

COVER PAGE
INVESTMENT ADVISER BROCHURE
BUTTERFLY EQUITY LP

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of Butterfly Equity LP (“Butterfly Equity” or the “Management Company”). If you have any questions about the contents of this Brochure, please contact us at (310) 409-4994. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

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

MATERIAL CHANGES

This is the annual amendment to this Brochure for the year ended December 31, 2023. This annual amendment reflects updates to the regulatory assets under management, descriptions of potential conflicts of interest and the business practices of Butterfly (defined below) and supplements existing disclosures relating to Butterfly's practices and related potential conflicts of interest under "Fees and Compensation" and "Methods of Analysis, Investment Strategies and Risk of Loss." In addition, the Brochure has been updated to reflect a change to the Chief Compliance Officer, effective March 2024.

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ADVISORY BUSINESS

Butterfly Equity, a Delaware limited partnership, commenced operations in October 2015 and became a registered investment adviser with the SEC on July 27, 2018. Butterfly Equity LLC, a Delaware limited liability company, acts as the general partner of Butterfly Equity and is owned and controlled by Dustin Beck and Adam Waglay. Butterfly Equity is controlled by Dustin Beck and Adam Waglay, who are its principal owners.

Butterfly Equity and the General Partners (as defined below) and their respective affiliates (collectively, “**Butterfly**” or the “**Firm**”) provide investment advisory services to privately offered pooled investment vehicles (each, a “**Fund**,” and together with any future private investment fund to which Butterfly provides investment advisory services, the “**Funds**”).

Entities affiliated with Butterfly Equity serve as the general partners to the Funds (the “**General Partners**” and each, a “**General Partner**”). Each General Partner is subject to the Advisers Act pursuant to Butterfly Equity’s registration in accordance with SEC guidance. This Brochure also describes the business practices of the General Partners, which operate as a single advisory business together with Butterfly Equity.

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

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

Additionally, as permitted by the relevant Partnership Agreement, Butterfly expects to provide (or agree to provide) investment or co-investment opportunities (including the opportunity

to participate in co-invest vehicles) to certain current or prospective investors or other persons, including other sponsors, market participants, finders, consultants and other service providers, portfolio company management or personnel, Butterfly personnel and/or certain other persons associated with Butterfly (e.g., a vehicle formed by Butterfly's principals to co-invest alongside a particular Fund's transactions). Such co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms as the Fund making the investment. However, for strategic and/or other reasons, a co-investor or co-invest vehicle (including a co-investing Fund) purchases a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer), which generally will have been funded through Fund investor capital contributions and/or use of a Fund credit facility. Any such purchase from a Fund by a co-investor or co-invest vehicle generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment, but in certain instances could be well after the Fund's initial purchase. Where appropriate, and in Butterfly's sole discretion, Butterfly reserves the right to charge interest on the sale to the co-investor or co-invest vehicle (or otherwise equitably to adjust the sale price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent any such amounts are not so charged or reimbursed (including charges or reimbursements required pursuant to applicable law), they generally will be borne by the relevant Fund.

As of December 31, 2023, Butterfly managed approximately \$4,047,839,940 of client assets on a discretionary basis.

FEES AND COMPENSATION

In general, Butterfly receives a management fee ("**Management Fee**") and a carried interest in connection with its advisory services. Butterfly receives additional compensation in connection with management and other services performed for portfolio companies of the Funds and such additional compensation will offset in whole or in part the Management Fees otherwise payable to Butterfly Equity as disclosed in the applicable Fund's Partnership Agreement. In addition, Butterfly receives compensation for management and other services performed in connection with the co-investments made in portfolio companies of the Funds, as set forth in the relevant Partnership Agreement(s) and/or Side Letters(s). Investors in a Fund also bear certain expenses.

Management Fees

Butterfly's Management Fees are described in detail in the relevant Fund's Partnership Agreement.

As set forth and more fully described in the relevant Fund's Partnership Agreement, Butterfly generally is entitled to receive a Management Fee equal to 2.0% on an annual basis of aggregate investor capital commitments to a Fund. Upon a date set forth in the Partnership Agreement (the "**Stepdown Date**"), the Management Fee will be reduced and will equal 2.0% of (i) the aggregate investment contributions of the Fund's investors, less (ii) the aggregate amount of such investment contributions with respect to the portion of each investment that has been disposed of or completely written-off.

Management Fees based on the amount of commitments or the amount of investment contributions generally will not be reduced based on reductions in investment value, except where specified by the relevant Partnership Agreement. As a general matter, Management Fees will be payable during term extensions unless otherwise agreed with investors.

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

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

As a result, and as is generally the case for private equity funds, the amount of Management Fees generally will not correspond with fluctuations in the net asset value of individual investments or of a Fund, including following the relevant investment period, and generally will not be reduced in connection with any write downs, except in the case of Impaired Value Investments.

The Partnership Agreements set forth the full list of terms under which Management Fees will be reduced, offset or otherwise limited, and consequently investors should expect to bear the full specified Management Fee rate in the Partnership Agreement until they are reduced in the circumstances and on the date(s) specified therein, except to the extent the Management Fee payable with respect to any investor is altered in any Side Letter or similar agreement with or applicable to such investor.

As described further in the relevant Partnership Agreements, the Management Fees are generally reduced by an amount equal to 100% of a Fund's portion of portfolio company fees ("**Portfolio Company Fees**") attributable to such Fund's investors not designated as "Affiliated Partners" (as described in the relevant Partnership Agreements). Subject to the applicable

Partnership Agreements, Portfolio Company Fees generally include closing fees, investment banking fees, placement fees, commitment fees, litigation proceeds from transactions not consummated, monitoring fees, transaction fees, directors' fees, consulting fees and other similar fees (whether in the form of cash, securities or otherwise), advisory fees and break-up fees with respect to the relevant Fund's investments that are, in each case, paid to a Fund's General Partner. Subject to the relevant Partnership Agreements, all Portfolio Company Fees that remain unapplied as of the winding-up and/or dissolution of a Fund are retained by the Fund's General Partner, the Management Company or their respective affiliates, partners, members, officers or employees; provided that, upon the final distribution of the Fund's assets, the Management Company or its designated affiliates will rebate to any Fund limited partner that has so elected in its subscription agreement or otherwise, an amount of the Management Fee equal to the lesser of (1) such limited partner's pro rata share of any such unapplied Portfolio Company Fees and (2) the amount of the Management Fee previously paid by such limited partner. Butterfly generally has discretion over whether to charge such Portfolio Company Fees and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. Unless otherwise agreed with investors, Portfolio Company Fees generally will be payable without further offset during term extensions, even if Portfolio Company Fees are reduced or eliminated during the extended term. In most circumstances, such compensation is not reviewed or approved by an independent third party. The receipt of such compensation generally will give rise to potential conflicts of interest between the Funds, on the one hand, and Butterfly and/or its affiliates on the other hand.

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

Additionally, as further described below and in the applicable Memorandum and/or Partnership Agreement of each Fund, it is Butterfly's practice to retain certain senior advisors, consultants, technical advisors, "operating partners," "executives in residence" and/or similar persons ("**Operating Partners**") to provide services to (or with respect to) certain portfolio companies in which one or more Funds invest. Such Operating Partners generally receive compensation and other amounts described herein, but no such amounts offset or reduce the Management Fee. Each of the foregoing conditions is expected to reduce the amount of Portfolio Company Fees otherwise available to be offset against Management Fees, resulting in a potential material benefit to Butterfly over the life of the relevant Fund, and the existence of such potential benefit creates an incentive for Butterfly to seek to increase such amounts.

Except as otherwise agreed, the General Partners will not be subject to carried interest or the Management Fee.

It should be noted that any Fund launched by Butterfly after the date of this Brochure is permitted to have materially different terms than those summarized above and any terms for any existing Fund have the potential to be amended.

Carried Interest

Butterfly's carried interest arrangements are described in detail in the relevant Fund's Partnership Agreement.

Butterfly generally will receive a carried interest with respect to each Fund equal to 20% of all realized profits, subject to an 8% preferred return, as more fully described in the Fund's Partnership Agreement.

Other Information

Butterfly is permitted to exempt certain "affiliated partner" investors in the Funds from payment of all or a portion of Management Fees and/or carried interest, including Butterfly and any other person designated by Butterfly, such as "friends and family" of Butterfly or its personnel, or other investors meeting certain qualification requirements. Butterfly reserves the right to make any such exemption from fees and/or carried interest by a direct exemption, a rebate by Butterfly, or through other Funds which co-invest with a Fund. For example, in instances where a Butterfly professional (or an affiliated entity thereof) invests in a Fund, such professional (or such affiliated entity) generally will be exempt from payment of the Management Fee and carried interest with respect to such Fund. Additionally, to the extent permitted by the relevant Partnership Agreement, Butterfly has the right to permit investors, affiliated with Butterfly or otherwise, to invest through the relevant General Partner or other vehicles that do not bear Management Fees or carried interest. Butterfly retains flexibility to structure its compensation from investors and expects in certain circumstances to agree to invoice an investor directly for Management Fees or other compensation, rather than deducting such amounts from the investor's capital account(s).

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

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

In addition to the Management Fee and carried interest payable, each Fund bears certain expenses. As set forth more fully in the applicable Partnership Agreement of each Fund, a Fund generally bears all fees, costs, expenses, liabilities and obligations relating to the Fund's (and its subsidiaries' and intermediate entities') activities, investments and business to the extent not reimbursed by a portfolio company.

