

Item 1. Cover Page

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Part 2A of Form ADV: Firm Brochure
March 28, 2024

This brochure provides information about the qualifications and business practices of Cove Hill Partners, L.P. If you have any questions about the contents of this brochure, please contact us at info@covehillpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Cove Hill Partners, L.P. also is available on the SEC’s website at www.adviserinfo.sec.gov. An investment adviser’s registration with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

This brochure, dated as of March 28, 2024, serves as an update to the Adviser's (as defined herein) prior brochure effective as of March 29, 2023 (the "Prior Brochure"). This brochure contains a material change to Item 5 of the Prior Brochure to reflect new disclosures related to Other Fees (as defined herein) received by the Adviser with respect to certain Funds (as defined herein). In addition, the Adviser routinely makes updates throughout the brochure to improve and clarify the description of its business practices, compliance policies, and procedures, as well as to respond to evolving industry best practices.

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Item 4. Advisory Business

For purposes of this brochure, the “Adviser” means Cove Hill Partners, L.P., a Delaware limited partnership, together (where the context permits) with its affiliated General Partners of the Funds (each as defined below) and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates may or may not be under common control with Cove Hill Partners, L.P., but possess a substantial identity of personnel and/or equity owners with Cove Hill Partners, L.P. These affiliates may be formed for tax, regulatory or other purposes in connection with the organization of the Funds, or may serve as General Partners of the Funds.

The Adviser provides investment supervisory services to investment vehicles (the “Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Funds make primarily long-term controlling and influential minority private equity and equity-related investments. In accordance with the Funds’ respective investment objectives, investments are generally made in companies doing business in the consumer products and services industry and the technology and technology enabled services industry. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser may serve as the investment adviser or General Partners to the Funds in order to provide such services.

The Adviser provides investment supervisory services to each Fund in accordance with the limited partnership agreement (or analogous organizational document) of such Fund or separate investment and advisory, investment management or portfolio management agreements (each, an “Advisory Agreement”).

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable General Partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, Advisory Agreements and/or side letter agreements negotiated with investors in the applicable Fund (such documents collectively, a Fund’s “Organizational Documents”).

The principal owner of Cove Hill Partners, L.P. is Andrew Balson. The Adviser has been in business since 2017. As of December 31, 2023, the Adviser manages a total of \$3,127,809,464 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

The Adviser or its affiliates generally receive Advisory Fees and Carried Interest (each as defined below) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies, also typically reimburse the Adviser and its affiliates for certain expenses and/or make other payments to the Adviser or its affiliates for services provided to the Fund and/or its portfolio

companies, which, in certain circumstances, reduce the Advisory Fees payable to the Adviser. Additionally, consistent with the Organizational Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies. Details about such fees and expenses are contained in the Organizational Documents of a Fund. Further details about certain common fees and expenses are set forth below.

Advisory Fees

As compensation for investment supervisory services rendered to the Funds, the Adviser receives from each such Fund an advisory fee (each, an “Advisory Fee”) typically calculated based on committed capital, or remaining invested capital, with respect to such Fund. Advisory Fees may be reduced during the life of a Fund. Advisory Fees paid by a Fund may also be reduced by other fees or compensation received by the Adviser or its affiliates that relate to such Fund’s activities and investments, or by certain excess organizational or other expenses borne by such Fund, as described in more detail below. Advisory Fees paid by a Fund are indirectly borne by investors in such Fund.

Advisory Fees are payable in advance, ten (10) business days following the commencement of each semi-annual period.

The precise amount of, and the manner and calculation of, the Advisory Fees for each Fund are established by the Adviser and are set forth in such Fund’s Advisory Agreement and/or the Organizational Documents received by each investor prior to investment in such Fund. Fees may differ from one Fund to another. In addition, the Adviser has in the past and may in the future enter into economic and/or other fee sharing arrangements with co-investors (which may include certain limited partners in a Fund) with respect to one or more Funds or investments, the rights of which will not generally be offered to other co-investors, including other limited partners.

Certain investors in the Funds that are employees, former employees, partners, members, directors, managers and officers of the Adviser or its affiliates, immediate family members of the foregoing, certain business associates (including any related entity established by any of the foregoing, such as trusts, charitable programs, endowments or related programs, family investment vehicles and other estate planning vehicles) (collectively, the “Adviser Investors”) or members of the Executive Advisory Board (as defined below) will not typically pay Advisory Fees in connection with their investment in a Fund. In addition, the Adviser has in the past and may, from time to time in the future, establish certain investment vehicles through which Adviser Investors or Executive Advisory Board members may invest alongside one or more Funds in one or more investment opportunities, and such co-investment vehicles do not pay Advisory Fees or Carried Interest.

Upon termination of an Advisory Agreement, Advisory Fees that have been prepaid are generally returned on a prorated basis.

Other Fees

Fees Payable by the Portfolio Companies

In addition to the Advisory Fee and Carried Interest, the Adviser and its affiliates receive a variety of other fees relating to the investment activities of the Funds and their portfolio companies (including in respect of services of the Adviser's "Portfolio Group" (the Adviser's dedicated operating team that uses its strategic, functional, and domain expertise to engage with portfolio companies, including developing strategic blueprints, leveraging the Adviser's best practices, and accelerating value creation)), including directors fees, management service fees, monitoring fees, investment banking fees, transaction fees (e.g., fees incurred upon an initial public offering, and monitoring, closing, financing, acquisition, exit and similar fees), break-up fees and other fees from, or with respect to, the Fund's actual or prospective portfolio companies (such fees, "Other Fees").

The Adviser and its affiliates receive "monitoring fees" pursuant to monitoring agreements with portfolio companies of the Funds governing the advice, consultation and other similar ongoing services provided by the Adviser or its affiliates to such portfolio companies, the terms of which may include (among other things) annual automatic renewals or the payment of fixed fees or fees calculated as a percentage of EBIDTA or similar performance metric. The amount and timing of such Other Fees are generally specified in the agreement or other documentation governing the transaction. There may be certain circumstances (such as the occurrence of an initial public offering or strategic exit) which accelerate the payment of such fees. Because the agreements with portfolio companies providing for such fees generally have extended terms (often ten years or more and/or subject to automatic extensions and renewal), the financial effect of such acceleration would be substantial, particularly in the event such circumstances occur early in the life of the Fund's investment in such portfolio company.

Pursuant to the Organizational Documents of certain Funds, following the specified step-down date for such Funds' Advisory Fee, the amount of future Advisory Fees payable by such Funds will be reduced by the amount (if any), by which such Funds' allocable share of such Other Fees exceed the fees, costs and expenses incurred in providing or being available to provide, management and other operating services to such Funds and their portfolio companies (such fees, costs and expenses, "Portfolio Costs"). Portfolio Costs will include, for example, the compensation (including salary, bonus, payroll taxes and benefits) paid to, and other fees and costs, expenses, and overhead (including rent, property taxes, and utilities applicable to workspaces) relating to portfolio, investment and other professionals of the Adviser providing management and operating services (including but not limited to, services and activities with respect to strategy, management consulting services, financial reporting, executive recruiting, M&A, sales strategy, executive compensation, branding and marketing, customer support, information technology, and other strategic services), in each case regardless of whether such compensation or other costs are incurred in connection with Other Fees received by the Adviser and its affiliates. The determination of whether a particular cost or expense is a Portfolio Cost will be made by the Adviser in its sole discretion. In the event a member of the Portfolio Group or other professional is providing services with respect to multiple Funds, such Portfolio Costs will be allocated among the Funds as determined by the Adviser in a fair and equitable manner. Certain Operations Support Providers (as defined below under "Providers of Operations Support") have in the past and may in

the future transition to being employees of the Adviser and, as a result, the allocable share of the compensation paid to, and other costs and overhead of, such employee will become Portfolio Costs and reduce the amount of any Other Fees that may offset the Advisory Fees. While Advisory Fee offset mechanisms described above, if applicable to a Fund under its Organizational Documents, are intended to reduce the Adviser's incentive to charge Other Fees, the Adviser will, in certain circumstances, have an interest in charging additional Other Fees to cover its expenses. Any Advisory Fee reduction mechanism only applies with respect to Other Fees after the end of the specified step-down date for a Fund's Advisory Fee and, therefore, the Adviser has an incentive to charge additional Other Fees prior to the step-down date and/or accelerate Other Fees to cover its expenses of providing management and other operating services to the Fund and its portfolio companies. The Adviser also may not seek to reduce its expenses to the same extent it would if such Other Fees were not available to the Adviser to cover such expenses.

Pursuant to the Organizational Documents of certain other Funds, the amount of Advisory Fees payable by such Funds will be reduced by the amount of such Funds' allocable share of Other Fees. The opportunity to earn these fees and receive these reimbursements creates a conflict of interest between the Adviser and such affiliates, on the one hand, and such Funds and their investors, on the other hand, because the amounts of such fees and reimbursements are often substantial, such Funds and the investors do not have an interest in the Adviser or such affiliates and the rights of such Funds and the investors to these fees and reimbursements is limited to the Advisory Fee offset described above.

Other Fees may be paid in cash, in securities of the portfolio companies or otherwise. The amount and manner of such reduction, if any, is set forth in the Organizational Documents of the applicable Fund. As described in "*Portfolio Company Expense Reimbursements*" below, the Adviser and its affiliates and their respective professionals will from time to time be reimbursed by a portfolio company or a prospective portfolio company for any costs incurred in connection with activities related to such portfolio company or prospective portfolio company, and any such reimbursement will not be an "Other Fee" or reduce the Advisory Fee.

The Adviser determines the amount and timing of Other Fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third-party co-investors in its transactions. In many cases with respect to the implementation of the arrangements described above, there is not an independent third party involved on behalf of the relevant portfolio company and therefore such fees are not subject to a market check. A conflict of interest exists in the determination of any such fees and other related terms in the applicable agreement with the portfolio company by virtue of the Adviser acting on behalf of both parties. Generally, except as required by applicable law, the amount of such fees and reimbursements will not (except in connection with the reductions described herein) be disclosed to investors in the Funds.

In addition, the Adviser or its personnel, on behalf of the Adviser, from time to time receive stock of a portfolio company as an Other Fee due to the service of such personnel on the board of such portfolio company or as compensation for other services provided to such portfolio company. In such event, the recipient will generally act in its own interest with respect to the stock received as an Other Fee (including, for instance, determining to sell the distributed securities, or hold on to

the distributed securities for such time as such recipient shall determine in its sole discretion). The ability of such recipients to act in their own interest with respect to the stock received as an Other Fee creates a conflict of interest between the Adviser, as an adviser to the Funds and its personnel, on the one hand, and the Funds, on the other hand, because the recipient's interests may not be aligned with those of the Funds and the recipient may determine to sell the stock received at a different time, or on different terms, than the Fund would sell its interest.

