Accordingly, as a stockholder of any Related SPAC following the initial business combination, a Fund could suffer a reduction in the value of its shares. In addition, there can be no assurance that a target business will be profitable or successful in its operations following the business combination.

*Private Investment in Public Equity (“PIPE”) Investments.* Certain Funds can participate in PIPE transactions, including PIPE transactions associated with Related SPACs. Special investments in public companies whose stocks are quoted on stock exchanges or which trade in the over-the-counter securities market, a type of investment commonly referred to as a “PIPE” transaction, can be entered into with smaller capitalization public companies, which will entail business and financial risks comparable to those of investments in the publicly issued securities of smaller capitalization companies. Such companies are also less likely to weather business or cyclical downturns than larger companies and are more likely to be substantially hurt by the loss of a few key personnel. In addition, PIPE transactions will generally result in the Funds acquiring either restricted stock or an instrument convertible into restricted stock. As with investments in other types of restricted securities, such an investment can be illiquid. A Fund’s ability to dispose of securities acquired in PIPE transactions will usually depend on the registration of such securities for resale. Any number of factors could prevent or delay a proposed registration. Alternatively, it could be possible for securities acquired in a PIPE transaction to be resold in transactions exempt from registration in accordance with Rule 144 under the Securities Act, or otherwise under U.S. federal securities laws. There can be no guarantee that there will be an active or liquid market for the stock of any small capitalization company due to the possible small number of stockholders. As a result, even if the Funds are able to have securities acquired in a PIPE transaction registered or sell such securities through an exempt transaction, the Funds will likely not be able to sell all the securities on short notice, and the sale of the securities could lower the market price of the securities. There is no guarantee that an active trading market for the securities will exist at the time of disposition of the securities, and the lack of such a market could hurt the market value of the Fund’s investments.

*Foreign Direct Investment Considerations including CFIUS.* Certain investments by the Funds that involve the acquisition of a business connected with or related to national security or critical infrastructure could be subject to review and approval by the U.S. Committee on Foreign Investment in the United States (“CFIUS”) and/or non-U.S. national security/investment clearance regulators depending on the beneficial ownership and control of interests in the Fund. The U.S. government has also enacted the Foreign Investment Risk Review Modernization Act (“FIRRMA”) and related regulations, which significantly expanded the types of transactions that are subject to the jurisdiction of CFIUS. Under FIRRMA, CFIUS has the authority to review and potentially block or impose conditions on certain foreign investments in U.S. companies or real estate. In addition to the United States, many other countries are enacting or beginning to enforce their own foreign direct investment laws, such as Measures for the Security Review of Foreign Investments in China or the proposed National Security and Investment Bill in the United Kingdom. In the event that CFIUS or another regulator reviews one or more of a Fund’s proposed or existing investments, there can be no assurances that the Fund will be able to maintain, or proceed with, such investments on terms acceptable to the Fund. CFIUS or another regulator could seek to impose limitations on or prohibit one or more investments of the Fund. Such limitations or restrictions might prevent a Fund from maintaining or pursuing investments or reduce the number of potential purchasers of existing investments of the Funds, which could adversely affect the performance of a Fund with respect to such investments.

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*The following describe certain additional risks related to the Advisers.*

*Material, Non-Public Information.* Antarctica Capital investment professionals often acquire confidential or material, non-public information concerning an entity in which the Funds have invested or propose to invest, and the possession of such information would likely limit Antarctica Capital’s ability to buy or sell particular

securities of such entity on behalf of the Funds, thereby limiting the investment opportunities or exit strategies available to the Funds. In addition, holdings in the securities of an issuer by Antarctica Capital or its affiliates could affect the ability of the Funds to make certain acquisitions of, or enter into certain transactions with, such issuer.