In addition to the Management Fee and carried interest, each Fund will pay certain expenses relating to the Fund's activities ("**Fund Expenses**"). Subject to each Fund's Partnership Agreement, Fund Expenses generally include all other costs, expenses, liabilities and obligations relating to such Fund's and/or its portfolio companies' or its other subsidiaries' activities, business, portfolio companies or actual or potential investments that are not reimbursed by portfolio companies, including all fees, costs, expenses, liabilities and obligations relating or attributable to (i) activities with respect to the origination, identification and sourcing of investment opportunities for the relevant Fund, including attending and sponsoring industry conferences and events, meeting with consultants, finders, broker-dealers, investment banks and other sources of investments and developing an investment pipeline, (ii) activities with respect to the pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing (including any subscriptions to any periodicals, databases and/or research services), acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving or otherwise disposing of, as applicable, portfolio companies and the relevant Fund's actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including, without any limitation, any associated legal, financing, commitment, registration expenses, real estate title, survey, brokerage, finders', custodial, transaction or other fees and expenses payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence providers, software and service providers, consultants and similar professionals in connection therewith; (iii) indebtedness of, or guarantees made by, the relevant Fund, the Management Company, the Fund's General Partner or any affiliated "Partner" (as defined in the relevant Fund's Partnership Agreement) on behalf of the Fund (including any credit facility, letter of credit or similar credit support), including interest and fees with respect thereto (including the costs and expenses of any lenders, investment banks and other financing sources), or seeking to put in place any such indebtedness or guarantee; (iv) financing, commitment, origination and similar activities (v) broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement fees and expenses, sales commissions, investment banker, finder and similar services; (vi) brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account, registered office and similar services (including any depository appointed pursuant to the Alternative Investment Fund Managers Directive and any Swiss representative or paying agent appointed pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof) and similar services; (vii) developing, structuring, maintaining, operating and winding up administrative structures in the relevant jurisdictions and elsewhere that are put in place to operate the investment activities of the relevant Fund (including the salary and benefits of any personnel reasonably necessary for the maintenance of such structures, other overhead, rent and similar costs in connection therewith and the relevant Fund's share of any such costs of any such structure involving other persons managed by, or affiliated with, the Management Company, such Fund's General Partner or any of their respective affiliates); (viii) legal, accounting, research, auditing, administration (including fees and expenses associated with the Fund's third-party administrator and administration, tracking or reporting software, if any), custodian, depository, information, appraisal, advisory, valuation (including third-party valuations, fairness opinions, appraisals or pricing services), consulting (including consulting and retainer fees, salary and other compensation paid and benefits provided to any Operating Partner, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other

similar consultants), tax and other professional services; (ix) all out-of-pocket fees, costs, expenses, liabilities and obligations incurred by any Butterfly Person (as defined in the relevant Fund's Partnership Agreement) relating to investment and disposition opportunities anticipated at any time for the Fund but not consummated (including, without limitation, legal, accounting, auditing, insurance (including directors and officers and errors and omissions liability insurance), travel (including, where appropriate as determined by the General Partner, the cost of chartering private aircraft at the cost of first class commercial airfare, other air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment), consulting, brokerage, finders', financing, appraisal, filing, printing, real estate title, survey, reverse breakup, termination and other fees and expenses (collectively, "**Broken Deal Expenses**") (including Broken Deal Expenses relating to transactions that have been offered to co-investors or for which a co-investment was believed necessary in order to consummate such transaction)); (x) directors and officers liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance; (xi) filing, title, transfer, survey, registration and other similar activities; (xii) printing, communications, mailing, courier, marketing and publicity; (xiii) the preparation, distribution or filing of Fund-related or investment-related financial statements or other reports, tax returns, tax estimates, Schedule K 1s or similar forms or other communications with investors, or any other administrative, compliance or regulatory filings or reports (including Form PF and any Fund-related filings or reports contemplated by the applicable law, rule or regulation in the relevant jurisdictions), or other information, including fees and costs of any third-party service providers and professionals related to the foregoing (including the Fund's, the General Partner's and the Ultimate General Partner's (as defined in the Partnership Agreement) registered office fees and filing fees); (xiv) compliance with any tax or financial account reporting regime, including FATCA (as defined below), the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; (xv) developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, investor reporting, ledger systems, financial management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of the relevant Fund or the limited partners; (xvi) any activities with respect to protecting the confidential or non-public nature of any information or data, including confidential information (including any costs incurred in connection with data protection and freedom of information laws, rules and regulations); (xvii) to the extent provided in the relevant Fund's Partnership Agreement, or otherwise approved by such Fund's General Partner in its sole discretion, activities or proceedings of the relevant Fund's advisory board (including any costs and expenses incurred by representatives of the General Partner, such advisory board's members, permitted observers and other persons in attending or otherwise participating in meetings of the advisory board); (xviii) indemnification (including legal and any other fees, costs and expenses incurred in connection with indemnifying any investor or other person pursuant to the relevant Fund's Partnership Agreement or otherwise and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to such Partnership Agreement), except as otherwise set forth in the relevant Fund's Partnership Agreement; (xix) actual, threatened or otherwise anticipated litigation, mediation, arbitration or

other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith; (xx) any annual limited partner meeting or other periodic or special meeting, if any, meetings of the limited partners and any other conference or meeting or webcast or other video or other video conference with any limited partner(s), in each case to the extent incurred by the relevant Fund, its General Partner and/or its affiliates; (xxi) except as otherwise determined by a General Partner in its sole discretion, any fee, cost, expense, liability or obligation relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the relevant Fund, and any expenses incurred in connection with the formation, management, operation, termination, winding up and dissolution of any feeder vehicles and special purpose vehicles related to a Fund to the extent not paid by the investors investing in such entities and any other costs related to any structuring or restructuring of any Fund entity (excluding the Management Company); (xxii) the termination, liquidation, winding up or dissolution of a Fund and its affiliated entities; (xxiii) defaults by investors in the payment of any capital contributions; (xxiv) except as otherwise set forth in the relevant Partnership Agreement, amendments to, and waivers, consents or approvals pursuant to, the constituent documents of the relevant Fund, its General Partner, the Ultimate General Partner of such Fund, any portfolio company and any alternative investment vehicle of such Fund, including the preparation, distribution and implementation thereof; (xxv) (A) complying with any law or regulation related to the activities of the Fund (including regulatory expenses of the General Partner or any of its affiliates incurred in connection with the operation of the Fund and legal fees and expenses) and/or (B) any litigation or governmental inquiry, investigation or proceeding involving the Fund, including any costs of discovery related thereto, the amount of any judgments, settlements or fines paid in connection therewith, except to the extent such expenses or amounts have been determined to be excluded from the indemnification provided for in the Partnership Agreement; (xxvi) any third-party experts or advisors, including independent appraisers, engaged by the General Partner in considering, making, holding or disposing of, directly or indirectly, an investment in the same portfolio company as one or more other funds managed by the General Partner, Management Company and/or one of its affiliates; (xxvii) unreimbursed costs and expenses incurred in connection with any transfer or proposed transfer contemplated by the Partnership Agreement (including any name change, internal restructuring or change in trust, registered agent or custodian); (xxviii) any taxes, fees and other governmental charges levied against the Fund and all expenses incurred in connection with any tax audit, inquiry, investigation, settlement or review of the Fund (except to the extent that the Fund is reimbursed therefor or such tax, fee or charge is treated as having been distributed to the investors pursuant to the Partnership Agreement) and any costs of or related to the “partnership representative” of the Fund; (xxix) distributions to the investors and other expenses associated with the acquisition, holding and disposition of the relevant Fund’s investments, including extraordinary expenses; (xxx) unreimbursed and unpaid costs of any Operating Partner; (xxxi) compliance or regulatory matters related to a Fund, except as otherwise set forth in the relevant Partnership Agreement, including compliance with such Partnership Agreement and/or any Side Letter or similar agreement (including the costs of administering any “most-favored nations” or similar process with respect thereto); (xxxii) all fees, costs and expenses incurred in connection with the organization, management, operation and dissolution, liquidation and final winding up of any alternative investment vehicles and any intermediate entities; (xxxiii) all out of pocket and other expenses

incurred in connection with organizing, forming, establishing, funding and starting up a Fund, such Fund's General Partner and any parallel funds; (xxxiv) any travel (including, where appropriate as determined by the relevant General Partner, the cost of using private aircraft or other private or chartered air travel (subject to the relevant Fund's Partnership Agreement), other air travel, car or ride sharing services, other modes of transportation, meals, lodging and entertainment), and other meals and entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities; (xxxv) any organizational expenses; (xxxvi) any placement fees and expenses payable to any placement agent in connection with the formation of a Fund; and (xxxvii) any other fees, costs, expenses, liabilities or obligations approved by the relevant Fund's advisory board.

Except where the relevant Partnership Agreement or Side Letter(s) expressly provide to the contrary, Broken Deal Expenses and other expenses relating to the diligence or evaluation of a prospective investment generally are allocated among investors within a Fund regardless of whether any individual investor negotiated for an elective or automatic contractual right that would have excused them from participating in the investment.

The Funds also bear expenses indirectly to the extent a portfolio company (or intermediate entity) pays expenses, including expenses of Butterfly, as well as their share of expenses (including, without limitation, rent, office costs, travel accommodations, personnel costs and compensation and corporate expenses) relating to fund administrative, corporate and similar services performed by a Fund's subsidiaries or other entities maintained by a Fund, its General Partner or their respective affiliates in connection with certain local jurisdictions' requirement. The relative percentage of these expenses that are borne by various stakeholders (including the relevant Fund, any co-investors, portfolio company management and other persons) is expected to depend upon the level at which such expenses are charged or incurred. Generally included in the expenses permitted to be borne by a Fund are the fees, costs, expenses, liabilities and obligations of legal counsel, consultants and/or other service providers to procure, develop, establish, review, revise, customize, upgrade and/or negotiate relationships relating to the foregoing items, which generally are expected to be significant. Excluded from Fund expenses are administrative and overhead expenses of the General Partners incurred in connection with managing, originating and monitoring investments, including rent, utilities and other similar expenses specified in the relevant Partnership Agreement. In certain cases, these or similar expenses (and/or Portfolio Company Fees) are expected to be charged to portfolio companies, capitalized into the cost basis of a transaction or, to the extent necessary or desirable for operational, administrative, tax or other reasons, charged at the level of an intermediate holding company between the relevant Fund and the portfolio company. To the extent holding or intermediate entities include one or more special purpose acquisition companies ("SPACs"), the relevant Fund(s) will bear the costs of organizing and offering such SPACs, as well as the amount and dilutive effect of any founders' equity or similar interests issued thereby that are not held directly or indirectly by the Fund and except where prohibited by the Partnership Agreements, such interests are permitted to be issued to Butterfly and its personnel. Each Fund also generally will bear the costs of implementing, reporting (as applicable) monitoring and complying with investment guidelines and directives relating to the Fund's strategy, including in Side Letters relating thereto and (where applicable) environmental, social, governance (ESG) and other standards to which the relevant General Partner has committed in making investments on behalf of the Fund. Additionally, subject to the Partnership Agreements,

a Fund typically will bear certain unreimbursed expenses of portfolio companies and intermediate holding vehicles through which the Fund invests.

As is typical for private equity funds, the Funds likely bear additional and greater expenses, directly or indirectly, than many other pooled investment products, such as mutual funds, and there can be no assurance that the benefits to investors will be commensurate with such expenses. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in “Brokerage Practices” herein.

In certain circumstances, one Fund is expected to pay an expense or obligation common to multiple Funds and/or co-investors (including without limitation legal expenses for a transaction in which all such Funds and/or co-investors participate, or other fees or expenses in connection with services the benefit of which are received by other Funds and/or co-investors over time) and be reimbursed by the other Funds by their share of such expenses or obligations, without interest. To the extent the paying Fund makes use of a credit facility to pay such expense, it generally will not be reimbursed separately by other Funds for the costs of establishing, negotiating or maintaining the facility as a whole. While Butterfly believes such circumstances to be highly unlikely, it is possible that one of the other Funds could default on its obligation to reimburse the paying Fund. In certain circumstances, Butterfly, the relevant General Partner or an affiliate thereof is expected to advance amounts related to the foregoing and receive reimbursement from the Funds to which such expenses relate.

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

The foregoing list of expenses is not intended to be exhaustive and is qualified in its entirety by the applicable Partnership Agreement of each Fund.