Any fees that accrue to the benefit of former Adviser Personnel (as defined below) or other persons who are or become unaffiliated with the Adviser (even if any such fee is earned during their tenure with the Adviser) are not considered "Other Fees" and do not reduce the Advisory Fee or otherwise benefit the Funds or their investors. Similarly, any fees that accrue to the benefit of Adviser Personnel or other persons who are affiliated with the Adviser prior to their association with the Adviser (even if any fee received in kind is realized or otherwise converted to cash during their tenure with the Adviser) are not considered "Other Fees" and do not reduce the Advisory Fee or otherwise benefit a Fund or its investors.

From time to time, the Adviser (in its sole discretion) agrees to pay a portion of an Other Fee received from an actual or prospective portfolio company to another party, such as a consultant, advisor, Operations Support Provider, finder, broker, investor, co-investor and/or investment bank. The Adviser is not required to share the portion of the Other Fee paid to such party with a Fund (or its investors) and, therefore, the portion of an Other Fee paid to such party will not reduce the Advisory Fee.

For the avoidance of doubt, any fees paid to the Adviser or its personnel after a Fund has exited an investment are not considered "Other Fees" and do not reduce the Advisory Fee.

Portfolio Company Expense Reimbursements

A portfolio company will typically reimburse the Adviser for expenses, including without limitation, travel and travel-related expenses, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with actual or potential portfolio company management and/or employees, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses), indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable Organizational Documents, and such reimbursements are not subject to the Advisory Fee offset arrangements described above. To the extent not reimbursed by a portfolio company, such expenses will be paid or reimbursed by the applicable Fund, as described below. As used throughout this brochure, "travel and travel-related" expenses shall be deemed to include, without limitation, commercial and non-commercial transportation costs (including chartered, private plane, first class or business class travel and private car travel), lodging and accommodations.

In addition to arrangements where the Adviser or its affiliates may receive reimbursements of expenses, the Adviser will make recommendations regarding the engagement of services providers or the incurrence of expenses by the Funds. Because certain expenses are paid for by the Funds and/or their portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses, which could result in lower returns to investors. As used throughout this brochure, “travel and travel-related” includes all travel expenses for the use of private aircraft, first class or business class travel, black car ground transportation, accommodations, meals, events and entertainment.

The Adviser’s ability to reduce the Advisory Fee by the amount of any fee offset will be limited by the amount of Advisory Fee to be paid, which can delay the investors’ receipt of the benefit of such offsets. In addition, the Adviser in certain cases will reduce a portion of the Advisory Fee in partial satisfaction of any obligation of the Adviser and certain employees and affiliates of the Adviser to invest in or alongside a Fund, which will further reduce the amount of Advisory Fees against which such offsets may be applied.

For a discussion of material conflicts of interest created by the receipt of such fees and reimbursements, please see Item 11 below.

Expenses

Adviser Expenses

To the extent provided in the Organizational Documents of the Funds and except as described herein as a Fund or portfolio company expense, the Adviser will bear all expenses and costs incurred by the Adviser in connection with providing services to the Funds, compensation of its investment professionals, rent, utilities, office expenses and Fund organizational expenses and Adviser startup expenses not borne by the Funds.

Fund Expenses

Consistent with the Organizational Documents of the Funds, each Fund will bear all other costs and expenses relating to it to the extent not borne by its portfolio companies including, without limitation: (a) the Advisory Fee; (b) all printing, legal, accounting, marketing, advertising, wholesaling, travel and travel-related, entertainment, meals and accommodation, information technology (including any software system or database), and other expenses (including reimbursements of expenses of third parties, including legal and accounting advisers and placement agents (if any)) incurred by the Fund, the relevant General Partner, the Adviser or their affiliates in connection with the organization of the Fund and the General Partner and the offering and sale of limited partner interests in the Fund, up to a specified cap described in the Organizational Documents of the Fund; (c) certain costs and expenses incurred by the Adviser and its affiliates in connection with their start-up and organization, including without limitation, compensation of certain Adviser professionals, any headhunter or recruiter expenses or fees, and any real estate and build-out costs, up to a specified cap described in the Organizational Documents

of the Fund; (d) subject to any applicable Advisory Fee offset described above, the fees of any placement agent (if any) utilized in connection with the offering and sale of limited partnership interests in the Funds; (e) all fees and expenses of professional and similar services to the Fund (including without limitation fees and expenses for legal, accounting, consulting (including without limitation consulting fees and expenses incurred by the Fund for the benefit of a portfolio company), marketing, audit, investment banking, reporting, valuation (including without limitation fees paid to third-party valuation agents for valuations, appraisals and pricing services), tax preparation, research, due diligence and administrator services (including any fees, costs and other expenses (including without limitation an allocable portion of personnel and related overhead expenses) of the Adviser's in-house personnel relating to coordination with any administrator) and services of expert networks), all fees and expenses associated with information technology (including without limitation the costs of acquiring, developing, implementing and maintaining computer software and hardware, database and other technological systems for the benefit of the Fund, its investors, or a portfolio company or potential portfolio company, data and information service subscriptions, information technology systems used to obtain research and provide investor-related services and related systems and services from data, information or other service providers), Operations Expenses (as defined in Item 11 below) and all filing and similar fees paid on behalf of the Fund, in each case including without limitation reimbursements of any expenses to advisers, service providers and other third parties; (f) all fees and expenses (including without limitation travel and travel-related expenses and entertainment, expenses of the Fund's General Partner and expenses of the type referred to in clause (e) of this sentence) related to research, discovery, sourcing, investigation (including without limitation expenses related to meetings with one or more investors (including prospective investors during fundraising and current Fund investors), expenses related to attending, participating in or sponsoring trade association meetings, conferences or similar events or meetings in connection with the identification or evaluation of investment opportunities or business sector opportunities, even if such expenses are not related to a specific transaction), risk management assessment, negotiation, structuring, making, holding, developing, operating, managing, monitoring, refinancing or disposing of investments, joint venture arrangements and platform investments, including without limitation with respect to transactions that are not consummated (including expenses and fees that would have been allocable to co-investment vehicles or other co-investors (including without limitation Executive Advisory Board members) and legal expenses incurred in connection with claims or disputes related to unconsummated or proposed investments) and joint venture arrangements and platform investments; (g) fees costs, and expenses related to the organization, establishment, maintenance and administration of any alternative investment vehicle or intermediary or special purpose entity used to acquire, hold or dispose of an investment or to otherwise facilitate a Fund's investment activities; (h) all fees, costs and expenses relating to compliance with tax, securities law or other legal or regulatory requirements applicable to the Fund or a Fund's limited partners (including without limitation preparation and filing of Form PF and registration or other compliance obligations related to, or arising as a result of, the offering and sale of interests in the Fund in any jurisdiction, including without limitation any such obligations arising under the Alternative Investment Fund Managers Directive or the securities laws of any jurisdiction); (i) all insurance premiums and other expenses relating to director and officer liability, general partner liability, cyber-security or other insurance, including insurance of which the Adviser and its affiliates and any of their respective personnel are beneficiaries; (j) custody, hedging, currency conversions, depositary, transfer, registration and similar expenses, including extraordinary administrative or

operating expenses, incurred by the Fund; (k) all brokerage, and finders' fees and commissions and discounts incurred in connection with the purchase or sale of securities; (l) bridge financing expenses, financing commitment, origination and similar fees (including the costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and commitments and interest arising therefrom) and all interest on funds borrowed by the Fund (if any); (m) all expenses of the advisory committee (including set-up costs, speaker fees, honorarium, dining, entertainment, travel and travel-related expenses) as well as other advisory committee expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors or experts retained to assist the advisory committee and other expenses incurred in connection with advisory committee action); (n) the costs of forming and maintaining any alternative investment vehicle; (o) all extraordinary expenses, such as litigation, arbitration, settlement and indemnification costs, expenses, judgments and settlements; (p) all taxes and other governmental charges levied against a Fund or payable by a Fund (and, in each case related interest and penalties (if any)) and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund, expenses incurred in connection with tax preparation and filings, expenses relating to preparing, printing and distributing investor reports and notices physically or electronically (including software used to electronically distribute such reports and notices); (q) expenses associated with making capital calls from and distributions to investors, including fees and expenses of information technology used to facilitate all such activities; (r) all expenses incurred by the Fund and the applicable General Partner or their affiliates in connection with meetings of the partners of the Fund (regardless of whether all partners are invited to participate in or attend such meetings), including without limitation set-up costs, speaker fees, honoraria, dining, entertainment, travel and travel-related expenses of the General Partner or its affiliates in connection with such meetings; (s) the costs associated with any amendments, modification, revisions or restatements to the Organizational Documents of a Fund; (t) expenses incurred in connection with complying with provisions of investment side letter agreements, including without limitation "most favored nation" provisions; (u) expenses associated with the Fund's compliance with applicable laws and regulations; (v) all other fees, costs, expenses and liabilities incurred in connection with the administration of the Fund or otherwise that may be authorized by the Organizational Documents or that may be approved by a majority in interest of limited partners or by the advisory committee; (w) expenses of dissolving, liquidating or terminating a Fund; and (x) other similar fees and expenses. Travel expenses may include, without limitation, expenses for chartered or first-class travel and for premium meals and entertainment. Expenses relating to research, discovery, sourcing, investigation, negotiation, structuring, making, holding, developing, operating, managing, monitoring or disposing of investments may be borne by the Fund even if such expenses are not related to a specific transaction (including without limitation, attendance or participation at industry conferences, social and entertainment events (with portfolio company management, customers, clients, borrowers, brokers and service providers) and travel to meet with investment banks, financial intermediaries or other potential sources of transactions). Expenses of the types borne by a Fund but associated with any feeder fund organized to facilitate the participation of certain investors in such Fund (including, without limitation, expenses of accounting and tax services) will be borne by such Fund.