*Cybersecurity Risks; System Failures.* The Funds, Antarctica Capital and their affiliates and service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, including, without limitation, information regarding investors and Fund's investment activities, and corruption of data. Third-parties also attempt to fraudulently induce employees, Antarctica Capital counterparties and third-party service providers to disclose sensitive information in order to gain access to Antarctica Capital data or that of the Funds. A successful penetration or circumvention of the security of such systems could result in the unauthorized transfer of funds to an illegitimate counterparty, financial loss and expense, theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Funds, Antarctica Capital and their affiliates could be exposed to a more significant risk if these activities are taken by state actors. Certain damage or interruptions to information technology systems would cause losses to Funds or their investors, including, without limitation, by interfering with the processing of transactions, affecting a Fund's ability to conduct valuations or impeding or sabotaging trading. The Funds would also incur substantial costs as the result of a certain cybersecurity breaches, including costs associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose a Fund and Antarctica Capital to civil liability as well as regulatory inquiry and/or action. Investors could also be exposed to losses resulting from unauthorized use or dissemination of their personal information.

The Funds, Antarctica Capital and their affiliates rely extensively on computer programs and systems (and will likely rely on new systems and technology in the future) for various purposes, including trading, clearing and settling transactions, evaluating certain investments, monitoring a Fund's portfolio and net capital and generating risk management and other reports that are critical to oversight of a Fund's activities. Antarctica Capital's and certain Funds' operations will be dependent upon systems operated by third-parties, including prime-brokers, administrators, market counterparties and their sub-custodians and other service providers. Funds' service providers also depend on information technology systems and, notwithstanding the diligence that the Funds perform on its service providers or the assurances that Antarctica Capital could seek to obtain that these third-parties will implement appropriate security controls to protect Antarctica Capital's confidential information, Antarctica Capital might not be in a position to verify the risks or reliability of such information technology systems and there is a risk that unauthorized individuals could improperly gain access to Antarctica Capital's confidential data stored or accessed by third-parties. Antarctica Capital's controls and procedures, business continuity systems, and data security systems could also prove to be inadequate. Certain failures, corruptions or breaches of one or more systems (including as a result of the occurrence of a disaster such as a cyber-attack, a natural catastrophe, an industrial accident, a terrorist attack or war, events unanticipated in Antarctica Capital's disaster recovery systems, or a support failure from external providers) or the inability of such systems to satisfy investor's needs, including the execution of orders, would have a negative effect on Antarctica Capital's ability to conduct business and thus, the Funds, particularly if those events affect

Antarctica Capital's computer-based data processing, transmission, storage and retrieval systems or destroy Antarctica Capital's data. If a significant number of Antarctica Capital's personnel were to be unavailable in the event of a disaster or other event, Antarctica Capital's ability to effectively conduct the business of the Funds would likely be compromised. A Fund's controls and procedures, business continuity systems, and data security systems could prove to be inadequate. These problems could arise in Antarctica Capital's internally developed systems and the systems of third-party service providers.

*Board Participation.* Antarctica Capital employees serve as directors of portfolio companies and, as such, have duties to persons other than a Fund, including other stockholders of such portfolio companies. Although holding board positions is viewed as important to the Fund's investment strategy and is believed to improve Antarctica Capital's oversight ability, board positions could impair Antarctica Capital's ability to sell the relevant securities when and upon the terms it wants, and subject Antarctica Capital and the Funds to claims they would otherwise not be subject to as an investor, including claims of breach of duty of loyalty, corporate waste, securities claims and other director-related claims.

*Trade Errors.* Antarctica Capital and their respective affiliates will not be responsible for any losses resulting from any trade errors made by Antarctica Capital or their affiliates, in respect of Funds' investments, except to the extent such parties are liable pursuant to the applicable governing documents of such the Funds. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic system or typographical or drafting errors related to derivatives contracts or similar agreements. Investors should assume that trade errors (and similar errors or deviations from accuracy or correctness in the trade process) will occur and that none of Antarctica Capital or their respective affiliates will be responsible for any resulting losses, even if such loss results from negligence (but not gross negligence), unless it has breached its standard of care as set out in applicable laws or regulations as well as the applicable limited partnership agreement, investment management agreement, prospectus or other offering document of the Funds.