Operating Partners

As further described herein and in the applicable Memorandum and/or Partnership Agreement of each Fund, Butterfly has engaged, and expects in the future to engage, Operating Partners (including entities formed for the benefit of such persons and/or to facilitate the provision

of their services) in order to provide one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest, with access to experienced professionals with expertise in specific areas, including operational matters. Such Operating Partners generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. In addition to receiving retainer fees and incentive compensation paid by the Management Company (or certain of its affiliates), Operating Partners receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), transaction fees, a profits, participation or equity interest in a portfolio company or holding company, incentive equity or other stock awards from a portfolio company or its holding company for their services (which may include sitting on boards of directors of portfolio companies) to such portfolio companies (and are reimbursed by such portfolio companies for certain out-of-pocket expenses incurred in connection with the provision of such services). To the extent Operating Partners provide services to Butterfly, Butterfly generally will bear the cost of any such services (and any such expenses) provided. The amount and structure of Operating Partner compensation is expected to vary over time and is permitted to include profits, participation or equity interest in a portfolio company, incentive equity and stock awards, or other incentive-based compensation, and may be based on an hourly rate, a flat fee or any combination of any of the foregoing or other methodologies. As described above, no such amounts will offset or reduce the Management Fee. Compensation in the form of profits, participation or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and has the potential to result in economic effects greater than the original amount of compensation, which in either case could be substantial, and the relevant Fund typically will bear the costs of all Operating Partner compensation as well as fees, costs and expenses of structuring Operating Partner arrangements. The use of Operating Partners subjects Butterfly to potential conflicts of interest, as discussed under "Conflicts of Interest," below.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described under "Fees and Compensation," Butterfly receives a carried interest allocation on certain realized profits from the Funds. The existence of performance-based compensation has the potential to create an incentive for a General Partner to operate the relevant Fund in a riskier, more speculative or other manner that is less favorable to investors than it would in the absence of such arrangement, although Butterfly generally considers performance-based compensation to better align its interests with those of its investors, particularly in instances where the Partnership Agreements include terms requiring clawback or giveback of performance-based compensation amounts at the end of the relevant Fund's life or at certain interim intervals. Additionally, to the extent that Butterfly has Funds with varying carried interest terms (including amount, timing, waterfall conditions or other terms) and/or Butterfly personnel are assigned varying percentages of carried interest from the Funds, Butterfly and such personnel are subject to potential conflicts of interest in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher carried interest percentage.

Butterfly seeks to address the potential for conflicts of interest in these matters with allocation practices that provide that transactions and investment opportunities will be allocated to the Funds in accordance with each Funds' investment guidelines and governing agreements, as

well as other factors that do not include the amount of performance-based compensation received by Butterfly or any personnel.

TYPES OF CLIENTS

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

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

Investors are generally “accredited investors” within the meaning of Rule 501(a) under the Securities Act of 1933, as amended, and are generally either “qualified purchasers” within the meaning of Section 2(a)(51) under the Investment Company Act, or “qualified clients” within the meaning of Rule 205-3 under the Advisers Act. Each Fund generally has a minimum investment amount for third-party investors as provided in such Fund’s Partnership Agreement. Butterfly generally is permitted to waive such minimum investment amount, but generally will not permit an amount less than \$100,000 (or other amounts as specified by Cayman Islands law).

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The following is a summary of the investment strategies and methods of analysis generally employed by Butterfly on behalf of the Funds and a summary of certain risks involved with the Firm’s investment strategy and an investment in the Funds. More detailed descriptions of the Funds’ investment strategies and methods of analysis and risks are included in the applicable Partnership Agreement and/or Memorandum of each Fund. There can be no assurance that Butterfly will achieve the investment objectives of any Fund and a loss of investment is possible.

General

Butterfly is a private investment firm focused on private equity investments in the North American food sector. Butterfly’s focus on food spans the entire food value chain from “seed to fork” via four target verticals (the “**Target Industries**”): (i) Agriculture & Aquaculture; (ii) Food & Beverage Products; (iii) Food Distribution; and (iv) Foodservice. The Firm’s investment

advisory services consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for investments. Investments are predominantly in non-public companies although investments in public companies are permitted. Whenever possible, Butterfly seeks to make control investments in its portfolio companies. However, a minority position can be required or appropriate due to factors such as regulation, management alignment, size, and investment thesis. Butterfly will generally seek to be the lead or co-lead investor in its portfolio companies, but when required will look to assemble investor consortiums of like-minded partners that can help the Firm drive value.

Investment and Operating Strategy

Specialized Focus on Food. Butterfly believes food is an attractive sector for investment due in part to, in Butterfly's view, the sector's secular growth tailwinds, potential returns on capital, low cyclical volatility and significant operational improvement potential. Within the Target Industries, Butterfly has further identified eleven target subsectors that it believes to be attractive for investment based on an extensive set of criteria. These target subsectors include aquaculture, specialty inputs, high-value crops, functional products, healthy snacks, protein-rich foods, alternative distribution, natural & organic retailers, limited assortment retailers, healthy fast food and franchised concepts.

Deal Sourcing and Due Diligence. Butterfly believes that its specialized focus on food allows for efficient identification of food companies it believes are attractive for investment, and its extensive network and strategy allow for a differentiated approach to sourcing transactions. As further described in the applicable Memorandum, Butterfly applies a set of sector-level and company-level criteria to the broader food universe to identify companies it deems potentially attractive for investment. With those targets identified, Butterfly seeks to leverage its extensive network along with targeted outreach and proprietary inflow to source transaction opportunities.

Butterfly seeks to leverage its operations-driven approach to drive a deeper and more thorough diligence process relative to non-specialists seeking to invest in the space. To execute the due diligence process, the Firm will utilize the expertise of its investment team and one or more of its Operating Partners in addition to its broader industry network. Where appropriate, the Firm will engage third-party service providers to assist in due diligence, valuation and deal execution. The due diligence process is focused on verifying that the underlying fundamentals of each business are attractive and that the investment fits well within the Firm's targeted investment criteria. Each investment will be staffed by a deal team, the size and composition of which will depend on the specific opportunity. The deal team will be responsible for leading the internal review process, organizing resources and managing third-party diligence providers. The deal team will take complete ownership for assessing a company's business model and operations, financial position, industry dynamics and management team.

Operations-Driven Approach to Value Creation. Butterfly approaches value creation with an operations-focused and technology-driven orientation and is currently in the process of codifying a set of food sector-specific standard operating procedures referred to as "Cookbooks." These Cookbooks are designed to be implemented systematically by the management team and Butterfly's operations team at every portfolio company in order to potentially improve each company's overall competitive positioning, growth and profitability, and are designed to cross all

functional areas, including strategy, sales and marketing, human resources, finance and operations. Cookbooks draw on the Butterfly team's collective experience as investors and operators in the food sector, which Butterfly expects to continue to evolve as a "living library" of standard operating procedures.

Risks of Investment

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

General Risks

Business Risks. Each Fund's investment portfolio is expected to consist primarily of interests in privately-held assets and businesses in the Target Industries, including, without limitation, agriculture/aquaculture, food and beverage products, food distribution and foodservice. Operating results in a specified period will be difficult to predict. Such investments involve a high degree of business and financial risk that can result in substantial losses. In addition, concentration in a single industry generally involves risks greater than those generally associated with more diversified funds.

Concentration of Investments. The Funds will participate in a limited number of investments and intend to make most (if not all) of their investments in one industry or one industry segment or within a short period of time. As a result, a Fund's investment portfolio could become highly concentrated, and the performance of a few holdings or of a particular industry segment may substantially affect its aggregate return. Furthermore, to the extent that the capital raised is less than the targeted amount, a Fund may invest in fewer portfolio companies and thus be less diversified.

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

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

Dynamic Investment Strategy. While each General Partner generally intends to seek attractive returns for the Fund primarily through making private equity investments as described herein, such General Partner is permitted to pursue additional investment strategies and/or modify or depart from its initial investment strategy, investment process and investment techniques as it determines appropriate. A General Partner is permitted to pursue investments outside of the industries and sectors in which its Fund has previously made investments or has internal operational experience.

Growth Equity Transactions. A Fund's strategy may include targeting growth-equity investments. While growth-equity investments offer the opportunity for significant capital gains, such investments generally involve a higher degree of business and financial risk that can result in substantial or total loss. Growth-equity portfolio companies may operate at a loss or with substantial variations in operating results from period to period, and many 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 may face intense competition, including from companies with greater financial resources, better brand recognition, more extensive development, marketing and service capabilities and a larger number of qualified managerial and technical personnel.

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

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

on behalf of a portfolio company, even in circumstances where the Fund's creditworthiness would permit borrowing at a lower rate than is available to the portfolio company.

Early-Stage and Start-Up Investments. A Fund may make investments in start-up and early-stage companies that have inherently greater risk than more established businesses. Accordingly, the growth of these companies may require significant time and effort resulting in a longer investment horizon than can be expected with lower risk investment alternatives. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Fund will be successful.

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

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

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

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive

laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making investments, the relevant General Partner will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement may present a number of risks primarily relating to a General Partner's reduced control of the functions that are outsourced. When conducting due diligence and making an assessment regarding an investment, the relevant General Partner will rely on the resources available to it, including information provided by the target of an investment and, in some circumstances, third-party investigations. A General Partner's due diligence investigation with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, a due diligence investigation will not necessarily result in any particular investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk.

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

PIPE Investments. Each Fund expects to pursue private investments in public equities ("**PIPE**") investments or private financing of public companies. PIPE investments may be purchased directly from a publicly traded company in a private placement transaction, typically at a discount to the market price of the company's common stock. In a PIPE transaction, the Fund may bear the price risk from the time of pricing until the time of closing. Each Fund will generally not be able to sell or distribute PIPE investments unless the securities are registered under applicable securities laws or an exemption from such registration is available. In addition, even after the securities are saleable, it may take a significant period of time for a Fund to sell or distribute PIPE securities in an orderly manner during which time profit could have otherwise been realized or loss avoided, and in some cases a Fund may be prohibited by contract or law from selling such public company securities for a period of time. In addition, a Fund's sales of thinly traded securities could depress the market value of such securities. These circumstances or events

could reduce a Fund's profitability. Disposition of a Fund's public company investments may result in distributions in-kind to investors.

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

Lack of Unilateral Control. Even if a Fund is the majority investor or controlling shareholder, as applicable, of a portfolio company, in certain circumstances it may not have unilateral control of the portfolio company. To the extent a Fund invests alongside third parties, such as institutional co-investors or private equity funds of other sponsors, or makes a minority investment (as discussed in more detail above), the relevant portfolio company may be controlled or influenced by persons who have economic or business interests, investment or operational goals, tax strategies or other considerations that differ from or are inconsistent with those of such Fund or its limited partners. Such third parties may be in a position to take action contrary to such Fund's business, tax or other interests, and such Fund may not be in a position to limit such contrary actions or otherwise protect the value of its investment.