In addition, the Adviser or one or more of its affiliates provides certain legal, regulatory, tax, accounting, administration and similar services to certain Funds and such Funds bear their allocable portion of fees, costs and other expenses (including an allocable portion of personnel

compensation (including salary, bonus, payroll taxes and benefits) and related overhead expenses (including rent, property taxes and utilities applicable to workspaces)) attributable to such services. It is expected that the services provided by Adviser employees will expand over time. Such allocations require judgments as to methodology that the Adviser makes in good faith but in its sole discretion. These allocation methodologies include: requiring personnel to periodically record and allocate their time with respect to the Funds and/or their portfolio companies; the Adviser approximating a portion of time a person has spent with respect to a particular Fund or portfolio company; the assessment of an overall dollar amount (for instance, based on a fixed fee) that the Adviser believes represents a fair recoupment of expenses and a market rate for such services (which may, for the avoidance of doubt, be at the top of the range the Adviser determines to be reflective of rates in the applicable market and certain similar markets); and any other similar methodology determined by the Adviser to be appropriate under the circumstances. The particular methodology used to allocate such amounts where services are provided are expected to vary depending on the types of services provided and could, in certain circumstances, change from one period to another. Any methodology chosen by the Adviser involves inherent conflicts of interest and could result in a greater expense to the Funds and portfolio companies than would be the case if such services were provided by third parties. The Adviser believes that any conflict of interest with respect to such fees, costs and other expenses is mitigated by the requirements set forth in the Organizational Documents of a Fund that (i) such services would, in the ordinary course, otherwise be provided by third-party service providers and such fees, costs and other expenses would be expenses of the Fund pursuant to the terms of such Fund's Organizational Documents, if such services were provided by third-party service providers, (ii) the General Partner of such Fund reasonably believes that it is in the interests of such Fund to have in-house personnel perform such services rather than third-party service providers and (iii) the costs of providing such services are no greater than the amount that would be charged by third-party service providers providing such services in an arms-length transaction. In the event the Adviser seeks to obtain benchmarking data regarding third party rates for similar services, relevant market comparisons may not be available for a variety of reasons, including as a result of lack of a substantial market of providers or users for such service, confidentiality reasons and the bespoke nature of certain services. As a result, market comparisons may not (and often do not) result in precise comparable data for certain services. No amounts paid in connection with these services will reduce the Advisory Fee or otherwise be shared with investors.

From time to time, the General Partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). In the event the General Partner creates an SPV, consistent with the Organizational Documents of the Fund, the expenses related to its organization and formation and other expenses incurred solely for the benefit of the SPV will typically be borne by the SPV, and indirectly, the investors thereof. In addition, expenses of the types borne by a Fund but associated with any feeder fund or similar vehicle organized to facilitate the participation of certain investors in the Fund (including, without limitation, expenses of accounting and tax services) would be borne by the Fund and indirectly, the investors thereof (even if such investors do not participate in any such feeder fund or similar vehicle). Expenses specifically attributable to the maintenance or administration to certain parallel funds (if any), including any subsidiaries through which such parallel fund (but not the applicable Fund) invests, generally will be borne by the limited partners of such parallel fund, unless the General Partner of the applicable Fund

determines in its sole discretion that an alternative allocation of such expenses is fair and reasonable under the circumstances.

Allocation of Expenses

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by a Fund, on the one hand, or the Adviser on the other hand, and/or whether certain fees, costs and expenses should be allocated between or among Funds and/or other parties (together with the Adviser, each an “Allocable Party”). Certain fees, costs and expenses may be the obligation of one particular Allocable Party and may be borne by such Allocable Party, or fees, costs and expenses may be allocated among multiple Allocable Parties. The Adviser will allocate fees, costs and expenses incurred in connection with the operations and management of a Fund between the Adviser and such Fund in its sole discretion, in each case using good faith and its best judgment. Such allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process.

The appropriate allocation among the Funds of expenses, costs and fees generated in the course of evaluating and making investments often may not be clear, especially where more than one Fund participates in an investment. To the extent not allocated to a portfolio company, the Adviser will allocate fees, costs and expenses incurred in the course of evaluating and making investments that are consummated between Funds pro rata based on the respective amounts of capital proposed to be invested in such contemplated investment. If the Funds are considering making an investment that is not consummated, allocation of the Dead Deal Costs (as defined below) will be made on a basis that the Adviser determines is fair and equitable, in its sole discretion. To the maximum extent permitted by applicable law, Dead Deal Costs are typically not allocated to co-investors or co-investment vehicles (including but not limited to any co-investment vehicle established for the GP co-investment commitment (as described in the Fund’s Organizational Documents) or the commitment of any Executive Advisory Board member). Instead, such Dead Deal Costs are expected to be borne by the Funds that were identified to invest in the transaction. In addition, neither the Adviser nor any limited partners that are affiliated with the Adviser or Executive Advisory Board members will bear any portion of Dead Deal Costs allocated to a Fund; rather, all such Dead Deal Costs allocated to a Fund will be borne by limited partners unaffiliated with the Adviser and who are not Executive Advisory Board members. Dead Deal Costs include, among other things, legal, accounting, advisory, consulting or other third-party expenses (including amounts payable to Operations Support Providers (as defined in Item 11 below) and other third parties), any travel and travel-related and accommodation expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for proposed investments (including commitment fees), any break-up fees, reverse termination fees, topping, termination or other similar fees, expert network costs and expenses, market diligence costs and expenses, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (i.e., KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review of the Funds, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated. In general, the Adviser will resolve all such matters using its best judgment, considering all factors it deems relevant, but in its sole discretion.

The Adviser allocates fees, costs and expenses in accordance with a Fund's Organizational Documents. With respect to allocating other expenses among Fund(s), Adviser Investors and/or co-investors (including Third Parties (as defined below)), as appropriate, the Adviser will make any such allocation determination in a fair and reasonable manner using its good faith judgment and in accordance with applicable law, notwithstanding its interest (if any) in the allocation (which such methodologies may include pro rata allocation based on the respective capital commitments of a Fund, pro rata allocation based on the respective investment (or anticipated investment) of an Allocable Party in an investment, relative benefit received by an Allocable Party, or such other fair and equitable method as determined by the Adviser in its sole discretion). The Adviser will make any corrective allocations and take any mitigating steps if it determines such corrections are necessary or advisable. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance and the Adviser will in certain cases determine an allocation of expenses to be fair and equitable even where a Fund is required to bear more than its proportional share of such fees or expenses relative to other Allocable Parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of Allocable Parties the Adviser selects to bear the expense in its initial allocation determination. When making expense allocation determinations, the Adviser generally will allocate an expense to one or more Allocable Parties that are in existence and identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases Allocable Parties that were not in existence or otherwise identified as Allocable Parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such cases the Adviser will not re-allocate the expense to each such future Allocable Party, and such future Allocable Part(ies) will benefit at the expense of other Allocable Parties, including the Funds.

In addition, from time to time a Fund procures borrowing through a subscription line or credit facility in order to make an investment, syndicating out a portion of the investment to another Fund, co-investor or other party. Subject to the Organizational Documents, the borrowing Fund will bear the entire cost of interest from the borrowing, even though the investment may ultimately be made by other such parties.

Co-Investment Vehicle Fees Expenses and Expense Allocation

In certain cases, a co-investment vehicle, or other similar vehicle established to facilitate the investment by investors to invest alongside a Fund, may be formed in connection with the consummation of a transaction. In the event a co-investment vehicle is created, the investors in such co-investment vehicle will typically bear all expenses related to its organization and formation and other expenses incurred solely for the benefit of the co-investment vehicle. The co-investment vehicle will also generally bear its pro rata portion of expenses incurred in the making an investment.

Unless the Adviser determines otherwise in its sole discretion or subject to negotiations with a particular co-investor, in general neither co-investment vehicles nor co-investors will bear any expenses relating to a proposed but not consummated transaction ("Dead Deal Costs"), even if a co-investment vehicle has been formed for the purpose of investing in the proposed transaction or

if co-investors have otherwise committed to invest in the proposed transaction. For example, it is possible that a co-investor will not agree to share expenses with a Fund if a transaction is not consummated. As a result, Dead Deal Costs are generally borne by the Fund or Funds selected by the Adviser as proposed investors for such proposed transaction, which will result in the Fund bearing more than its pro rata share of Dead Deal Costs. In the event the Adviser is making any determination regarding whether an allocation is fair and equitable, the Adviser will have discretion in such determination, and will evaluate facts and circumstances, including, without limitation, timing of the transaction, benefit to a Fund to have co-investors participate and relative negotiation power. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result in a Fund bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Costs). Furthermore, to the extent a co-investment vehicle is formed in connection with a proposed transaction, expenses relating to such co-investment vehicle may, in certain situations, be borne by another Fund or Funds, regardless of whether such proposed transaction is consummated rather than the co-investors. Any co-investment vehicle established for the applicable General Partner's investment or the commitment of any member of the Executive Advisory Board will, to the maximum extent permitted by applicable law, not pay expenses relating to potential investments that are not consummated and such expenses will be borne by the applicable Fund or Funds.

To the extent permitted by applicable law, any fees and expenses incurred in connection with the organization of a co-investment vehicle (including fees and expenses related to negotiating the governing documents of such co-investment vehicle as well as fees and expenses described above) that is expected to invest alongside the Funds in an investment are expected to be borne by the Funds to the extent such co-investment vehicle does not ultimately make such investment, whether or not such investment is consummated by the Funds.

From time to time, certain of the Funds will incur certain ongoing expenses that benefit a co-investment vehicle or co-investor (for instance, insurance premiums). In such instances, and to the extent permitted by applicable law, these ongoing expenses will be borne solely by the applicable Fund or Funds and will not be borne by any benefiting co-investment vehicle or co-investor.

Additionally, co-investment vehicles are not typically allocated any share of fees received in connection with an unconsummated transaction ("Break-Up Fees") paid or received in connection with such an unconsummated transaction. As a general matter, no co-investment vehicle is entitled to receive any portion of Break-Up Fees until they are contractually committed to invest in the proposed investment.

In addition, the Adviser and its affiliates have discretion to (i) receive performance-based compensation, Advisory Fees or similar fees from co-investors and (ii) collect customary fees in connection with actual or contemplated investments that are the subject to co-investment arrangements.

Carried Interest Payments

Please see Item 6 below regarding "Carried Interest" that Funds may pay.

Brokerage Fees

Although the Adviser does not generally utilize the services of broker-dealers to effect portfolio transactions for the Funds, in the event that it chooses to use a broker-dealer for limited purposes relating to a particular Fund, such Fund will incur brokerage and other transaction costs. For additional information regarding brokerage practices, please see Item 12 below.

Item 6. Performance-Based Fees and Side-By-Side Management

With respect to certain Funds, a portion of the profits of each such Fund is distributed to its General Partner, if any, as “carried interest” (the “Carried Interest”). Each General Partner of a Fund is a related person of the Adviser. Carried Interest paid by a Fund is indirectly borne by investors in such Fund.

Item 7. Types of Clients

The Adviser currently provides investment supervisory services to the Funds. Investment advice is provided directly to the Funds (subject to the direction and control of the General Partner of each such Fund, if applicable) and not individually to investors in such Fund.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, trusts, estates, charitable organizations, university endowments, limited partnerships and limited liability companies or other entities.