*FOIA/Public Disclosure.* As a result of the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, Antarctica Capital, investors in the Funds or any of their respective affiliates are sometimes required to disclose information relating to a Fund, or their affiliates, and/or any entity in which an investment is made, which disclosure could, for example, affect such Fund's competitive advantage in finding attractive investment opportunities. In addition, the identity of and certain information regarding investors in the Funds, such as public pension plans and listed investment vehicles could be subject to public disclosure requirements. The amount of information about their investments that is required to be disclosed has increased in recent years and that trend could continue. To the extent that disclosure of confidential information relating to the Funds or their portfolio companies results from interests being held by public investors, the Funds could be adversely affected.

*Misconduct of Employees and Third-Party Service Providers.* Misconduct by employees of Antarctica or by third-party service providers could cause significant losses to the Funds. Types of potential employee misconduct include binding the Funds to transactions that exceed authorized limits or present unacceptable risks and unauthorized investment activities or concealing unsuccessful investment activities (which, in either case, could result in unknown and unmanaged risks or losses). Employee misconduct could also involve illegal or otherwise inappropriate acts that are not directly related to a Fund or any portfolio company but nonetheless have a material adverse impact (including reputational damage) on the Funds, Antarctica Capital or their affiliates. Losses could also result from actions by third-party service providers, including, without limitation, failure to recognize trades and misappropriating assets. In addition, employees and third-party service providers might improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting Funds' business prospects or future marketing activities. No assurances can be given that the due diligence performed by Antarctica Capital will identify or prevent any such misconduct.

*Increased Regulatory Oversight.* The financial services industry generally, and the activities of private investment funds and their managers, in particular, have been and continue to be subject to intense regulatory oversight and enforcement actions. Such scrutiny increases the exposure of the Funds, Antarctica Capital and their affiliates to potential liabilities and to legal, compliance and other related costs. Increased regulatory oversight also imposes administrative burdens on Antarctica Capital, including, without limitation, those arising from responding to investigations and implementing new policies and procedures. Such burdens could divert Antarctica Capital's time, attention and resources from portfolio management activities.

Any significant changes in, among other things, economic policy (including with respect to interest rates and foreign trade), the regulation of the asset management industry and the industries in which the Funds make investments, tax law, immigration policy and/or government entitlement programs could have a material adverse impact on Funds and their investments.

On August 23, 2023, the SEC adopted new rules and amendments to existing rules under the Advisers Act applicable to registered advisers and their activities with respect to certain private funds (collectively, the "New Private Fund Rule"). In particular, among other provisions, the New Private Fund Rule: (i) increases reporting requirements by private funds to investors concerning performance, fees and expenses; (ii) requires registered advisers to private funds to obtain an annual audit for private fund clients; (iii) enhances requirements in connection with adviser-led secondary transactions with respect to private fund clients (also known as GP-led secondaries), including an obligation to obtain a fairness or valuation opinion and make certain disclosures; (iv) prohibits private fund advisers from engaging in certain practices with respect to their private fund clients including, without limitation, charging private fund clients for fees and expenses associated with an investigation of the private fund adviser by governmental or regulatory authorities without the prior written consent from a majority in interest of third-party investors; and (v) imposes limitations and new disclosure requirements regarding preferential treatment of investors in private funds in side letters or other arrangements with the private fund adviser. The New Private Fund Rule is expected to have a material impact on Antarctica Capital and the Funds, including, without limitation, requiring changes to the business practices and operations of Antarctica Capital and the Funds, increasing the compliance-related expenses of the Funds, enhancing the risk of regulatory action, including public regulatory sanctions, and otherwise requiring the attention of Antarctica Capital's professionals.