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

Market Conditions. The capital markets have experienced great volatility and financial turmoil. Moreover, governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) may have a negative effect on market conditions. General

fluctuations in the market prices of securities and economic conditions generally may reduce the availability of investment opportunities for a Fund and may affect such Fund's ability to make investments. Instability in the securities markets and economic conditions generally (including a slow-down in economic growth and/or changes in interest rates or foreign exchange rates) may also increase the risks inherent in a Fund's investments and could have a negative impact on the performance and/or valuation of the portfolio companies. Each Fund's performance can be affected by deterioration in the capital markets and by market events, such as the onset of the credit crisis in the summer of 2007 or the downgrading of the credit rating of the U.S. in 2011, or the dislocations in the credit and capital markets related to COVID-19 (as discussed in more detail below), which, among other things, can impact the public market comparable earnings multiples used to value privately held portfolio companies and investors' risk-free rate of return. Movements in foreign exchange rates may adversely affect the value of investments in portfolio companies and a Fund's performance. Volatility and illiquidity in the financial sector may have an adverse effect on the ability of a Fund to sell and/or partially dispose of its portfolio company investments. Such adverse effects may include the requirement of a Fund to pay break-up, termination or other fees and expenses in the event such Fund is not able to close a transaction (whether due to the lenders' unwillingness to provide previously committed financing or otherwise) and/or the inability of such Fund to dispose of investments at prices that the General Partner believes reflect the fair value of such investments. The impact of market and other economic events may also affect a Fund's ability to raise funding to support its investment objective.

Deterioration of Credit Markets May Affect Ability to Finance and Consummate Investments. Prior and recent deteriorations of the global credit markets have made it more difficult for investment funds such as the Funds to obtain favorable financing for investments. The recent deterioration of the sub-prime and global debt markets has dramatically reduced investor demand for high yield debt and senior bank debt, which in turn has led some investment banks and other lenders to be unwilling to finance new private equity investments or to only offer committed financing for these investments on unattractive terms. The Fund's ability to generate attractive investment returns may be adversely affected to the extent the Fund is unable to obtain favorable financing terms for its investments. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Such marketplace events also may restrict the ability of the Fund to realize its investments at favorable times or for favorable prices.

Financial Institution Risk; Distress Events. An investment in a Fund is subject to the risk that one of the banks, brokers, counterparties, clearinghouses, exchanges, lenders or other custodians (each, a "**Financial Institution**") of some or all of a Fund's (or any portfolio company's) assets fails to timely perform or otherwise defaults on its obligations or experiences insolvency, closure, seizure, receivership or other financial distress or difficulty (each, a "**Distress Event**"). Distress Events can be caused by factors including, but not limited to, eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance, undercapitalization, market forces or accounting irregularities. If a Financial Institution experiences a Distress Event, the Management Company, the General Partner, the Funds and/or any of the portfolio companies may be unable to access deposits, borrowing facilities or other services, either permanently or for an indeterminate period of time. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the

Federal Deposit Insurance Corporation, in the case of banks, and the Securities Investor Protection Corporation, in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of total loss, and any non-U.S. Financial Institutions that are not subject to similar regimes pose potentially increased risk of loss. While in recent years governmental intervention has often resulted in additional protections for depositors and counterparties in connection with Distress Events, there can be no assurance that any intervention will occur, be successful or avoid the risks of loss, substantial delays or negative impacts on banking or brokerage conditions or markets.

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

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

Projections. Projected operating results of a company in which a Fund invests normally will be based primarily on financial projections prepared by such company's management, with adjustments to such projections made by Butterfly in its discretion. In all cases, projections are only estimates of future results that are based upon information received from the company and third parties and assumptions made at the time the projections are developed. There can be no

assurance that the results set forth in the projections will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections.

Hedging Arrangements; Related Regulations. Each Fund's General Partner is authorized (but not obligated) to endeavor to manage the Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. The Funds are permitted to incur costs related to such hedging arrangements, which are permitted to be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used. In some cases, particularly in OTC contexts, hedging arrangements will subject such Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose the Fund to additional liquidity risks if such contracts cannot be adequately settled. Certain hedging arrangements may create for a General Partner and/or one of its affiliates an obligation to register with the U.S. Commodity Futures Trading Commission (the "CFTC") or other regulator or comply with an applicable exemption. Losses may result to the extent that the CFTC or other regulator imposes position limits or other regulatory requirements on such hedging arrangements, including under circumstances where the ability of a Fund or a portfolio company to hedge its exposures becomes limited by such requirements.

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

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

to conflicts of interest, including in connection with determining the amount and timing of distributions of carried interest and the calculation of Management Fees.

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

In addition, Fund-level borrowing will result in additional Fund expenses that will be borne by the investors. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of a Fund's limited partners and the terms of the relevant Partnership Agreement, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than a Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases a Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, or result in short-term gains to a Fund, which in certain circumstances enhances a Fund's return calculations and thereby may be deemed to benefit the marketing efforts of a General Partner and its affiliates and increases the likelihood that any hurdle or preferred return component in the Fund's carried interest arrangements will be met. A portfolio company financing from a subscription line, rather than from a Fund-level equity commitment, has the potential to increase such returns, particularly in instances where the relevant amount has been drawn for an extended period of time. In other circumstances the use of Fund-level borrowing can increase the base of a Fund's Management Fee calculation, such as during periods where Management Fees are based in whole or in part on an acquisition cost that includes a borrowing component. Because Management Fees are incurred whether an investment is financed through capital calls or borrowings, and a Fund's preferred return typically does not accrue on outstanding borrowings, the relevant General Partner has an incentive to cause the Fund to make investments and/or pay such amounts using a subscription line rather than making capital calls. The use of Fund-level borrowing arrangements, and the repayment or non-repayment thereof, can also influence the determination of the end of a Fund's investment period, and cause or defer a related change in the basis of the relevant Fund's Management Fee calculation under the Partnership Agreement. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds) as, to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the

benefit of the use of the subscription line and neither a Fund nor investors generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

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

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

If an investment appreciates in value and is disposed of prior to repayment, the relevant Fund generally would apply disposition proceeds to repay the borrowing and related interest and expenses, and the absence of invested capital funded by limited partners potentially will result in a distribution of net proceeds without a preferred return accrual on the amount invested. Accordingly, borrowings have the potential to support the distribution of proceeds to limited partners and increase the potential carried interest for the relevant General Partner, as reduced by the interest incurred by the relevant Fund. Subject to any limitations in the Partnership Agreements, this scenario potentially incentivizes the relevant General Partner to permanently fund the acquisition and ongoing capital needs of a Fund's investments and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the

time of the disposition of an investment (or never, if principal and interest on such borrowings are always repaid out of disposition proceeds).

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

Cybersecurity Risks. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Information and technology systems of the Firm, its service providers holding its financial or investor data, and its Funds’ respective portfolio companies may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The use of internet- or cloud-based programs, technologies and data storage applications generally heightens these risks. Third parties, including activist, criminal, nation-state or terrorist actors, may also attempt fraudulently to induce portfolio companies or their personnel to disclose sensitive information (including passwords) in order to gain access to data, accounts, funds or other assets, or otherwise to inflict harm. The Firm will seek to prevent and mitigate any such incidents, but there is no guarantee that it will be successful in such efforts. The failure of these systems for any reason could cause significant interruptions in the Firm’s, the Funds’, a service provider’s and/or a portfolio company’s respective operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). A cybersecurity incident could have numerous material adverse effects, including on the operations, liquidity and financial condition of the Funds. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, Butterfly, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues.

The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Butterfly's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Cyber threats and/or incidents could cause financial costs from the theft of Fund assets (including proprietary information and intellectual property) as well as numerous unforeseen costs including, but not limited to: litigation costs, preventative and protective costs, remediation costs and costs associated with reputational damage.

International Conflicts. Wars and other international conflicts, such as the Israeli-Palestinian conflict and the ongoing military conflict between Russia and the Ukraine, have caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place sanctions and other severe restrictions or prohibitions on certain of the countries involved, as well as related individuals and businesses. However, the ultimate impact of these conflicts and their effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict.

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

Limited Access to Information. Limited partners' rights to information regarding a Fund, the relevant General Partner or Butterfly generally will be specified, and in many cases strictly limited, by the Partnership Agreements. In particular, it is anticipated that the General Partner and its affiliates will obtain certain types of material information from or relating to a Fund's investments that will not be disclosed to limited partners because such disclosure is prohibited, including as a result of contractual, legal or similar obligations outside of Butterfly's control. Decisions by Butterfly or its affiliates to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its interest in a Fund may have difficulty in determining an appropriate price for such interest. Decisions to withhold information may also make it difficult for a limited partner to monitor Butterfly and its performance. Additionally, it is anticipated that limited partners that designate representatives to participate on a Fund's advisory board generally may, by virtue of such participation, have more or earlier information about a Fund and its investments in certain circumstances than other limited partners. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the relevant Fund succeeds in asserting confidentiality for requested documents and other materials, and Butterfly reserves the right to withhold certain information from investors subject to such laws for reasons relating to Butterfly's public reputation, business strategy or other reasons.

Material Non-Public Information; Other Regulatory Restrictions. As a result of the operations of Butterfly and its affiliates, as well as in connection with officerships or directorships of Butterfly personnel, Butterfly frequently comes into possession of confidential or material non-public information. Therefore, Butterfly and its affiliates may have access to material, non-public information that may be relevant to an investment decision to be made by a Fund. Consequently, a Fund may be restricted from initiating a transaction or selling an investment which, if such information had not been known to it, may have been undertaken on account of applicable securities laws or Butterfly's internal policies and practices. Due to these restrictions, a Fund may not be able to make an investment that it otherwise might have made or sell an investment that it otherwise might have sold. Similarly, anti-money laundering, anti-boycott and economic and trade sanction laws and regulations in the United States and other jurisdictions may prevent Butterfly or the Funds from entering into transactions with certain individuals or jurisdictions. The United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and other governmental bodies administer and enforce laws, regulations and other pronouncements that establish economic and trade sanctions on behalf of the United States. Among other things, these sanctions may prohibit transactions with or the provision of services to, certain individuals or portfolio companies owned or operated by such persons, or located in jurisdictions identified from time to time by OFAC. Additionally, antitrust laws in the United States and other jurisdictions give broad discretion to the U.S. Federal Trade Commission, the United States Department of Justice and other U.S. and non-U.S. regulators and governmental bodies to challenge, impose conditions on, or reject certain transactions. In certain circumstances, antitrust remedies relating to one Fund's acquisition of a portfolio company may require one or more other Funds to sell all or a portion of certain portfolio companies owned by them.

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

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

Certain Consultants. As discussed above under "Fees and Compensation", Butterfly Equity has engaged, and expects in the future to engage, Operating Partners in order to provide Butterfly, the Funds and their respective affiliates, as well as portfolio companies, with access to experienced professionals with expertise in specific areas, including operational matters.