Minimum investment commitments may be established for investors in the Funds. The General Partner of each Fund may in its sole discretion permit investments below the minimum amounts set forth in the Organizational Documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser targets controlling and influential minority equity investments, specifically seeking investments with the following attributes:

- Strong and durable competitive positions with high barriers to entry
- Products and services that are highly valued by customers
- Limited threats and/or meaningful opportunities from changes in market dynamics
- Attractive economic models
- Multiple levers for creating operating and strategic value

The Adviser seeks to generate alpha across four primary dimensions: (1) advantaged sourcing; (2) archetype-driven investment selection; (3) hands-on portfolio transformation; and (4) duration

management based on a fund structure and investor base that can enable the Adviser to profit from long term compounding investments.

Advantaged Sourcing

The Adviser intends to focus its efforts on two industry sectors (technology and consumer) where the team believes it can leverage its differentiated access, domain expertise, and close relationships to generate compelling deal flow.

The Adviser's sourcing model focuses broadly on intermediary engagement and active company outreach. The model is underpinned by the use of technology (e.g., network building tools, domain traffic tracking, research tools, CRM system, automated alerts) which the Adviser believes enables it to be efficient and effective, while providing a competitive edge over firms that employ different sourcing strategies. The Adviser also has an analyst program primarily dedicated to advancing its sourcing initiatives. These efforts will leverage the deep sourcing experience of investment personnel. Furthermore, the Adviser pursues a thematic approach to outbound calling efforts and leveraging the Adviser's long-standing relationships to proactively generate deal flow.

Archetype-Driven Investment Selection

The Adviser expects that most often its investment alpha will derive from differential strategic diligence insights, as well as the ability to translate these insights into portfolio value creation over the Adviser's hold period. Fundamentally, the Adviser aims to create sustained returns in private equity through two investment archetypes: (i) buying high quality companies that have created durable competitive advantages, high levels of customer value, and strong and sustainable economic models where the Adviser believes it will have long term opportunities to build on their strategic positions, and (ii) buying high quality companies at reasonable prices in which there is a large and unrecognized opportunity to improve the operating trajectories and/or enhance the strategic positions of the businesses.

Hands-on Portfolio Transformation

The Adviser's investment team is deeply involved with the Funds' portfolio companies. Philosophically, deal professionals own investments they oversee from start to finish and are accountable for the results of their companies. In addition, the deal team spends significant time with portfolio company management teams, catalyzing key strategy, operations, and talent-management initiatives. In addition to deal team resources involved with each portfolio company, the Adviser has created, and continues to build, a dedicated operating team of former executives with domain expertise, operating capabilities, and relevant skill sets.

Duration Management

The Funds seek a portfolio of long duration, compounding investments, with (i) highly durable market positions, (ii) excellent management teams, and (iii) strategically advantaged capabilities that have the ability to compound at high rates of return over extended periods of time.

The Adviser favors this concept of selectively lengthening duration and reinvesting in proven investments over maximizing velocity in newer investments for several reasons. First, the Funds' portfolio assets may have a proven value creation model, will likely be better understood by the Adviser's team, and can be re-underwritten with more time and management access. As a result, such existing investments have the potential to drive superior returns while imposing less risk than new investments. Second, longer average hold periods reduce financial and non-financial costs associated with asset cycling.

Risks

Investing in securities involves a substantial degree of risk. A Fund may lose all or a substantial portion of its investments, and investors in the Funds must be prepared to bear the risk of a complete loss of their investments.

In addition, material risks relating to the investment strategies and methods of analysis described above, and to the types of securities typically purchased by or for the Funds, include the following:

Highly Competitive Market for Investments

The business of identifying and structuring transactions of the nature contemplated by the Funds is highly competitive and involves a high degree of uncertainty. The Funds will be competing for investments with other private equity investment vehicles as well as strategic buyers and other institutional investors. The size and number of private equity investment vehicles has grown dramatically in recent years, and it is likely that these trends will continue in the future. The Fund is unlikely to have identified any particular investment upon an initial closing of a Fund. There can be no assurance that a Fund will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return, or fully invest its available committed capital. An investor in the limited partnership interests must rely upon the ability of the General Partner (as defined below) and the Adviser to identify, structure and implement investments consistent with a Fund's investment objective and policies.

Long-Term Nature of Portfolio Investments

The Funds intend to seek a portfolio of longer duration investments that the Adviser believes have the ability to appreciate and/or generate attractive cash flow over extended periods of time. Therefore, the Funds may hold portfolio investments for longer than the typical hold period for many private equity funds, and may take from ten to fifteen years or longer from the date of initial investment to reach a state of maturity when the applicable General Partner and the Adviser determine that realization of the investment is desirable. Therefore, it is likely that no significant liquidity from the disposition of a Fund's investments will occur for a significant period of time after the first closing of the Fund. Certain of the Funds' investments may not be disposed of in an advantageous manner prior to the date that the applicable Fund will be dissolved, either by expiration of such Fund's term or otherwise. No assurance can be given in any such circumstances that a Fund will have received a return of its invested capital or that the Fund will otherwise be able to exit its investments by sale or other disposition (at attractive prices or at all). In addition, one or more of a Fund's investments may be held for longer than such Fund's term.

Illiquidity of Portfolio Investments

It is anticipated that all or a substantial portion of the Funds' investments will consist of securities that are subject to restrictions on sale by the Funds because they were acquired from the issuer in "private placement" transactions or because the Funds will be deemed to be an affiliate of the issuer. Generally, the Funds will not be able to sell these securities publicly in the U.S. without the expense, time and other burdens required to register the securities under the Securities Act, or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit limited sales under specified conditions. When restricted securities are sold to the public, the Funds may be deemed an "underwriter", or possibly a controlling person, with respect thereto for the purpose of the Securities Act and be subject to liability as such under the Securities Act.

In addition, practical limitations may inhibit the Funds' ability to liquidate certain of its investments in portfolio companies since the issuer will be privately held and the Funds will own a relatively large percentage of the issuer's equity securities. Sales may also be limited by market conditions, which may be unfavorable for sales of securities of particular issuers or issuers in particular industries. The above limitations on liquidity of the Funds' investments could prevent a successful sale thereof, result in delay of any sale, or reduce the amount of proceeds that might otherwise be realized.

Concentration of Investments

The Adviser expects that a Fund will make between five and ten portfolio investments within a limited geographic area and primarily in the consumer products and services industry and the technology and technology enabled services industry. As a result, the Funds' investment portfolios will be highly concentrated within relatively few investments, regions and industries, and the performance of a few holdings may substantially affect a Fund's aggregate return. Concentration within a limited number of industries or geographies will typically involve risks greater than those of investment funds that invest across a broader range of industries or geographies.

Leveraged Nature of Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. The Funds' investments will from time to time involve significant leverage, as a result of which operating problems and other general business and economic risks may have a pronounced effect on the profitability or survival of the Funds' portfolio companies. Also, a company with substantial leverage may be at risk of increases in interest rates and therefore increases in interest expenses. In the event any portfolio company cannot generate adequate cash flow to meet debt service, the Funds may suffer a partial or total loss of capital invested in the portfolio company.

Securing Fund Leverage with Portfolio Company Securities

In connection with borrowing, a Fund may pledge or otherwise collateralize its assets/investments, on a recourse or non-recourse basis. Such collateralized leverage could increase both the possibility for profit and the risk of loss to a Fund. Decreases in the value of the pledged securities would increase the effective amount of a Fund's leverage and could result in significant adverse effects on the Fund and its investors, including mandatory liquidation of the pledged securities or a "margin call" under which the Fund is required to call capital from its investors and post the proceeds with the relevant lender to compensate for the decline in value. Mandatory liquidation

could have extremely adverse consequences, including sales at disadvantageous times and prices and the acceleration of tax consequences. Additionally, while such leverage will increase the funds available for investment by a Fund, it will also increase the risk of loss on a leveraged asset and create conflicts of interest. The use of leverage by a Fund increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of a real estate investment or its market. There can be no assurance that a Fund will be able to maintain adequate financing arrangements under all market conditions.

Contingent Liabilities on Disposition of Portfolio Investments

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of such portfolio company, and to indemnify the purchasers of such investment if those representations are inaccurate. The General Partners may establish reserves as appropriate to provide for such contingent liabilities. In the event that the amount of such contingent liabilities exceeds the reserves and other assets of the relevant Fund, the investors of such Fund may be required to repay to the Fund or to pay to creditors of the Fund distributions previously received by them.

Improvement in Portfolio Company Operations Critical to Investment Success

The success of a Fund's investment strategy depends on the effectiveness of efforts to improve the operating performance of portfolio companies following investment. Initiatives that may need to be taken in an effort to achieve improvements in operating performance include, among others, introductions of new products, changes in sales, marketing and distribution methods, implementation of new sourcing arrangements, reductions in manufacturing, overhead and other costs, enhancements and changes in the management team and identification, consummation and integration of add-on acquisitions. The proper identification and implementation of initiatives important to the achievement of improved operating performance is difficult and often requires substantial resources. The capabilities and resources of a portfolio company, even with the assistance of the General Partners and the Adviser, may be insufficient to effect such proper identification and implementation, and there can be no assurance that portfolio companies will be successful in achieving improvements in operating performance. The failure to achieve improved operating results following investment is likely to lead to losses or poor returns on investments.

Adverse Consequences of Ownership of Controlling Interest in Portfolio Companies

It is expected that the Funds will often own a controlling percentage of the common equity of portfolio companies which, depending upon the amount of equity owned by the Funds, contractual arrangements between the portfolio company and the Funds, and other relevant factual circumstances, could result in an extension to one year of the 90-day bankruptcy preference period with respect to payments made to the Funds. In addition, because of their equity ownership, representation on the board of directors and/or contractual rights, the Funds will often be thought to control, participate in the management of or influence the conduct of portfolio companies. These factors could expose the assets of the Funds to claims by a portfolio company, its other security holders, its creditors or governmental agencies.

Special Risks Associated with Non-U.S. Investments

The Funds may invest a portion of their capital commitments in portfolio companies that are headquartered and that have their principal operations outside of the United States. These investments involve special risks not typically associated with investments in the securities of issuers located in the United States, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability, (b) differences between U.S. and foreign securities markets, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, and the relatively greater price volatility and illiquidity of foreign securities markets, (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another and the possibility of fluctuations in exchange rates and (d) tax-related issues, including the possibility of withholding or other taxes (including on dividends, interest payments or capital gains), confiscatory foreign taxes, and the possibility of double taxation of income earned overseas and (e) increased exposure to liabilities arising from a portfolio company's breach of applicable anti-corruption or other foreign laws or regulations. Because these investments may involve non-U.S. dollar currencies the Funds may be adversely affected by changes in currency rates (including as a result of the devaluation of a foreign currency) and in exchange control regulations and may incur transaction costs in connection with conversions between various currencies.