## **Item 9 - Disciplinary Information**

There are no legal or disciplinary events that are material to an investor or a prospective investor's evaluation of the Advisers' advisory business or the integrity of the Advisers' management.

## **Item 10 - Other Financial Industry Activities and Affiliations**

As disclosed in the Advisers' Form ADV, Part 1A, Antarctica Capital has an affiliated broker-dealer, Palmer Capital Advisors, LLC. As of December 31, 2023, no management persons of the Advisers are registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer. Similarly, no management persons of the Advisers are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of those categories of entities. As discussed in Item 4, and Part 1A of the Advisers' Form ADV, Antarctica Capital and each of the Advisers (Antarctica Investment Advisors, LLC and its Relying Advisers) are under common control. Antarctica Capital devises investment strategies that are implemented by the Advisers. The Advisers do not believe that this arrangement creates a material conflict of interest with the Funds. Finally, Antarctica Investment Advisors, LLC and its Relying Advisers, do not believe that the establishment of a relying adviser creates a material conflict of interest for the Funds.

In addition, in December 2023, entities controlled by Antarctica Capital and its principal acquired Midwest Holding Inc., a technology-driven life and annuity platform. As a result of the transaction, Antarctica Capital is under common control with 1505 Capital LLC, an SEC-registered investment adviser, and Midwest Holding Inc., a state-licensed insurance company. Antarctica Capital does not believe that its relationships with these entities creates a material conflict of interest for the Funds.

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

The Advisers have adopted a Code of Ethics (the “Code of Ethics”) that obligates the Advisers and their related persons to put the interests of the Funds before their own interests and to act honestly and fairly in all respects in their dealings with each Fund. All of the Advisers’ personnel are also required to comply with applicable federal securities laws. For additional information about the Code of Ethics or to request a copy, contact our Chief Compliance Officer at (212) 983-1602. See below for further provisions of the Code of Ethics as they relate to the pre-clearing and reporting of securities transactions by related persons.

The Advisers, in the course of their investment management and other activities, could come into possession of confidential or material nonpublic information about issuers of securities, including issuers in which the Advisers or their related persons have invested or seek to invest on behalf of one or more Funds. In certain circumstances, the Advisers will possess certain confidential or material nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security. The Advisers and their personnel are prohibited from communicating such information with respect to a Fund or using such information for a Fund’s benefit. The Advisers are prohibited from improperly disclosing or using such information for their own benefit or for the benefit of any other person, including the Funds. The Advisers maintain written policies and procedures reasonably designed to prohibit the communication of such information to persons who do not have a legitimate need to know such information and to otherwise ensure that the Advisers are acting in compliance with applicable law.

The Advisers, their affiliates and supervised persons can invest either directly or indirectly, through a Fund or in the general partner of such Fund, in securities the Adviser recommends to its clients. To the extent that the Advisers or their related persons invest in the same securities that the Advisers or a related person recommends to a Fund, such practices present a conflict of interest, because the Advisers or their related person is in a position to trade in a manner that could adversely affect such Fund. In addition to affecting the Advisers’ or their related persons’ objectivity, these practices by the Advisers or their related persons can also harm a Fund by adversely affecting the price at which such Fund’s trades are executed. The Advisers have adopted the following procedures in an effort to minimize such conflicts: the Advisers requires their access persons to pre-clear certain transactions in their personal accounts with the Chief Compliance Officer, who can deny permission to execute the transaction if she believes that such transaction will have any adverse economic impact on such Fund. In addition, the Code of Ethics prohibits the Advisers or their related persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Advisers’ related persons are also required to provide a quarterly certification of any personal securities transactions. Trading in employee accounts will be reviewed by the Chief Compliance Officer or a third-party designated by the Chief Compliance Officer and compared with transactions for the Funds accounts and reviewed against the restricted list.

To the extent that the Advisers buy or sell securities for a Fund, at or about the same time that the Advisers or a related person buys or sells the same securities for its own account, the Advisers and the related person, if



applicable, will do so in accordance with the procedure described above in order to minimize the conflicts stemming from situations where the contemporaneous trading would result in an economic benefit for the Advisers or their related person to the detriment of the Funds.