Operating Partners may provide services in such areas to one or more of Butterfly Equity's portfolio companies and to the General Partners and the Management Company and/or their respective affiliates. In addition to receiving retainer fees and incentive compensation paid by the Management Company (or certain of its affiliates), Operating Partners are permitted to be compensated by and receive fees, incentive equity or other stock awards from the portfolio companies for their services (which may include sitting on boards of directors of portfolio companies) to such portfolio companies (and may be reimbursed by such portfolio companies for certain out-of-pocket expenses incurred in connection with the provision of such services). To the extent such services are provided to a General Partner and the Management Company, such General Partner and the Management Company will bear the cost of any such services (and any such expenses) provided. The amount and structure of any such compensation is expected to vary over time and is permitted to include profits, participation or equity interest in a portfolio company or other incentive-based compensation, and may be based on an hourly rate, a flat fee or any combination of any of the foregoing or other methodologies. Any such fees or other amounts paid to Operating Partners will not result in offsets to or reductions of the Management Fee. Operating Partners are not presently employees, members, or partners of Butterfly. Operating Partners are also not subject to the restrictions on Butterfly Equity persons and affiliates relating to conflicts of interest, allocation of investment opportunities and formation of other vehicles.

Risks Related to the Food Sector

Food Industry Competition. Each Fund expects to invest in portfolio companies or projects in the food industry, which is highly competitive with respect to price and quality of food products, new product development, advertising levels and promotional initiatives, customer service, reputation, restaurant or store location and attractiveness and maintenance of properties. If consumer or dietary preferences change, or certain portfolio companies or projects in which a Fund invests are unable to compete successfully with other restaurants, retail food and beverage outlets or food and beverage distribution companies in new and existing markets, their respective business could be adversely affected. Companies in the Target Industries also face growing competition as a result of convergence in grocery, convenience, deli and restaurant services, including the offering by the grocery industry of convenient meals, including pizzas and entrees with side dishes. Competition from delivery aggregators and other food delivery services has also increased in recent years, particularly in urbanized areas. Increased competition could have an adverse effect on the sales, profitability or development plans, which could harm the financial condition and operating results of portfolio companies or projects in which a Fund invests. In addition, labor is a primary operating cost component of most companies in the Target Industries. Competition for qualified employees could also require Fund portfolio companies to pay higher wages to attract a sufficient number of employees, which could adversely impact their profit margins.

Changes in Laws and Regulations. The activities of portfolio companies in which a Fund invests may be highly regulated and subject to government oversight. Various laws and regulations govern food and beverage production, storage, distribution, sales and marketing, as well as licensing, trade, tax and environmental matters. Applicable governing bodies regularly issue new regulations and changes to existing regulations. The need to comply with new or revised regulations or their interpretation and application could materially and adversely affect the product sales, financial condition and operating results of portfolio companies or projects in which a Fund invests.

Additionally, the SEC has proposed and enacted significant rules that will impact the business of Butterfly and the Funds. In particular, the SEC has adopted a number of new rules that impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose and/or adopt additional rules in the future. Such current and future rulemaking is expected to materially impact Butterfly and its affiliates, the Funds and/or their investments. In addition, the Funds are expected to bear significant increased costs as a result of such rules, including costs relating to investor reporting and disclosures. Significant time and resources are expected to be required to comply with the new regulations, which potentially will detract from the time and resources dedicated to a Fund. Certain rules are or may become subject to legal challenge from private fund industry groups and others, and to the extent such legal challenges are successful, investors will not be afforded some or all of the protections provided by these rules.

Food Safety and Food-Borne Illnesses. Each Fund may invest in portfolio companies or projects the systems of which may be vulnerable to food-borne illnesses, such as E. coli, hepatitis A, trichinosis and salmonella, as well as certain food safety issues such as food tampering, contamination and adulteration. Any report or publicity linking them to instances of food-borne illness or food safety issues could adversely affect brands and reputations as well as revenues and profits, and possibly lead to product liability claims, litigation and damages. If a customer becomes ill from food-borne illnesses or as a result of food safety issues, a portfolio company's operations may be temporarily closed or disrupted, which would decrease revenues. In addition, instances or allegations of food-borne illness or food safety issues, real or perceived, involving portfolio companies, competitors, suppliers or distributors (regardless of whether they use or have used those suppliers or distributors), or otherwise involving the types of food served by the portfolio companies, could result in negative publicity that could adversely affect their sales. The occurrence of food-borne illnesses or food safety issues could also adversely affect the price and availability of affected ingredients, which could result in disruptions in their supply chain and/or lower margins.

Commodity, Labor and Operating Costs. An increase in certain commodity prices, such as food, supply and energy costs, could adversely affect the operating results of portfolio companies or projects in which a Fund invests. Certain operating expenses also include employee wages and benefits and insurance costs (including workers' compensation, general liability, property and health) which may increase over time. Such increases could result from government imposition of higher minimum wages or from general economic or competitive conditions, which could affect wage rates. In addition, significant increases in gasoline prices could result in the imposition of fuel surcharges by distributors. Any increase in the prices of the commodities used by certain companies or operating expenses they incur could adversely affect their profit margins. Because portfolio companies in which a Fund may invest and their franchisees may provide competitively priced food, their ability to pass along increased expenses to customers may be limited.

Changes in Economic Conditions. The results of operations for companies in the Target Industries are dependent upon discretionary spending by consumers, which may be affected by general economic conditions globally or in one or more of the markets they serve. Some of the factors that impact discretionary consumer spending include unemployment, disposable income, the price of gasoline, stock market performance and consumer confidence. These and other macroeconomic factors could have an adverse effect on the sales, profitability or development

plans of the portfolio companies or projects in which a Fund invests, which could harm their financial condition and operating results.

Environmental Conditions. Crop disease, severe weather conditions, such as floods, droughts, windstorms and hurricanes, and natural disasters, such as earthquakes, may adversely affect the supply of food items, reduce sales volumes, increase unit production costs or prevent or impair the ability of certain portfolio companies in which a Fund invests to ship or receive products as planned. Severe weather conditions may occur with higher frequency or may be less predictable in the future due to the effects of climate change. Additionally, certain viruses, bacteria or parasites may cause diseases or other ailments to livestock, fish or other farmed animals which may have an adverse effect on such animals' survival, growth and welfare and result in reduced harvest weights and volumes, downgrading of products, claims from customers and increased costs incurred by applicable portfolio companies. Continued disease problems may also attract negative media attention and public concerns to applicable portfolio companies. When crop disease, animal disease, insect infestations, severe weather, earthquakes and other adverse environmental conditions destroy crops planted on or animals living on suppliers' or portfolio companies' farms or prohibit such suppliers or portfolio companies from distributing such crops or animals on a timely basis, they may lose their investment in those crops or animals or their purchased supply costs may increase, which could have an adverse effect on the Fund.

Changes in Consumer Preferences. The food industry in general is subject to changing consumer trends, demands and preferences. Trends within the food industry change often, and failure to identify and react to changes in these trends could lead to, among other things, reduced demand and price reductions for a Fund's portfolio companies and could have an adverse effect on their financial results.

The Effect of Public Health Emergencies on the Target Industries. Pandemics and other widespread public health emergencies, including outbreaks of infectious diseases such as SARS, H1N1/09 flu, avian flu, Ebola and COVID-19, have resulted in historic market disruptions, and future such emergencies have the potential to materially and adversely impact economic production and activity in the Target Industries in ways that are impossible to predict, all of which may result in significant losses to the Funds. Public health emergencies such as COVID-19 have adversely affected and could continue to adversely affect the food industry's results, operations and outlook for an extended period of time. Restrictions imposed by federal, state and local governments in response to such health emergencies have disrupted and could continue to disrupt the food industry and restaurant business, including potential Fund portfolio companies. In many areas where businesses in the Target Industries operate their restaurants, food services and related businesses, individuals had been encouraged to practice social distancing, restricted from gathering in groups and, in some areas, mandated to "stay home" except for purposes considered essential. In response to the COVID-19 outbreak and government restrictions, many businesses in the Target Industries were forced to close some of their restaurants and/or the dining rooms of such restaurants, offer only takeout and delivery from some restaurants, and/or implement modified work hours in some restaurants. Other businesses in the Target Industries have been affected by the reduced demand experienced by the restaurant and food service business in the Target Industries. The mobility restrictions, and the sharp and sudden increase in unemployment caused by the closure of businesses in response to the outbreak of infectious diseases have the potential to adversely affect the guest traffic of the restaurant industry, which may adversely impact the

liquidity, financial condition or results of the operations of the Target Industries, including a Fund's potential portfolio companies. Even after the mobility restrictions are loosened or lifted, guests may still be reluctant to return to in-restaurant dining and the impact of lost wages due to unemployment resulting from health emergencies may dampen consumer spending in the Target Industries.

The Target Industries, including restaurant operations of a Fund's potential portfolio companies, could be disrupted if a significant number of employees are unable or unwilling to work, whether because of illness, quarantine, restrictions on travel or fear of contracting an infectious disease. Additional restaurant closures or modified hours of operation due to staffing shortages could materially adversely affect the liquidity, financial condition or results of the operations of the Target Industries and such potential portfolio companies. In certain areas face coverings for all restaurant employees are required, and to support restaurant employees and protect the health and safety of employees and guests, a Fund's potential portfolio companies may have to offer enhanced health and welfare benefits, provide temporary wage increases and bonuses to restaurant employees, and purchase additional sanitation supplies and personal protective materials. These measures may increase operating costs and adversely affect liquidity.

Health emergencies may adversely affect the ability of restaurant suppliers and other businesses in the Target Industries to fulfill their obligations to restaurants, which may negatively affect restaurant operations, including at a Fund's prospective portfolio companies. These suppliers include third parties that supply and/or prepare ingredients, packaging and other necessary operating materials, distribution centers, and logistics and transportation services providers. Businesses in the Target Industries may also be forced to modify their plans for opening new restaurants and other facilities and remodeling existing restaurants and other facilities due to the outbreak of diseases. These changes may materially adversely affect the ability of businesses in the Target Industries, including a Fund's potential portfolio companies' to grow their businesses, particularly if expansion projects are delayed for a significant amount of time.

Business in the Target Industries have experienced disruption and volatility in supply chains, which has resulted, and may continue to result, in increased costs for certain raw materials. The spread of infectious diseases have also disrupted and may continue to disrupt logistics necessary to import, export, and deliver products to business in the Target Industries and their customers. Ports and other channels of entry have been closed or are operating at only a portion of capacity, as workers have been prohibited or otherwise unable to report to work, and means of transporting products within regions or countries may be limited for the same reason. The Target Industries also experienced particular challenges in container port capacities in response to COVID-19. Other supply chain risks associated with the pandemic include but are not limited to shutdowns or reduced operations at suppliers' facilities, the continued inability of some contract producers to manage their livestock, supply chain disruptions for feed grains, changes in consumer orders due to shipping consumer patterns, changes in livestock and protein market prices, increases in front-line employee compensation and additional disruptions in logistics or the distribution chains for products.