The Adviser may, and the Funds have in the past and may in the future, but are not required to, engage in currency hedging transactions. There can be no assurance, however, that the Funds will engage in such hedging transaction at any given time or from time to time, or that such hedging transactions will be available or be available at a reasonable cost, or that such hedging transactions will be effective and actually eliminate the applicable currency risk. Such hedging transactions may even exacerbate any negative impact on the Funds resulting from changes in currency exchange rates. While such transactions may reduce certain risks, such transactions themselves entail certain other risks. Thus, while the Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the Funds than if it had not entered into such hedging transactions.

Lack of Control in Certain Investments

The Funds' investments will in certain circumstances represent a minority position in portfolio companies, without power individually to exert significant control over such portfolio companies' boards of directors and management. In such cases, the Funds will rely significantly on the existing management and boards of directors of such companies, which may include representatives of other investors with whom the Funds is not affiliated and whose interests or views may conflict with the interest of the Funds.

Additionally, a Fund will from time to time invest alongside third parties, including through direct investments, partnerships, joint ventures or other similar arrangements, and such third parties may have larger ownership interests than or similar ownership interests with the Fund or may otherwise share control of the relevant portfolio company with the Fund. Such investments may involve additional risks relating to such third-party involvement, including the possibility that a third party may have financial difficulties resulting in a negative impact on the portfolio investment, may have economic or business interests or goals that are inconsistent with those of the Fund or may be in a

position to take or block action in a manner contrary to the Fund's investment objectives. In such case, the Fund may not be in a position to take action to protect the value of the Fund's investment in the entity.

Risks Associated with Evergreen Investments

The Adviser may determine that one or more of a Fund's investments may be held for longer than such Fund's term (such investments, "Evergreen Investments"). Evergreen Investments present heightened risks relating to their longer duration as well as additional risks. While certain guiding parameters are set forth in the Organizational Documents of a Fund, those parameters may be altered in accordance with the amendment procedures applicable to the Organizational Documents and the specific terms of any Evergreen Investment vehicle, including with respect to the payment of Advisory Fees and Carried Interest, will be determined at the time an investment of such Fund is designated as an Evergreen Investment.

The Adviser will obtain a third-party valuation of any investment that it seeks to designate as an Evergreen Investment, and the Adviser's entitlement to any Carried Interest in respect of such Evergreen Investment will be determined by treating such Evergreen Investment as sold by a Fund at such valuation. However, there is no established market for privately-held portfolio companies, and therefore the valuation of such investments will be difficult, may be based upon imperfect information and is subject to inherent uncertainties. Once a Fund distributes the interests in a vehicle holding Evergreen Investments (at which point the applicable General Partner's entitlement to Carried Interest in respect of such Evergreen Investment is distributed to such General Partner in the form of Evergreen Investment vehicle interests), future profits or losses from such Evergreen Investment will not impact the profits or losses of such Fund, including, without limitation, the determination of any clawback obligation of the applicable General Partner.

Only the approval of a majority-in-interest of investors will be required for the determination that an investment will become an Evergreen Investment, and for approval of the terms of the Evergreen Investment vehicle but the decision will be binding on all investors in a Fund. While investors in a Fund will be permitted to request to increase or decrease their interest in an Evergreen Investment, there is no guarantee that there will be sufficient interest from other investors in reducing or increasing such interests to fully accommodate such requests, or that the applicable General Partner will be able to identify a third-party to purchase any requested decrease which is not accommodated by allocations to investors seeking to increase. Additionally, the organizational documents of any Evergreen Investment vehicle will set forth certain restrictions and limitation on the ability of investors to transfer their interest in such Evergreen Investment vehicle. Consequently, investors in a Fund may be required to continue to hold an Evergreen Investment beyond such Fund's term, on the terms provided by the Adviser, without the ability to individually determine whether to continue to participate therein.

Financial Market Fluctuations; Political Measures

The Adviser's investment program is intended to extend over a period of years, during which the business, economic, political, regulatory, and technology environment within which the Funds operate may undergo substantial changes. Various sectors of the U.S. and global financial markets and the broader current financial environment have been, and continue to be, characterized by uncertainty, volatility and instability. The financial services industry generally and investment activities are affected by general economic and market conditions, including interest rates,

availability of credit, lack of price transparency, inflation rates, economic uncertainty, changes in tax and other applicable laws and regulations, trade barriers, national and international and environmental and socioeconomic circumstances. These financial market fluctuations have the tendency to reduce the availability of attractive investment opportunities for the Funds and may affect the Funds' ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds' investments. There can be no assurance that such economic and market conditions will be favorable in respect of both the investment and disposition activities of the Funds.

The public securities markets have seen increased volatility and the ability of companies to obtain financing for ongoing operations or expansions may be severely hampered by the tightening of the credit markets and the ongoing financial turmoil. It is unclear what the repercussions of this market turmoil may be. Moreover, it remains unknown whether governmental measures undertaken in response to such turmoil (whether regulatory or financial in nature) will have a positive or negative effect on market conditions. There can be no assurance that the market will, in the future, become more liquid than it is at present, and it may well continue to be volatile for the foreseeable future.

The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. In the past, many private equity funds have looked to the public securities markets as a potential exit strategy and there can be no assurance, particularly given the recent volatility in the financial markets and a potential lack of investor appetite for new issues in the public securities markets, that Funds will be able to exit from their investments in portfolio companies by listing their shares on securities exchanges. The trading market, if any, for the securities of any portfolio company may not be sufficiently liquid to enable a Fund to sell these securities when the Adviser believes it is most advantageous to do so, or without adversely affecting the stock price. Continued or renewed volatility in the financial sector may have an adverse material effect on the ability of the Funds to buy, sell and partially dispose of their portfolio company investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their portfolio investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments. The duration and ultimate effect of current market conditions and whether such conditions may worsen cannot be predicted and there can be no assurances that conditions in the financial markets will not worsen or adversely affect one or more of a Fund's portfolio companies. A Fund's portfolio companies may depend on the availability of capital financed from third parties and to the extent such capital is not available on reasonable terms or at all, those of a Fund's portfolio companies that rely on such capital may be adversely impacted in a manner that they would not have been had they been able to access such capital. In addition, political measures taken in response to market practices or renewed economic instability in the U.S. or abroad may have an adverse impact on such Fund's investments.

Political and Regulatory Environment Related to Financial Markets

The range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. The effect of any such political, regulatory, economic or market outcomes on a Fund could be adverse. For example, in reaction to economic events, regulators in

the U.S. and several other countries have undertaken in the past and may undertake in the future regulatory actions and implement other measures to ensure stability in the financial markets. Despite these efforts and the efforts of securities regulators of other jurisdictions, global financial markets could become and remain extremely volatile.

Certain of a Fund's investments may be materially adversely affected by the foregoing events, or by similar or other events in the future. In the longer term, there may be significant new regulations that could limit a Fund's activities and investment opportunities or change the functioning of capital markets. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing their risks.

Recent Regulatory Developments for Private Funds and their Advisers

In recent years, the SEC has proposed and adopted, and continues to adopt, various changes to the rules relating to private funds and their advisers. On August 23, 2023, the SEC adopted previously proposed new rules and amendments to existing rules (collectively, the "Private Funds Rules") under the Advisers Act (as defined below) specifically related to advisers of private funds.

The Private Funds Rules will impose new and substantial requirements on advisers and the funds they advise, including with respect to quarterly reporting, restricted activities, preferential treatment of investors, audit requirements, adviser-led secondaries and annual compliance reviews. The Private Funds Rules, in addition to any other new rules adopted by the SEC, are expected to significantly impact the business of the Adviser and its affiliates, a Fund and/or its investments. As a result of the new rules, the Adviser may under certain circumstances be restricted or refrain from providing information regarding a Fund in response to investor requests. The Adviser will be required to circulate to all investors the material terms of any preferential treatment agreed in connection with investments in a Fund (i.e., all side letter terms), without regard to any most favored nation provision. This may ultimately impact the Adviser's decisions with respect to agreeing to certain preferential rights. The Private Funds Rules include certain audit requirements, which may require the Adviser to select a different auditor or obtain an additional audit, even if the Adviser does not believe it is in the best interest of a Fund or its investors to do so. Further, many provisions of the Private Funds Rules require the Adviser to make a variety of subjective determinations as to whether and how such rules apply to a Fund and the Adviser's related obligations. The Adviser will face conflicts of interest in making such determinations, including for example with respect to whether certain fees and expenses may be charged to a Fund, whether certain provisions may have a material negative impact on certain investors and whether certain allocations are fair and equitable. The Adviser's and a Fund's compliance burdens and associated costs including, without limitation, insurance expenses, are also expected to increase. The Adviser also will be subject to increased risk of exposure to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance as a result of the Private Funds Rules, and any noncompliance or perceived noncompliance with such rules may negatively impact a Fund's reputation as well as its investment activities, thereby materially reducing returns to investors.

Several trade groups representing private fund managers have filed a legal challenge to the Private Funds Rules and other legal challenges to the Private Funds Rules may be forthcoming. Regardless

of the outcome of these lawsuits, the implementation of these new rules is expected to create additional burdens for advisers to private funds.

Custody and Banking

The Funds will maintain funds with one or more banks or other depository institutions (“banking institutions”), which may include US and non-US banking institutions, and may enter into credit facilities or have other financial relationships with banking institutions. The distress, impairment or failure of one or more banking institutions with whom the Funds, their portfolio companies and/or the Adviser transact may inhibit the ability of the Funds or their portfolio companies to access depository accounts or lines of credit at all or in a timely manner. In such cases, the Funds may be forced to delay or forgo investments or to call capital when it is not desirable to do so, resulting in lower performance for the Funds. In the event of such a failure of a banking institution where the Fund or one or more of its portfolio companies holds depository accounts access to such accounts could be restricted and U.S. Federal Deposit Insurance Corporation (“FDIC”) protection may not be available for balances in excess of amounts insured by the FDIC (and similar considerations may apply to banking institutions in other jurisdictions not subject to FDIC protection). In such instances, the Funds and their affected portfolio companies may not recover such excess, uninsured amounts and instead, would only have an unsecured claim against the banking institution and participate pro rata with other unsecured creditors in the residual value of the banking institution’s assets. The loss of amounts maintained with a banking institution or the inability to access such amounts for a period of time, even if ultimately recovered, could be materially adverse to the Funds or their portfolio companies. One or more investors or a General Partner could also be similarly affected and unable to fund capital calls, further delaying or deferring new investments. In addition, a General Partner may not be able to identify all potential solvency or stress concerns with respect to a banking institution or to transfer assets from one bank to another in a timely manner in the event a banking institution comes under stress or fails.