Because of the different fee arrangements for different Clients, as well as differing levels of investment by the Advisers and their related persons in different Clients and investments, the Adviser generally faces conflicts of interest in allocating investment opportunities among Client accounts, as they would generally be incentivized to allocate more profitable investments to Clients that pay higher performance-based fees or in which the Adviser had a larger proprietary investment. The Advisers have adopted policies and procedures governing the allocation of investment opportunities to mitigate these conflicts. Subject to the governing documents of a particular Fund or Client relationship (which can override the general application of the allocation procedures), the Advisers generally consider a number of factors, including (i) the investment objectives, strategies, guidelines and restrictions of each Client, (ii) the liquidity needs and the investment cycle of each Client, (iii) the anticipated holding periods for the prospective investments, (iv) the nature of the opportunity, including the size and source of the opportunity, (v) current and anticipated market conditions, (vi) tax, legal and/or regulatory considerations and (vii) such other factors that the Advisers consider relevant for a particular opportunity. While the Advisers believe these procedures have been developed with a goal to allocate investment opportunities among Clients fairly and equitably over time, there is no assurance that each individual allocation decision will be profitable for any Client.

From time to time, securities or other obligations to be sold on behalf of one or more Funds are suitable for purchase by other Funds. In such circumstances, if the Advisers determine, in good faith, that the transaction is in the best interest of each participating fund, the securities or other obligations will be transferred between such Funds at the then fair market value. The Advisers will not receive a commission in connection with such trades. Investors in the Funds should carefully review the Fund Documents for a discussion of such cross-trades, including that they will be deemed to provide consent to such transactions when subscribing to a Fund.

To the extent permitted by law and applicable Fund Documents, the Advisers will from time to time purchase investments from and or sell investments to a Fund while acting as principal for its own account. Such transactions present a conflict of interest in that the Adviser is incentivized to act in the best interest of its own account in connection with such transactions. Prior to the execution of a principal transaction, the Advisers will make disclosure of all relevant conflicts of interest and other facts material to an evaluation of the proposed transaction to the investors in the relevant Fund (or an identified committee of such investors or through other means) and will obtain prior written consent of such investors or committee (or through other means) in accordance with the applicable Fund Documents.

## **Item 12 - Brokerage Practices**

In general, and due to the nature of the strategy of the Funds, the Advisers do not anticipate the use of broker-dealers for the provision of execution services on a regular basis but can engage broker-dealers to buy or sell certain assets. Broker-dealers, to the extent required for any of the Funds' transactions will be selected on a case-by-case basis relying on a number of factors. Such factors include reputation, client relationships, net price, financial strength and stability, efficiency of execution and error resolution.

The Advisers may receive research or brokerage services from a broker-dealer and/or third-party in connection with a Fund's securities transactions. This is known as a "soft dollar" relationship. Currently, the Advisers have no formal soft dollar arrangements in place. To the extent the Advisers enter into any soft dollar arrangements, the Advisers will limit the use of "soft dollars" to obtain services that constitute research and brokerage within

the meaning of Section 28(e) of the Securities Exchange Act of 1934.

### **Item 13 - Review of Accounts**

The Chief Compliance Officer, the Managing Member and certain other employees of the Advisers, in consultation with the relevant Fund's advisory committee when appropriate, regularly review and monitor each Fund's investment portfolio to determine whether positions should be maintained in view of current market conditions. The Advisers consider specific securities and investments held, adherence to investment guidelines and such Fund's performance. In general, the Advisers provide unaudited performance reports on a quarterly basis to investors in each Fund, as specified in the Fund Documents, and audited financial statements to investors in each Fund annually, as further described in the relevant Fund Documents.