Governmental authorities at the federal, state and local levels may increase or impose new or stricter social distancing directives, stay-at-home restrictions, travel bans, quarantines, workforce and workplace restrictions or other measures related to health emergencies. Such

actions could cause businesses in the Target Industries to incur additional costs, including any incremental costs to comply with such measures, and may impact the ability of such businesses to operate production and other facilities at full capacity which could have an adverse impact on operations and results of operations of such businesses.

As more business and activities shifted online due to the COVID-19 restrictions on congregating and physical movements, a Fund's portfolio companies also had the potential to see an increase in cybersecurity threats and attempts to breach their security networks. Such threats and security concerns could also affect the profitability of such portfolio companies and their businesses.

Businesses in the Target Industries also face other risks associated with health emergencies, including, but not limited to: continued commodity cost volatility, which may increase costs and expenses; additional increases in input cost may not be adequately captured through pricing; an increase in consumer demand in retail channels, such as grocery stores, club stores, and value stores, which has and may continue to strain supply chains; an increase in working capital needs and/or an increase in trade accounts receivable write-offs (and associated reserves) as a result of increased financial pressures on suppliers or customers who are not able to pay in a timely manner or at all; and an inability to effectively implement marketing and advertising activities to reflect changing consumer shopping habits due to, among other things, reduced in-person shopping and travel restrictions.

The ultimate impact of any such health emergency — and any resulting decline in economic and commercial activity — on global economic conditions, and on the operations, financial condition and performance of any particular industry or business, is impossible to predict, but could have a significant adverse impact and result in significant losses to the Funds.

Environmental, Social and Governance (“ESG”) Matters. Butterfly maintains an ESG policy and seeks to integrate certain ESG factors into its investment process in accordance with its policy and subject to its fiduciary duty and any applicable legal, regulatory or contractual requirements. Applying ESG factors to investment decisions is qualitative and subjective by nature, and Butterfly expects to be subject to competing demands from different investors and stakeholder groups with divergent views on ESG (including the role of ESG factors in the investment process). There is no guarantee that the criteria utilized by Butterfly, or any judgment exercised by Butterfly, will reflect the beliefs, values, internal policies or preferred practices of any particular investor or other asset manager or reflect market trends. Butterfly's ESG policy and associated ESG practices are expected to evolve over time. Although Butterfly views the integration of ESG factors to be an opportunity to potentially enhance or protect the performance of its investments over the long-term, Butterfly cannot guarantee that its ESG program will positively impact the performance of any individual investment or Fund. For the avoidance of doubt, however, Butterfly does not expect to subordinate a Fund's investment returns or increase a Fund's investment risks as a result of (or in connection with) the consideration of any ESG factors.

The materiality of ESG factors depends on many factors, including the relevant industry, location, asset class, and investment strategy. ESG factors, issues and considerations do not apply in every instance and will vary by Fund and investment. In addition, in evaluating an investment,

Butterfly expects to depend upon information and data provided by a number of sources, including the relevant investments and/or various reporting sources which could be incomplete, inaccurate or unavailable, and which could cause Butterfly to incorrectly assess a company's ESG practices and/or related risks and opportunities. Butterfly does not intend independently to verify all ESG information reported by investments or third parties.

Further, ESG practices are evolving rapidly and there are different principles, frameworks, methodologies, and tracking tools being implemented by asset managers. Butterfly's adoption and adherence to various such principles, frameworks, methodologies and tools is expected to vary over time. There is also a growing regulatory interest across jurisdictions in improving transparency regarding how asset managers identify and manage financially material ESG risks, as well as how they define and measure ESG performance. At the same time, anti-ESG sentiment has also gained momentum across the U.S., with several states and Congress having proposed or enacted "anti-ESG" policies, legislation, or initiatives or issued related legal opinions. Butterfly's ESG policy and associated ESG practices could become subject to additional regulation, regulatory scrutiny, penalties or enforcement in the future, and Butterfly cannot guarantee that its current approach (including its ESG policy and associated ESG practices) will meet future regulatory requirements or predict the manner in which any such future requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements is expected to lead to increased management burdens and costs.

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

Changes to Benchmark Rates. To the extent that a Fund's investments, borrowing facilities, hedging activities, or other assets or structures are tied to interest rates based on benchmark or reference rates, including the London Interbank Offered Rate (LIBOR), Secured Overnight Financing Rate (SOFR) or other rates (each, a "**Benchmark Rate**"), the Fund may be subject to certain material risks, including the risk that a Benchmark Rate is terminated, ceases to be published or otherwise ceases to be broadly used by the market. Regulators, central banks, governments and other market participants have transitioned historical instruments and contracts away from LIBOR to new Benchmark Rates. This transition includes the potential to: increase volatility or illiquidity in markets; cause delays in or reductions to financing options for the Funds and their portfolio companies; increase the cost of borrowing; reduce the value of certain instruments or the effectiveness of certain hedges; cause uncertainty under applicable legal

documentation; or otherwise impose costs and administrative burdens relating to factors that include document amendments and changes in systems. Future transitions to and from Benchmark Rates have the potential to have similar effects.

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

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

liquidity or other options as limited partners in the relevant Fund, and in such circumstances Butterfly reserves the right to compel co-investors to receive cash or continue to hold an interest in the relevant investment. In other circumstances, certain limited partners will not be permitted to continue to maintain exposure to the asset(s) due to a lack of eligibility to invest in a continuation vehicle under relevant securities law, tax or other considerations. Although relevant potential conflicts of interest are disclosed to limited partners and/or the relevant advisory board(s) prior to the closing of the transaction, there can be no assurance that Butterfly will successfully identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, Butterfly reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Partnership Agreements. Butterfly is permitted to seek the consent of the relevant Fund advisory board to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the relevant Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

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

Artificial Intelligence Risk. The emergence of recent technology developments in artificial intelligence and machine learning such as OpenAI and ChatGPT (collectively, “**Machine Learning Technology**”) can pose risks to Butterfly, the Funds, and their respective portfolio companies. Butterfly may itself utilize Machine Learning Technology in its business operations, and the challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and/or an adverse effect on Butterfly's business operations. The Firm may be further exposed to the risks of Machine Learning Technology if third-party service providers or portfolio companies of or any counterparties to the Funds, whether or not known to Butterfly, also use Machine Learning Technology. Use of Machine Learning Technology may directly or indirectly create security or data risks and may increase trademark, licensing and copyright risks. Butterfly will not control the manner in which third-party products are developed or maintained. If the content, analyses, or recommendations that Machine Learning Technology assists in producing are or are alleged to be deficient, inaccurate, or biased, a Fund and/or its portfolio companies could be negatively impacted as a result. Machine Learning Technology may produce inaccurate, misleading or incomplete responses that could lead to errors in the Firm's and its employees' decision-making, portfolio management or other business activities, which could have a negative impact on the performance of a strategy and/or Fund. Machine Learning Technology could also be used against the Firm, a Fund, or its investments in criminal or negligent ways. Machine Learning Technology-related changes to the products and services on offer also may affect the Funds' expectations, requirements, or tastes in ways we cannot adequately anticipate or adapt to. Additionally, the Firm's competitors or other third parties could incorporate Machine Learning Technology into their products more quickly or more successfully, which could impair the Firm's ability to compete effectively. Machine Learning Technology continues to

develop rapidly, and it is impossible to predict the future risks that may arise from such developments.

Conflicts of Interest

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

During the investment period of a Fund (as defined in the Fund's Memorandum or Partnership Agreement) or until such time that Butterfly Equity may commence the operations of a successor fund to a Fund, all appropriate investment opportunities generally will be pursued through the Fund, subject to certain limited exceptions. Without limitation, Butterfly currently manages, and expects in the future to manage, several other investment vehicles and other investments similar to those in which a Fund will be investing, and expects to direct certain relevant investment opportunities or resources to those investment vehicles and investments. Butterfly personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. The Co-Founders and Butterfly's investment staff will continue to manage and monitor such investments until their complete realization. Such other investments that Butterfly or the Co-Founders expect to control or manage generally have the potential to compete with companies acquired by a Fund. Following the investment period of each Fund, the Co-Founders reserve the right to, and likely will focus their investment activities on other opportunities and areas unrelated to such Fund's investments. To the extent an advisory opportunity is received that is unsuitable for a Fund, in Butterfly's sole discretion, Butterfly and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Partnership Agreements, Butterfly personnel are permitted to serve on boards or act in other roles unaffiliated with Butterfly, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

Butterfly Equity expects to be presented with certain investment opportunities that would be suitable not only for one Fund, but also for other Funds and other investment vehicles operated by advisory affiliates of Butterfly. Except as required by the relevant Partnership Agreement, Butterfly is not obligated to recommend any investment to any particular investment vehicle. In

determining which investment vehicles should participate in such investment opportunities, Butterfly is subject to conflicts of interest among the investors in such investment vehicles.

Butterfly generally assesses whether an investment opportunity is appropriate for a Fund based on such Fund's Partnership Agreement, investment objectives, strategies, life cycle and structure. Once a determination is made that a Fund will invest in a particular opportunity, Butterfly reserves the right to offer co-investment opportunities to one or more potential co-investors, including Operating Partners, vendors, service providers and/or other as determined by the Fund's Partnership Agreement, relevant Side Letters and Butterfly's procedures regarding allocation. Butterfly's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: (i) expressed interest in co-investment opportunities; (ii) expertise of the prospective co-investor in the geographic location, market or industry to which the investment opportunity relates; (iii) perceived ability to quickly execute on transactions; (iv) tax, regulatory, securities laws and/or other legal considerations (e.g., qualified purchaser or qualified institutional buyer status); (v) confidentiality concerns that arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vi) Butterfly's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, accounting, reporting, or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair Butterfly's ability to execute the relevant transaction in the desired time or on desired terms; (vii) size of the investment allocation and practicality of dividing it up among multiple co-investors; (viii) lender requirements; (ix) existence of a formal or informal strategic relationship with the prospective co-investor; (x) the size and/or timing of a commitment to a Fund; (xi) whether the prospective co-investor is willing to pay Butterfly Equity any economics, including a management fee, carried interest and/or other fee; and (xii) whether Butterfly believes that allocating investment opportunities to an investor or person will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the Fund or Butterfly. Although Butterfly reserves the right to consider a prospective co-investor's willingness to invest in future Funds, such willingness will not be the sole determining factor considered by Butterfly in identifying co-investors.

Furthermore, Butterfly or its related persons expect to make decisions regarding whether and to whom to offer co-investment opportunities and such decisions may be made by Butterfly or its related persons in consultation with other participants in the relevant transactions, such as a lender or co-sponsor. Co-investment opportunities typically will be offered to some and not to other Fund limited partners, and the consideration of the factors set forth above likely will result in certain investors receiving multiple opportunities to co-invest while others expressing interest in co-investments have the potential to receive none. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and Butterfly expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund investors and third parties, (ii) to the extent co-investments made by Fund investors are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Partnership Agreement and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Partnership Agreement. In order to

facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that personnel and related persons of Butterfly make capital investments in or alongside the Fund, Butterfly is subject to potentially conflicting interests in connection with these investments. There can be no assurance that a Fund's return from a transaction would be equal to and not less than that of another Fund participating in the same transaction or that it would be as favorable as it would have been had such conflict not existed.