Foreign Trade Policy

If the U.S. federal government continues to make significant changes in U.S. trade policy, including imposing tariffs on certain goods and raw materials imported into the United States, such actions may trigger retaliatory actions by the affected countries, resulting in “trade wars,” which may cause increased costs for goods and raw materials imported into the United States, or in trading partners limiting their trade with businesses in the United States, either of which may have material adverse effects on a portfolio company’s business and operations. Such “trade wars” may cause significant losses for the Fund and/or one or more of its portfolio companies.

Market Disruption, Terrorism and Geopolitical Risk

The Funds are subject to the risk that war, terrorism, climate change, social unrest and related and unrelated geopolitical and other new or novel market disrupting events as well as outbreaks of infectious disease, pandemics or any other serious public concerns (cumulatively, “Market Disruption Events”) may lead to increased short-term market volatility and have adverse long-term effects on world economies and markets generally, as well as adverse effects on issuers of securities and the value of the Funds’ investments. Recent examples of Market Disruption Events include the global outbreak of COVID-19 in 2019, the Russian invasion of Ukraine in 2022 and

the Hamas terrorist attack which led to the Israel-Hamas war in 2023. Market Disruption Events as well as other changes in world economic, social and political conditions also are likely to adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment and other factors affecting the value of the Funds' investments. At such times, a Fund's exposure to a number of other risks described elsewhere in this section can increase.

Climate Change

The Funds may acquire investments that are located in, or have operations in, areas which are subject to climate change. Any investments located in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to have a material effect on the Funds' business and operations. Physical impacts of climate change may include: increased storm intensity and severity of weather (e.g., floods or hurricanes); sea level rise; fires; and extreme and changing temperatures. As a result of these impacts from climate-related events, the Funds may be vulnerable to the following: risks of property damage to the Funds' investments; indirect financial and operational impacts from disruptions to the operations of the Funds' investments from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; decreased net migration to areas in which investments are located, resulting in lower than expected demand for both investments and the products and services of the Funds' investments; increased insurance claims and liabilities; increase in energy costs impacting operational returns; changes in the availability or quality of water, food or other natural resources on which the Funds' business depends; decreased consumer demand for consumer products or services resulting from physical changes associated with climate change (e.g., warmer temperature or decreasing shoreline could reduce demand for residential and commercial properties previously viewed as desirable); incorrect long-term valuation of an equity investment due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Coronavirus Outbreak Risks

The 2019 novel coronavirus ("COVID-19") has meaningfully disrupted the global economy and markets. The global impact of COVID-19 has been evolving and, at different points of time has, and may to continue to have, ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. The spread of COVID-19 among the Adviser's personnel and its service providers would also significantly affect the Adviser's ability to properly oversee the affairs of the Funds (particularly to the extent such impacted personnel include key investment professionals or other members of senior management). The full effects, duration and costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve.

Benchmark Rate Risk

Prior to June 30, 2023, certain bonds and loans held by the Funds may have had floating interest rates based on the London Inter Bank Offered Rate ("LIBOR"). LIBOR is an estimate of the

interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom's Financial Conduct Authority, the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen, and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and 1-, 3- and 6-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

On March 15, 2022, the United States enacted the Adjustable Interest Rate (LIBOR) Act of 2021 ("LIBOR Act"). The federal LIBOR Act preempts similar state legislation (including that enacted in New York) and provides one national approach for replacing U.S. dollar LIBOR as a reference interest rate in certain contracts, including those with no fallback provisions or with fallback provisions that identify neither a specific replacement rate nor a "determining person" as defined in the legislation, once U.S. dollar LIBOR is no longer published or is no longer representative. The U.S. Federal Reserve has adopted the final rule that implements the LIBOR Act, which established certain Secured Overnight Financing Rate ("SOFR")-based benchmark replacements for contracts governed by U.S. law that reference overnight and one-, three-, six- and 12-month tenors of U.S. dollar LIBOR that do not have suitable fallback provisions after June 30, 2023.

As a result of the transition away from LIBOR as a benchmark reference for interest rates, certain bonds and loans held by the Funds may have floating interest rates based on SOFR or, if otherwise provided in the underlying contracts, other alternative benchmark rates.

United Kingdom Exit from the EU

The United Kingdom left the European Union on January 31, 2020 (commonly referred to as "Brexit"). During an 11 month transition period, the United Kingdom and the European Union agreed to a Trade and Cooperation Agreement which sets out the agreement for certain parts of the future relationship between the European Union and the United Kingdom as of January 1, 2021. The Trade and Cooperation Agreement does not provide the United Kingdom with the same level of rights or access to all goods and services in the European Union as the United Kingdom previously maintained as a member of the European Union and during the transition period. In particular the Trade and Cooperation Agreement does not include an agreement on financial services, which is yet to be agreed. Accordingly, uncertainty remains in certain areas as to the future relationship between the United Kingdom and the European Union.

From January 1, 2021, European Union laws ceased to apply in the United Kingdom. However, many European Union laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the European Union and the United Kingdom on financial services, substantial amendments to English law may occur, and it is impossible to predict the consequences on the Funds and their portfolio investments. Such changes could be materially detrimental to investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the United Kingdom, European and global macroeconomic conditions and could lead to prolonged

political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the United Kingdom or the European Union, including current or prospective portfolio companies or other Fund assets.

The future application of European Union-based legislation to the private fund industry in the United Kingdom and the European Union will ultimately depend on how the United Kingdom renegotiates the regulation of the provision of financial services within and to persons in the European Union. There can be no assurance that any renegotiated terms or regulations will not have an adverse impact on the Funds and their portfolio investments, including the ability of the Funds to achieve their investment objectives. Brexit may result in significant market dislocation, heightened counterparty risk, an adverse effect on the management of market risk and, in particular, asset and liability management due in part to redenomination of financial assets and liabilities, an adverse effect on the ability of the Adviser and its affiliates to manage, operate and invest the Funds and increased legal, regulatory or compliance burden for the Adviser, its affiliates and/or the Funds, each of which may have a negative impact on the operations, financial condition, returns or prospects of the Funds.

Relevant areas where uncertainty is created by the United Kingdom's withdrawal from the European Union include, but are not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within European Union countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused by the withdrawal may adversely affect the value of the Funds' portfolio investments and the ability to achieve the investment objectives of the Funds.

Cyber Security Risk

With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, investment vehicles such as a Fund, its portfolio companies and their service providers may be prone to operational and information security risks resulting from cyber-attacks. In general, cyber-attacks result from deliberate attacks, but unintentional events may have effects similar to those caused by cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Successful cyber-attacks against, or security breakdowns of the Funds, the General Partners, the Adviser, the Funds' portfolio companies and/or any of their third-party service providers may adversely impact the Funds or the investors. For instance, cyber-attacks may interfere with the processing of investor transactions, impact a Fund's ability to value its assets, cause the release of private investor information or confidential information of such Fund, impede trading, cause reputational damage, and subject such Fund to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. A Fund may also incur substantial costs for cyber security risk management in order to prevent

any cyber incidents in the future. A Fund and its investors could be negatively impacted as a result. While the Funds or the Funds' service providers have established business continuity plans and systems designed to prevent such cyber-attacks, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities or other instruments in which the Funds invest, which could result in material adverse consequences for such issuers and may cause the portfolio investments therein to lose value.

Risks of Artificial Intelligence ("AI")

The Adviser's ability to use, manage and aggregate data may be limited by the effectiveness of its policies, systems and practices that govern how data is acquired, validated, used, stored, protected, processed and shared. Failure to manage data effectively and to aggregate data in an accurate and timely manner may limit the Adviser's ability to manage current and emerging risks, as well as to manage changing business needs and to adapt to the use of new tools, including AI. While the Adviser may restrict certain uses of third-party and open source AI tools, such as ChatGPT, the Adviser's employees and consultants and a Fund's portfolio companies may use these tools, which poses additional risks relating to the protection of the Adviser's and such portfolio companies' proprietary data, including the potential exposure of the Adviser's or such portfolio companies' confidential information to unauthorized recipients and the misuse of the Adviser's or third-party intellectual property, which could adversely affect the Adviser, a Fund or its portfolio companies. Use of AI tools may result in allegations or claims against the Adviser, a Fund or its portfolio companies related to violation of third-party intellectual property rights, unauthorized access to or use of proprietary information and failure to comply with open-source software requirements. Additionally, AI tools may produce inaccurate, misleading or incomplete responses that could lead to errors in the Adviser's and its employees' and consultants' decision-making, portfolio management or other business activities, which could have a negative impact on the Adviser or on the performance of a Fund and its portfolio companies. Such AI tools could also be used against the Adviser, a Fund or its portfolio companies in criminal or negligent ways. As the use and availability of AI tools has grown, the U.S. Congress and a number of U.S. federal and state agencies have been examining the AI tools and their use in a variety of industries, including financial services. These agencies have issued proposed or adopted a variety of rules and other guidance regarding the use of AI. AI similarly faces an uncertain regulatory landscape in many foreign jurisdictions. Ongoing and future regulatory actions with respect to AI generally or AI's use in any industry in particular may alter, perhaps to a materially adverse extent, the ability of the Adviser, a Fund or its portfolio companies to utilize AI in the manner it has to-date, and may have an adverse impact on the ability of the Adviser, a Fund or its portfolio companies to continue to operate as intended.

There can be no assurance that any portfolio company of a Fund will use AI, or will use AI as effectively as its competitors or other market participants. As a result, such portfolio company may lose market share to such competitors or other market participants, or fail to capitalize on or effectively pursue opportunities for expansion or increased profitability that effective use of AI tools could have provided. Further, the types and uses of AI tools continues to evolve and proliferate, and the Adviser anticipates that in certain cases, the profitability or market share of a Fund portfolio company could be challenged or adversely impacted by the creation or use of a new

AI tool, an existing AI tool utilized in a new way, or the overall increase in popularity and adoption of such AI tool. Any such developments could have an adverse impact on a Fund's performance.

Third Party Involvement

The Funds are expected to, from time to time, co-invest with third parties through partnerships, joint ventures or other similar entities or arrangements. These investments involve risks that would not otherwise be present in investments where a third-party is not involved. Such risks include, among other things, the possibility that the third-party may at any time have differing economic or business goals than those of the Funds, or that the third-party may be in a position to take actions that are inconsistent with the investment objectives of the Funds. There may also be instances where the Fund will be liable for the actions of such third-party co-investors. There can be no assurance that the return of the Fund participating in a transaction with a third-party would be equal to and not less than the return of any other fund participating in such transaction, or that such return would have been as favorable as it would have been had such third-party not been involved.