### **Item 14 - Client Referrals and Other Compensation**

The Advisers do not currently receive any monetary compensation or any other economic benefit from a non-client for their provision of investment advisory services to an investor.

From time to time, the Advisers will receive training, information, promotional material, meals, gifts, or prize drawings from vendors and others with whom it does business or to whom it makes referrals. At no time will the Advisers accept any benefits, gifts, or other arrangements that are conditioned on directing individual investors to a specific investment or provider. Similarly, the personnel of the Advisers and/or their affiliates will from time to time speak at conferences and programs for potential investors. Through such capital introduction events, prospective investors have the opportunity to meet with the Advisers. Neither the Advisers nor any Fund compensates individuals for organizing such events or for investments ultimately made by prospective investors attending such events.

### **Item 15 – Custody**

Rule 206(4)-2 promulgated under the Investment Advisers Act (the "Custody Rule") imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has any beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them (regardless of whether the exercise of that authority or ability would be lawful). An investment adviser is deemed to have custody if it or its affiliate serves as a general partner to a limited partnership client of the advisers.

The Advisers are required to maintain the funds and securities (except for securities that meet the privately offered securities exemption in the Custody Rule) over which it has custody with a "qualified custodian." Qualified custodians include banks, broker-dealers, futures commission merchants and certain foreign financial institutions.

Rule 206(4)-2 generally imposes on advisers with custody of clients' funds or securities certain requirements concerning reports to such clients (including underlying investors in certain circumstances) and surprise examinations relating to such clients' funds or securities. However, the Advisers need not comply with such requirements with respect to pooled investment vehicles if the pooled investment vehicle: (i) is audited at least annually by an independent public accountant, and (ii) distributes its audited financial statements prepared in accordance with generally accepted accounting principles to the client, or, in certain circumstances, all limited partners, members or other beneficial owners, within 120 days (180 days in the case

of a fund of fund adviser) of its fiscal year end. The Adviser intends to rely upon this exception, and therefore will be exempt from the Rule 206(4)-2 surprise examination requirements.

The Relying Advisers, related persons to AIA, are deemed to have custody of Fund assets. They serve as the manager of each Fund and are expected to serve as the manager of each future Fund. To comply with the Custody Rule, each Fund's audited financial statements will be prepared in accordance with generally accepted accounting principles by an independent auditor (which is registered with and subject to inspection by the PCAOB) and distributed within 120 days (or 180 days in the case of a fund of funds) after the Fund(s)'s fiscal year end. Due to one of the ultimate beneficial owners across the SEREY accounts being an insurance company, those Funds require an audit to be prepared according to the Statutory Accounting practices prescribed by the National Association of Insurance Commissioners of the USA ("NAIC").

### **Item 16 - Investment Discretion**

Antarctica Capital is retained on a discretionary basis to recommend and direct execution of transactions pursuant to the terms of each Funds' Documents. Investment advice is provided directly to the applicable Fund and not to investors individually.

### **Item 17 - Voting Client Securities**

The Funds primarily hold investments in private securities. Due to the nature of these investments, the Advisers expect to have substantial authority to exercise voting rights with respect to such securities. The Sponsor and the Advisers have developed policies and procedures in the event that it must vote on proxies on behalf of a Fund. The Advisers will vote any proxies received in the best interest of such Fund and in accordance with any procedures described to investors. However, the policies permit the Advisers to abstain from voting proxies in the event that the relevant Fund's economic interest in the matter being voted upon is limited or when the impact of the vote will not have an impact on the outcome of the matter or on the relevant Fund's economic interests.

If a material conflict of interest between the Advisers and a Fund exists, the Advisers will determine whether voting in accordance with the guidelines set forth in the proxy voting policies and procedures is in the best interest of the relevant Fund or take some other appropriate action.

For a copy of the Advisers' proxy voting policies and procedures and information on how the Advisers have voted any proxies received by the Funds, contact our Chief Compliance Officer at (212) 983-1602.

### **Item 18 - Financial Information**

Not applicable.