Butterfly's allocation of investment opportunities among the persons and in the manner discussed herein often will not result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While Butterfly will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would have been if the potential conflicts of interest to which Butterfly expects to be subject, discussed herein, did not exist. In other circumstances, during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue, earnings, change in business focus or other characteristics.

In the event that multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, Butterfly may be subject to conflicts of interest in determining the terms of each such investment and in giving advice and taking actions on behalf of a Fund versus another Fund during the course of each such investment. If a Fund enters into any indebtedness with another Fund on a joint and several basis, the relevant General Partners are each expected to enter into one or more agreements that provide each relevant Fund with a right of contribution, subrogation or reimbursement. In certain circumstances Funds are expected to be prohibited from exercising (or Butterfly may deem it appropriate to refrain from exercising) voting or other rights in order to mitigate the relevant potential conflicts, notwithstanding the fact that the investment(s) of one Fund or the other may be subject to creditor claims regarding subordination of interests. In administering, or seeking to reinforce, these agreements, Butterfly expects to be subject to potential conflicts of interest, for example if a Fund has a reimbursement obligation and

another Fund is seeking reimbursement or vice versa. Butterfly intends to mitigate any potential conflicts by structuring such agreements in a manner intended to cause each of the Funds to bear its proportionate share of the applicable indebtedness.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Further, there can be no assurance that a Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. Butterfly and its affiliates reserve the right to express inconsistent views of commonly held investments or of market conditions more generally. There can be no assurance that the return on a Fund's investments will be the same as the returns obtained by other Funds or vehicles participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict will be resolved in a manner that is beneficial to a Fund. In that regard, actions taken for one or more other Funds or may adversely affect a Fund.

Butterfly will allocate fees and expenses in accordance with the relevant Partnership Agreement and in a manner that it believes is fair and equitable under the circumstances over time and considering such factors as it deems relevant, but in any case in its sole discretion. In exercising such discretion, Butterfly expects to be faced with a variety of potential conflicts of interest. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion (e.g., in determining whether to allocate pro rata based on number of funds or co-investors receiving related benefits or proportionately in accordance with asset size).

A Fund could make controlling investments in portfolio companies. As a result of these controlling interests, Butterfly typically has the right to appoint portfolio company board members (including current or former Butterfly personnel or persons serving at their request), or to influence their appointment, and to determine or influence the determination of their compensation. Additionally, portfolio company board members frequently approve compensation and other amounts payable to Butterfly in connection with services provided by Butterfly and its affiliates to such portfolio company, and, except to the extent such amounts are subject to the relevant Partnership Agreement's offset provision, are in addition to the Management Fee or carried interest discussed herein. Butterfly's authority to appoint or influence the appointment of portfolio company board members who may be involved in approving compensation payable to Butterfly subjects Butterfly and any such portfolio company board appointees to potential conflicts of interest.

As a general matter, expenses that apply to multiple Funds or co-investment vehicles typically will be allocated among the Funds and co-investment vehicles receiving the benefit of such expenses (in the relevant General Partner's sole discretion) and eligible to reimburse expenses of that kind. In all such cases, subject to applicable law and legal, contractual or similar restrictions, expense allocation decisions will generally be made by Butterfly using its best judgment, considering such factors as it deems relevant, but in its sole discretion to be fair and equitable across these vehicles. The allocations of such expenses will not always be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining which Funds or

co-investment vehicles benefit (or the extent to which they benefit) from the relevant service relating to the expense, or whether to allocate *pro rata* based on number of Funds or co-investment vehicles receiving related benefits or proportionately in accordance with asset size, or in certain circumstances determining whether a particular expense has a greater benefit to a Fund or Butterfly. The Funds and co-investment vehicles generally have different expense reimbursement terms, including with respect to Management Fee offsets, which is expected in certain cases to result in one Fund bearing a different level of expenses from another Fund or co-investment vehicle with respect to the same investment.

A Butterfly co-investment vehicle generally will bear expenses related to its formation and operation, many of which are similar in nature to those borne by a Fund, although a Fund alongside which a co-investment vehicle is investing is permitted to bear such costs directly or indirectly. In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the General Partner, ultimately is not consummated, all Broken Deal Expenses relating to such unconsummated transaction are likely to be borne entirely by such Fund, and not by any prospective co-investors, that were to have participated in such transaction. In many such cases no co-investment vehicle will have been formed at such time. However, to the extent that such co-investors have already executed definitive documentation to invest in such transaction, such co-investor is expected to bear its *pro rata* share of such Broken Deal Expenses.

Additionally, a portfolio company typically will reimburse Butterfly or service providers retained at Butterfly's discretion for expenses (including without limitation travel expenses) incurred by Butterfly or such service providers in connection with its performance of services for such portfolio company. Service provider expenses are required to be reimbursed whether or not there is overlap in expertise, function or services performed by Butterfly personnel. This subjects Butterfly to conflicts of interest because a Fund generally does not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Butterfly determines the amount of these reimbursements for such services in its own discretion, subject to its internal reimbursement policies and practices.

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

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

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

In certain circumstances where Butterfly commits or has committed to seek “market” or “arms-length” rates or terms, Butterfly will do so in its sole discretion, seeking rates that it has determined in its sole discretion to be reflective of the range of rates in the applicable or related markets. Butterfly reserves the right to deem third-party investment in a transaction to be verification that the transaction was entered into at a value that is “arms-length.” Consequently,

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

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

Butterfly reserves the right to employ personnel with pre-existing ownership interests in portfolio companies in which a Fund or other investment vehicles advised by Butterfly invest; conversely, former personnel or executives of Butterfly are expected to serve in significant management roles at portfolio companies or service providers recommended by Butterfly. Similarly, Butterfly and/or Butterfly personnel maintain relationships with (and invest in) financial

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

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

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

associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

Except to the extent prohibited by the Partnership Agreements, Butterfly and its personnel are permitted to market, organize, sponsor or act in other capacities (including as director, founder or manager) for other pooled investment vehicles, accounts or SPACs the investment or business strategy of which does not overlap with the Fund(s) and to receive compensation (including in the form of management fees, performance-based compensation, founders' equity or similar interests) relating thereto. Subject to any limitations imposed by the Partnership Agreements and anti-“assignment” provisions of the Advisers Act, Butterfly and its personnel are also permitted to offer, restructure and monetize interests in Butterfly.

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

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

Because certain expenses are paid for by the Funds and/or their portfolio companies or, if incurred by Butterfly, are reimbursed by such Funds and/or their portfolio companies, Butterfly will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses.

In addition, as described above, portfolio companies typically pay certain fees to and reimburse expenses of Operating Partners and other consultants (including technical advisors

consultants introduced or arranged by Butterfly that regularly provide services to one or more portfolio companies), and such amounts do not offset or reduce the Management Fee as described herein. Operating Partners make use of Butterfly's resources or otherwise are associated with Butterfly. As described herein, Butterfly will compensate such persons. The compensation of Operating Partners is expected to include cash fees, securities of a portfolio company and/or a share of proceeds upon sale of a portfolio company. Additionally, portfolio companies may provide opportunities for Operating Partners to invest in such portfolio company and reimburse costs and expenses incurred by Operating Partners. Operating Partners are expected to include former personnel of Butterfly or certain portfolio companies, and in some circumstances former Operating Partners are expected to become Butterfly personnel or personnel of portfolio companies. Consequently, the determination of whether individuals are Operating Partners is expected to vary and/or be revisited, which poses potential conflicts of interest where certain changes in status or categorization would reduce costs that Butterfly otherwise would be required to bear. Operating Partners also may have a limited partner interest in a General Partner and/or a Fund, may receive remuneration from Butterfly and/or the Fund and/or be entitled to other forms of compensation. Investment opportunities, reimbursements and other compensation paid to an Operating Partner will not offset the Management Fee of any Fund as described herein, and the use of Operating Partners is expected to fluctuate and/or expand over time. To the extent that Operating Partners are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operating Partners' services at a time when fewer portfolio companies or Funds make use of such Operating Partner. Under many of these arrangements, including where Operating Partners are paid a flat fee, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount or tangible work product generated by the Operating Partner. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Operating Partners. In such cases, where the relevant General Partner believes the services of the Operating Partners will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs *vis-à-vis* other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Operating Partner services. Although the use of Operating Partners and the allocation of compensation paid to them by Butterfly, its affiliates and/or the portfolio companies subjects Butterfly to potential conflicts of interest, Butterfly believes that such potential conflicts have the potential to be reduced to the extent that the services of the Operating Partner align with Butterfly's model for the portfolio company and improve portfolio company performance. Although Butterfly seeks to retain Operating Partners with a view to reducing costs to portfolio companies (and, ultimately, the Funds) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention. Butterfly also seeks to reduce potential conflicts of interest resulting from such arrangements by structuring compensation packages for such persons in a manner that Butterfly believes will align such persons' interests with those of each Fund's limited partners. However, there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

Because Butterfly's carried interest is based on a percentage of net realized profits, it may create an incentive for Butterfly to cause a Fund to make riskier or more speculative investments

(or hold investments for longer periods) than would otherwise be the case. Also, because there is a fixed investment period after which capital from investors in a Fund may only be drawn down in limited circumstances and because Management Fees are, at certain times during the life of such Fund, based upon capital invested by such Fund, this fee structure creates an incentive to deploy capital when Butterfly might not otherwise have done so.

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

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

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

criteria. Although Butterfly intends to operate in accordance with the Partnership Agreements, as well as its valuation policy, in order to mitigate the potential for subjectivity in making such determinations, there can be no assurance that such policy will address all of the necessary factors to do so, or completely eliminate all potential conflicts of interest in such determinations.

Butterfly reserves the right to institute a program under which portfolio companies owned by the Funds are given the option or are required to participate in purchasing, vendor or similar arrangements with Butterfly, its affiliates and/or other portfolio companies. Program participants may receive discounts negotiated with various vendors and service providers on a groupwide basis. Butterfly may allocate fees and third-party administration costs for such a program to or among a Fund and/or the portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Butterfly may also participate in such a program and may receive similar benefits and discounts as the portfolio companies participating therein, and such amounts will not offset or reduce the Management Fee. Butterfly believes the potential for conflicts relating to any such arrangements will be mitigated by the anticipated cost savings to portfolio companies (which is expected to be to the benefit of the Funds that will result if the rates for goods and services are discounted due to scale or relative to those widely available in the market).

Butterfly has incentives to use or to recommend products or services of one portfolio company to another, which generally will involve fees, commissions, servicing payments or other compensation. Potential conflicts of interest arise in making such recommendations, as Butterfly has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies, and as a result the products or services recommended will not always necessarily be the best or lowest cost option. In most cases, the relevant Fund(s) will not consent, participate in the negotiations or be directly involved in such arrangements. Butterfly and personnel and persons selected by Butterfly expect to receive the benefit of “friends and family” and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Discounted prices or better terms offered by a portfolio company to Butterfly, any other portfolio company or third parties have the potential to affect the returns of the portfolio company.