Data Protection Laws

Compliance with current and future privacy, data protection and information security laws, and the ways that these are applied or interpreted by regulators and courts, could significantly impact the Fund's current and planned privacy and information security-related practices, as well as its collection, use, sharing, retention and safeguarding of personal data and some of our current and planned business activities. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect results of operations and overall business, as well as have an impact on reputation.

Possibility of Fraud and Other Misconduct of Employees and Service Providers

Misconduct by employees of the Adviser, service providers to the Adviser or the Funds and/or their respective affiliates could cause significant losses to such Funds. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Funds, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement or serious financial harm, including limiting the business prospects or future marketing activities of such Funds and noncompliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Funds. The Adviser has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Adviser will be able to identify or prevent such misconduct.

Retirement Plan and U.S. State-Specific ESG Considerations

In recent years, a number of U.S. states have adopted and continue to adopt new laws, regulations and policies which may expressly restrict the ability of state, municipal and other governmental plans or public university endowments to make or exclude certain investments, including investments that state regulators designate as supporting or boycotting the fossil fuels or arms

manufacturing industries. In addition, certain state pension plans are currently operating, or may in the future operate due to law or policy, in a manner that restricts their ability to consider some or all environment, social and governance (“ESG”) factors in making investment or proxy voting decisions. U.S. state pension plans may also require funds to make certifications regarding the consideration of ESG factors in the fund’s own investment process or proxy voting procedures. As a result, there may be limitations on the ability of a Fund to accept capital from certain investors and the Fund may have to require or allow certain investors to withdraw from the Fund. Moreover, such current or future state laws or policies may preclude a Fund from making investments that it otherwise finds desirable and could require the Fund to liquidate or dispose of investments at a disadvantageous time, resulting in lower proceeds to the Fund than might have otherwise been the case. Such current or future state laws also may preclude a Fund from certain proxy voting decisions that it believes to be advantageous to investors. This is an evolving area of law and policy, and future developments may be adverse to the Fund and its investors.

In addition, the extent to which ESG factors should or may play a role in an ERISA plan fiduciary’s investment decisions is addressed in recently finalized Department of Labor regulations. The future status of such regulations has been the subject of various ongoing legal challenges and vigorous political and public debate which may not be conclusively resolved for some time.

Item 9. Disciplinary Information

Item 9 is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

Various limited partnerships (the “General Partners”) serve as general partners of the Funds and are related persons of the Adviser. For a description of material conflicts of interest created by the relationship among the Adviser and the General Partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser has adopted a written Code of Ethics that is applicable to all of its partners, officers, principals, employees and other personnel, as well as officers, principals, employees and other personnel of its affiliates and certain independent contractors (collectively, “Adviser Personnel”). The Code of Ethics, which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (as amended, the “Advisers Act”), establishes guidelines for professional conduct and personal trading procedures, including certain pre-clearance and reporting obligations. Adviser Personnel and their families and households may purchase investments for their own accounts, including the same investments as may be purchased or sold for a Fund, subject to the terms of the Code of Ethics. Under the Code of Ethics, Adviser Personnel are also required to file certain periodic reports with the Adviser’s Chief Compliance Officer as required by Rule 204A-1 under

the Advisers Act. The Code of Ethics helps the Adviser detect and prevent potential conflicts of interest.

Adviser Personnel who violate the Code of Ethics may be subject to remedial actions, including, but not limited to, profit disgorgement, fines, censure, demotion, suspension or dismissal. Adviser Personnel are also required to promptly report any violation of the Code of Ethics of which they become aware. Adviser Personnel are required to annually certify compliance with the Code of Ethics.

A copy of the Code of Ethics is available to any client or prospective client upon written request to: the Adviser's Chief Compliance Officer at info@covehillpartners.com.

Participation or Interest in Client Transactions

The Adviser, Adviser Investors and members of the Executive Advisory Board may invest in and alongside the Funds, either through the General Partners, as direct investors in the Funds or otherwise. A Fund or its General Partner, as applicable, may reduce all or a portion of the Advisory Fee and Carried Interest related to investments held by such persons. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see "Conflicts of Interest" immediately below.

Due in part to the fact that potential investors in a Fund or a co-investment opportunity (see below) may ask different questions and request different information, the Adviser may provide certain information to one or more prospective investors that it does not provide to all of the prospective investors or limited partners.

Conflicts of Interest

The Adviser and its related entities engage in a broad range of activities, including investment activities for their own account and for the account of other investment funds, and providing transaction-related, investment advisory, management and other services to funds and operating companies. In the ordinary course of conducting its activities, the interests of a Fund will, from time to time, conflict with the interests of the Adviser, other Funds or their respective affiliates. Certain of these conflicts of interest, as well as a description of how the Adviser addresses such conflicts of interest, can be found below.

The Adviser may, from time to time, establish certain investment vehicles through which Adviser Investors or members of the Executive Advisory Board may invest alongside one or more Funds in one or more investment opportunities. Such vehicles, referred to herein as "co-investment vehicles," may, in certain instances, be contractually required to purchase and sell certain investment opportunities at substantially the same time and substantially the same terms as the applicable Fund that is invested in that investment opportunity. Such co-investment vehicles do not pay Advisory Fees or Carried Interest.

Resolution of Conflicts

In the case of all conflicts of interest, the Adviser's determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser's best judgment, but in its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer-term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors generally mitigate, but will not eliminate, conflicts of interest:

- (1) A Fund will not make an investment unless the Adviser believes that such investment is an appropriate investment considered from the viewpoint of such Fund;
- (2) Many important conflicts of interest will generally be resolved by set procedures, restrictions or other provisions contained in the Organizational Documents for the Funds;
- (3) Generally, each Fund has (or will have) an advisory committee, consisting of representatives of investors not affiliated with the Adviser. The advisory committees will play an important role in resolving conflicts by approving or disapproving the appropriateness of decisions that involve significant conflicts of interest referred to it the appropriate General Partner;
- (4) Where the Adviser deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker to opine as to the fairness of a purchase or sale price;
- (5) The Adviser has adopted and implemented certain policies and procedures designed to reduce certain conflicts of interest; and
- (6) Prior to subscribing for interests in a Fund, each investor receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.

In addition, certain provisions of a Fund's Organizational Documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives. While the Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. There can be no assurance that the Adviser will identify or resolve all conflicts in a manner that is favorable to the Funds and the Funds' investors will not necessarily be entitled to receive notice or disclosure of the actual occurrence of conflicts or have any right to consent to them as they arise.

Conflicts

The material conflicts of interest encountered by a Fund include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by a Fund.

Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Allocation of Investment Opportunities Among Clients

In connection with its investment activities, the Adviser will encounter situations in which it must determine how to allocate investment opportunities (including follow-on investments) among various clients and other persons, which may include, but are not limited to, the following:

- The Funds (including those established for the purpose of participating in a “continuation transaction”);
- Any co-investors or co-investment vehicles that have been formed to invest side-by-side with one or more Funds in all or particular transactions entered into by such Fund(s) (the co-investors or investors in such co-investment vehicles which may include Adviser Investors and/or individuals and entities that are not investors in any Funds (“Third Parties”));
- Adviser Investors and/or Third Parties that wish to make direct investments (i.e., not through an investment vehicle) side-by-side with one or more Funds in particular transactions entered into by such Fund(s); and
- Adviser Investors and/or Third Parties acting as “co-sponsors” with the Adviser with respect to a particular transaction.

Each member of the Executive Advisory Board is likely to have the right to purchase a portion of each transaction sourced by such member (if any), and Executive Advisory Board members and certain other Operations Support Providers (as defined in Item 11 below) are likely to have such rights in connection with services or value to be provided to the Fund or a portfolio company as determined by the Adviser, and any portion so purchased will not be available to a Fund.

The Adviser makes allocation determinations consistent with the Funds’ Organizational Documents and in accordance with its written policies and procedures. The Funds are generally subject to investment allocation requirements (collectively, “Investment Allocation Requirements”), which will also apply directly or indirectly to certain co-investment vehicles with investments contractually tied to the Funds. Investment Allocation Requirements are generally set forth in the Fund’s Organizational Documents. To the extent the Investment Allocation Requirements of a Fund do not include specific allocation procedures and/or allow the Adviser discretion in making allocation decisions among the Funds, the Adviser will follow the process set forth below.

The Adviser must first determine which Funds and/or other persons are eligible to participate in an investment opportunity. The Adviser assesses whether an investment opportunity is appropriate for a particular Fund(s), based on the Fund’s investment objectives, strategies and structure. A Fund’s investment objectives, strategies and structure typically are reflected in the Fund’s Organizational Documents. Prior to making any allocation to a Fund of an investment opportunity, the Adviser determines what additional factors may restrict or limit the offering of an investment opportunity to the Fund(s). Possible restrictions include, but are not limited to:

- **Obligation to Offer:** the Adviser may be required to offer an investment opportunity to one or more Funds or other persons. This obligation to offer investment opportunities will generally be set forth in a Fund's Organizational Documents.
- **Related Investments:** the Adviser may offer an investment opportunity related to an investment previously made by a Fund(s) to such Fund(s) to the exclusion of, or resulting in a limited offering to, other Funds.
- **Legal and Regulatory Exclusions:** the Adviser may determine that certain Funds or investors in such Funds should be excluded from an allocation due to specific legal, regulatory and contractual restrictions placed on the participation of such persons in certain types of investment opportunities.

Once the Funds that are eligible to participate in a particular investment have been identified, the Adviser, in its discretion, decides how to allocate such investment opportunity among the identified Funds. In allocating such investment opportunity, the Adviser may consider some or all of a wide range of factors, which include, but are not necessarily limited to, one or more of the following:

- Each Fund's investment objectives and investment focus;
- Transaction sourcing (and with respect to an investment opportunity originated by a Third Party, the relationship of a particular Fund to or with such Third Party);
- Each Fund's liquidity and reserves (including whether a Fund is able to commit to invest all capital required to consummate a particular investment opportunity);
- Each Fund's diversification (including the actual, relative or potential exposure of a Fund to the type of investment opportunity in terms of its existing portfolio);
- Lender covenants and other limitations;
- Any "ramp-up" period of a newly established Fund;
- Amount of capital available for investment by each Fund as well as each Fund's projected future capacity for investment (including whether a Fund is able to invest all capital required to consummate a particular investment opportunity) and anticipated co-investment (if any);
- The size of the investment;
- Each Fund's targeted rate of return;
- Stage of development of the prospective portfolio company or other investment and anticipated holding period of the portfolio company;
- Composition of each Fund's portfolio and each Fund's investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage or other similar risk metrics) and the scope of a Fund's investment mandate including whether mandates are identified as primary or secondary, and whether the mandate is limited or otherwise restricted to specific types of investments/assets;

- The suitability as a follow-on investment for a current portfolio company of a Fund or to upsize an existing investment;
- Timing expected necessary to execute an investment;
- The use of leverage in the proposed capital structure;
- The availability of other suitable investments for each Fund;
- Supply or demand of an investment opportunity at a given price level;
- Risk considerations;
- Cash flow considerations;
- The centrality of an investment to a Fund's strategy;
- Asset class restrictions;
- Industry and other allocation targets;
- Minimum and maximum investment size requirements;
- Tax and accounting implications;
- Whether an investment opportunity requires additional consents or authorizations from the Fund, investors or Third Parties;
- Legal, contractual or regulatory constraints; and
- Any other relevant limitations imposed by or conditions set forth in the Organizational Documents of each Fund.