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

Butterfly and/or its affiliates reserve the right to enter into Side Letters with certain investors in a Fund providing such investors with different or preferential rights or terms,

including, but not limited to, different fee structures or arrangements (including discounted or rebated compensation terms, modified waterfall mechanics and/or receipt of a portion of Butterfly's compensation, none of which generally will be subject to the "most-favored nation" provisions of a Fund's Partnership Agreements), information rights, specialized reporting, priority co-investment rights or targeted co-investment amounts, rights to serve on the Fund's advisory board, liquidity or transfer rights, confidentiality protections and disclosure rights, modification of default remedies, investment pacing restrictions, as well as economic procedural and other terms.

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

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

(e.g., based on tax savings or ownership of alternative investment vehicle, “blocker” or other structures used to facilitate their investments in, through or below a Fund).

The Co-Founders created the Butterfly Equity Foundation (the “**Foundation**”), which is a 501(c)(3) non-profit with a mission to feed people who cannot afford to eat and promote access to nutritious food to underserved populations. In an effort to align the interests of Butterfly with the mission of the Foundation, Butterfly plans to contribute a meaningful portion of certain Fund’s General Partner’s net profits to the Foundation. Additionally, given that each General Partner will be providing the Foundation with a portion of its net profits, certain conflicts may arise. For instance, a General Partner may be more inclined to transact with counterparties (e.g., portfolio companies, services providers, etc.) that donate to the Foundation, or may transact on more counterparty-favorable terms with respect to such counterparties, in lieu of those that do not donate to the Foundation, or may otherwise agree to terms with such counterparties that take into account a donation to the Foundation.

DISCIPLINARY INFORMATION

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

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Butterfly Equity is affiliated with the General Partners subject to the Advisers Act pursuant to Butterfly Equity’s registration in accordance with SEC guidance. Butterfly Equity and the General Partners operate as a single advisory business and serve as managers or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, personnel, consultants or persons occupying similar positions.

As noted in Items 4.B., 5.A. and 6, the General Partners are entitled to a performance-based fee. Each General Partner also commits capital to their respective Fund, and as a result every investment made by a Fund involves a purchase of securities whereby related persons of Butterfly indirectly acquire an indirect interest in such securities.

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

Butterfly Equity has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “**Code**”), which sets forth standards of conduct that are expected of Butterfly principals and personnel and addresses conflicts that arise from personal trading. The Code requires certain Butterfly personnel to report their personal securities transactions and prohibits Butterfly personnel from directly or indirectly acquiring beneficial ownership or disposing of certain securities, including in an initial public offering, without first obtaining approval from Butterfly Equity’s Chief Compliance Officer. In addition, the Code requires such personnel to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any investor or prospective investor upon request to Butterfly’s Chief Compliance Officer, at (310) 409-4994. Personal securities transactions by personnel who manage client accounts are required to be conducted in a manner that prioritizes the client’s interests in client eligible investments.

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

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

Principals and personnel of Butterfly generally are expected to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. To the extent that co-invest vehicles exist, such vehicles are expected to invest in one or more of the same portfolio companies as a Fund. Co-invest opportunities generally are also expected to be presented to certain affiliates of Butterfly, as well as third-party investors and other persons, and such co-investments may be effected through co-invest vehicles directly in a particular portfolio company or through an intermediate entity in a portfolio company's structure. Such co-investment opportunities generally will be allocated in the manner described under **"Methods of Analysis, Investment Strategies and Risk of Loss."**

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

Butterfly reserves the right to borrow funds on behalf of a Fund and contribute such borrowed amounts to the relevant Fund as a special capital contribution for investment, to be redeemed at a later date. Interest in connection with such borrowing is borne by the relevant Fund as a Fund expense, consistent with its Partnership Agreement and the expense policy described under "Fees and Compensation." Similarly, Butterfly or an affiliate is authorized to sign non-disclosure agreements or other deal documentation in view of future participation by one or more Fund(s), although this typically is done as a courtesy and without compensation from a Fund. In borrowing on behalf of a Fund, Butterfly is subject to conflicts of interest between repaying its obligations and retaining such borrowed amounts for the benefit of the Fund. Butterfly will affect such borrowings in a manner it believes to be fair and equitable under the circumstances to the relevant Fund, and consistent with Butterfly's obligations to such Fund as well as the Fund's Partnership Agreement.

BROKERAGE PRACTICES

Butterfly focuses on securities transactions of private companies and generally purchases and sells such companies through privately-negotiated transactions that do not involve the use of a broker-dealer. However, from time to time, Butterfly is expected to purchase publicly traded securities. Butterfly is also authorized to distribute securities to investors in a Fund or sell such securities, including through using a broker-dealer, such as where a public trading market exists. Although Butterfly does not intend to regularly engage in public securities transactions, to the extent it does so, it intends to follow the brokerage practices described below.

If Butterfly buys or sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to affect securities transactions for accounts managed by Butterfly. In such event, Butterfly will seek to select brokers on the basis of “best execution.” In selecting a broker to execute client transactions, Butterfly reserves the right to consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; (iv) responsiveness to requests for trade data and other financial information; and (v) other factors suggested by the SEC for determining best execution and set forth in the Butterfly Compliance Manual.

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

Consistent with Butterfly seeking to obtain best execution, brokerage commissions on client transactions are permitted to be directed to brokers in recognition of research furnished by them, although Butterfly generally does not make use of such services at the current time and has not made use of such services since its inception. While Butterfly has not made use of “soft dollars” to date, to the extent Butterfly uses such “soft dollars” on behalf of the Funds, it will seek to do so within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended.

Butterfly does not anticipate engaging in significant public securities transactions; however, to the extent that Butterfly engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, Butterfly may also purchase or sell the same securities or instruments for several Funds simultaneously. Butterfly is permitted, but not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders are permitted to be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of Butterfly is favored over any other Fund. When an aggregated order is filled in its entirety, each participating

Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they would have the effect of increasing brokerage commissions or other costs.

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

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

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

REVIEW OF ACCOUNTS

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

Each Fund generally will provide to its limited partners (i) audited financial statements annually, (ii) unaudited financial statements, for the first three (3) quarters of each fiscal year, (iii) annual tax information necessary for each investor's tax returns, and (iv) descriptive investment information for each portfolio company periodically.

CLIENT REFERRALS AND OTHER COMPENSATION

Butterfly intends to provide certain business or consulting services to companies in a Fund's portfolio and expect to receive compensation from these companies in connection with such services. As described in the relevant Partnership Agreement, this compensation in many cases will offset a portion of the Management Fees paid by such Fund. However, in other cases (*e.g.*, reimbursements for out-of-pocket expenses directly related to a portfolio company), these fees may be in addition to Management Fees. *See* "Fees and Compensation."

Butterfly reserves the right to enter into arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. These arrangements generally are disclosed in the relevant Fund's Form D. Any fees payable to any such placement agents generally will be borne by Butterfly indirectly through an offset against

the Management Fee under the Partnership Agreement, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, typically are borne by the relevant Fund(s). Pursuant to an agreement entered into by Butterfly and UBS Securities LLC (“**UBS**”), Butterfly compensates UBS for acting as a placement agent with respect to one or more Funds. UBS and any other placement agent or solicitor hired by Butterfly will have an incentive to recommend the Firm and or the Funds, resulting in a material conflict of interest.

CUSTODY

Butterfly generally expects that it will be deemed to have “custody” (within the meaning of Advisers Act Rule 206(4)-2) (the “**Custody Rule**”) of funds or securities held in the name of one or more Funds, subject to certain exceptions set forth in the Custody Rule and related guidance, and intends to maintain such Funds in accordance with Rule 206(4)-2 under the Advisers Act (“**Custody Rule**”). Such Funds will be subject to an annual audit by an independent public accountant registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board (“**PCAOB**”) and audited financial statements of each Fund will be prepared in accordance with generally accepted accounting principles and distributed to investors within 120 days of the end of each Fund’s fiscal year. Investors should carefully review the audited financial statements of the Funds upon receipt, and should compare these statements to any account information provided by Butterfly.

As Butterfly’s investment program generally involves investments in certain privately offered securities, Butterfly Equity generally will be exempt from the requirement that securities be maintained with a “qualified custodian.” Butterfly anticipates that many of its investments will involve securities that are (i) acquired from the issuer in a transaction or chain of transactions not involving any public offering; (ii) uncertificated, and ownership thereof is recorded only on the books of the issuer or its transfer agent in the name of the client; and (iii) transferable only with prior consent of the issuer or holders of the issuer’s outstanding securities. To the extent that Butterfly holds any publicly traded securities or securities which are otherwise ineligible for an exemption from the qualified custodian requirement of the Custody Rule, Butterfly will maintain such securities with a qualified custodian in an account in the name of the client or in accounts that contain only funds and securities owned by the Funds, under Butterfly’s name as agent or trustee for the Funds.

INVESTMENT DISCRETION

Butterfly has discretionary authority to manage investments on behalf of each Fund. As a general policy, Butterfly does not allow clients to place limitations on this authority. Pursuant to the terms of the relevant Partnership Agreement, however, Butterfly has entered, and expects to enter, into Side Letters with certain limited partners whereby the terms applicable to such limited partner’s investment in a Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons. Butterfly assumes this authority pursuant to the terms of the Partnership Agreement and powers of attorney executed by the limited partners of such Fund.

VOTING CLIENT SECURITIES

Butterfly Equity has adopted proxy voting policies and procedures (the “**Proxy Policy**”) to address how it will vote proxies, as applicable, for its Funds’ portfolio investments. The Proxy Policy seeks to ensure that Butterfly votes proxies (or similar instruments) in the best interest of each Fund, including where there are material conflicts of interest in voting proxies. Butterfly generally believes its interests are aligned with those of each Fund’s investors, for example, through the principals’ beneficial ownership interests in such Fund and therefore will not seek investor approval or direction when voting proxies. In the event that there is an actual or potential conflict of interest in voting proxies, the Proxy Policy provides that Butterfly may address the conflict using several alternatives, including by seeking the approval or concurrence of a Fund’s advisory board on the proposed proxy vote or through other alternatives set forth in the Proxy Policy. Additionally, a Fund’s advisory board is authorized to approve Butterfly’s vote in a particular solicitation. Butterfly does not consider service on portfolio company boards by Butterfly personnel or Butterfly’s receipt of management or other fees from portfolio companies to create a material conflict of interest in voting proxies with respect to such companies. In addition, the Proxy Policy sets forth certain specific proxy voting guidelines followed by Butterfly when voting proxies on behalf of a Fund. If you would like a copy of Butterfly’s complete Proxy Policy or information regarding how Butterfly voted proxies for particular portfolio companies, please contact Butterfly’s Chief Compliance Officer, at (310) 409-4994, and it will be provided to you at no charge.

FINANCIAL INFORMATION

Butterfly Equity does not require prepayment of Management Fees six months or more in advance or have any other events requiring disclosure under this item of the Brochure.