The application of the Investment Allocation Requirements and factors set forth above will often result in allocation on a non-pro rata basis and there can be no assurance that a Fund will participate in all investment opportunities that fall within its investment objectives. The Adviser makes allocation determinations based solely on the Adviser's expectations at the time such investments are made, however investments and their characteristics may change and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

From time to time certain investment opportunities involve interests in portfolio companies of one or more Funds that are part of a restructuring or similar transaction. In such instances, investors in the Funds involved in such a transaction are typically given priority rights to roll over their existing interests or otherwise reinvest in such investment opportunities (for instance, through a newly formed "continuation fund"). As a result, other Funds may not be allocated all or any portion of such an investment opportunity, even if such opportunity falls within a Fund's investment objectives or strategy.

Allocation determinations are inherently subjective and give rise to conflicts of interest due to the inherent biases in the process. For example, in allocating an investment opportunity among Funds with differing fee, expense and compensation structures, the Adviser has an incentive to allocate investment opportunities to the Funds from which the Adviser or its related persons derive, directly or indirectly, higher fees, compensation or other benefits. Notwithstanding the foregoing, the

Adviser will not allocate investment opportunities among the Funds based, in whole or in part, on (i) the relative fee structure or amount of fees paid by any Fund or (ii) the profitability of any Fund. While the Adviser determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In addition, Adviser Personnel invest indirectly in and may be permitted to invest directly in Funds and will therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund. For example, additional conflicts could arise to the extent the Adviser and/or its affiliates, or Adviser Personnel, hold an outsized economic position in any of the participating Funds. In such cases, the Adviser could be incentivized to manage such arrangements in a manner that would enhance the returns of the Funds in which the Adviser and/or its related parties hold a substantial portion of the equity, even to the detriment of other Funds.

The Adviser and/or a Fund may invest in the securities offerings of a portfolio company held by another Fund (including through initial public offerings), which would result in the Adviser and/or a Fund receiving an allocation of portfolio company securities. In addition to conflicts of interest arising from the allocation of such securities, this arrangement also leads to similar conflicts described below under “*Conflicts Related to Purchases and Sales.*”

A conflict also arises in allocating an investment opportunity if the potential investment target could be acquired by either a Fund or a portfolio company of another Fund. In making such an allocation determination, the Adviser will consider some one or more of the factors set forth above and will make a determination in its good faith discretion.

Allocation of Co-Investment Opportunities and Secondary Transactions

The Adviser expects that it will from time to time determine that it is desirable for all or any portion of an investment opportunity to be purchased by third parties including, without limitation, investors, other Funds, strategic partners, Executive Advisory Board members, other investors or such persons acting as finders or brokers of transactions or other third parties, and any such amounts may be offered to one or more co-investors pursuant to the procedures included in such Funds' Organizational Documents or, to the extent not addressed in such Funds' Organizational Documents, in accordance with the following paragraphs. There may be circumstances where the Adviser determines, for strategic or other reasons, that an amount that could have otherwise been invested by a particular Fund is instead allocated to one or more co-investors.

Since the amount of Other Fees generated and attributable to a Fund's pro rata share in co-investments will reduce the Advisory Fees paid by the Fund or any other Funds, the allocation of co-investment opportunities to co-investors will, in many or all cases, involve a benefit to the Adviser in addition to the receipt of Other Fees, including the receipt of Advisory Fees or

allocation of Carried Interest from the co-investor, and/or capital commitments to Funds (including successor Funds). As a result of the foregoing, the Adviser could be incentivized to allocate a greater portion of an investment to a co-investor than it would have otherwise allocated absent such an arrangement or economic terms.

No investor has a right (solely by virtue of its investment in a Fund) to participate in any such co-investment opportunities and investing in a Fund does not give an investor any rights, entitlements or priorities to co-investment opportunities, subject to any side letter entered into with an investor that provides such investor with certain rights in respect of co-investments. Decisions regarding whether and to whom to offer such co-investment opportunities, as well as terms on which a co-investment is made, are made in the sole discretion of the General Partner of the applicable Fund. Such co-investment opportunities typically will be offered to some and not other investors in the Funds, in the sole discretion of the General Partner and investors may be offered a smaller amount of co-investment opportunities than originally requested or may be offered fewer co-investment opportunities than other investors in the same Fund, with the same, larger or smaller capital commitments to such Fund. In addition, third parties – rather than one or more investors in a Fund – will from time to time be offered such co-investment opportunities, in the sole discretion of the applicable General Partner. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not Investment Allocation Requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity. As described above, each member of the Executive Advisory Board and certain other Operations Support Providers (as defined in this Item 11 below) will have the right to purchase a portion of each transaction sourced by such member. Each co-investment opportunity (should any exist) is likely to be different and allocation of each such opportunity will be dependent upon the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). However, the Adviser from time to time agrees to give particular investors, Funds, or other third parties priority access to co-investment opportunities. The existence of such priority or other contractual co-investment access rights could affect the Adviser's decision to offer certain opportunities for co-investment and could limit the ability of Funds or their investors to be offered certain co-investment opportunities.

In exercising its discretion to allocate co-investment opportunities with respect to a particular investment among the potential co-investors, the Adviser may consider some or all of a wide range of factors, which include, but are not limited to, its own interests and/or one or more of the following:

- The Adviser's evaluation of the size and financial resources of the potential co-investment party and the Adviser's perception of the ability of that potential co-investment party (in terms of, for example, staffing, expertise and other resources or similar synergies) to efficiently and expeditiously participate in the investment opportunity with the relevant Fund(s) without harming or otherwise prejudicing such Fund(s), in particular when the investment opportunity is time-sensitive in nature, as is typically the case (including whether the potential co-investment party has a complicated tax structure that would require particular structuring implementation or covenants that would not otherwise be required);

- Any confidentiality concerns the Adviser has that may arise in connection with providing the other account or person with specific information relating to the investment opportunity in order to permit such potential co-investment party to evaluate the investment opportunity;
- Whether a potential co-investment party has a history of participating in opportunities and the Adviser's perception of its past experiences and relationships with that potential co-investment party, such as the willingness or ability of the potential co-investment party to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment party's commitment;
- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Level of demand for participation in such co-investment opportunity;
- The ability of a potential co-investment party to aid in operating or monitoring a portfolio company or the possession of certain expertise by a potential co-investment party and the potential co-investment party's relationship with the management team of the potential portfolio company and whether the potential co-investment party has any existing positions in the portfolio company;
- The extent to which a potential co-investment party has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investment party would require any governance rights that would complicate the transactions (or, alternatively, whether the potential co-investment party would be willing to defer to the Adviser and assume a passive role in governing a portfolio company);
- Any interests a potential co-investment party has in any competitors of the portfolio company;
- The ability of a potential co-investment party to hold investments for longer periods of time;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investment party to legal, regulatory, reporting, competitive, confidentiality, public relations, media or other burdens that make it less likely that the other account or person would act upon the investment opportunity if offered;
- The Adviser's evaluation of whether a particular potential co-investment party has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing;
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investment party may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investment party is involved in the same industry as a target company in

which a Fund wishes to invest, or if the identity of the potential co-investment party, or the jurisdiction in which the potential co-investment party is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity);

- Whether the potential co-investment party will make commitments to invest in other Funds (including concurrently with the applicable co-investment) as well as commitments to future Funds raised by the Adviser;
- Whether the co-investment opportunity is being provided in connection with a potential investment in or acquisition of interests through a secondary transfer of the Funds (i.e., a stapled co-investment opportunity); and
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investment party will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or similar benefits) and other value to current or future Funds, portfolio companies and/or the Adviser and whether the potential co-investment party has demonstrated a long-term and/or continuing commitment to the potential success of the current or future Funds and/or the Adviser.

The factors above are not listed in order of importance or priority and the Adviser is not required to, and does not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Adviser's exercise of its discretion in allocating investment opportunities with respect to a particular investment among the persons, including the Funds, potential co-investors, Adviser Investors and Third Parties, and in the manner discussed above often will not result in proportional allocations among such persons, and such allocations often will be more or less advantageous to some such persons relative to other such persons. For example, the Adviser may be incentivized to offer a co-investment opportunity to certain persons over others based on its economic arrangements with such persons (including, for example, whether the Adviser and/or the applicable General Partners are entitled, under arrangements made with certain potential co-investment parties, to additional Advisory Fees and/or Carried Interest based on the availability of co-investment opportunities offered to such parties). The Adviser expects that these factors will lead the Adviser to favor some potential co-investors over others with respect to the frequency with which the Adviser offers them co-investment opportunities. The Adviser also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors. While the Adviser determines how to allocate investment opportunities using its best judgment, considering such factors as it deems relevant, but in its sole discretion, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made will be as favorable as they would be if the conflicts of interest to which the Adviser is subject, discussed herein, did not exist.

In the event the Adviser determines to offer an investment opportunity to co-investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to a potential co-investor, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Funds bear the risk that any or all

excess portion of an investment is not sold or is sold on unattractive terms. Further, it is possible that a potential co-investment party may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity than was initially intended and would bear, in whole or in part, the fees, costs and expenses related to such investment, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. An investment that is not syndicated to co-investors as originally anticipated could significantly reduce a Fund's overall investment returns. Therefore, it is possible that a Fund that overcommits to an investment will bear a disproportionate allocation of the risks associated with the transaction without being compensated for assuming such risks.

The Adviser or its affiliates may establish dedicated co-investment vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund which often have more favorable rights and/or terms than the Funds and/or other co-investors. Any such vehicle will be established at the Adviser or its affiliates' sole discretion and the Adviser and its affiliates have no obligation to offer a similar opportunity to any other investor.

In addition, to the extent the Adviser has discretion over a secondary transfer of interests in a Fund pursuant to such Fund's Organizational Documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, generally taking into account the following factors:

- The Adviser's evaluation of the financial resources of the potential purchaser, including its ability to meet capital contribution obligations;
- The Adviser's perception of its past experiences and relationships with the potential purchaser, including its belief that the potential purchaser would help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits to current or future Funds and/or the Adviser and the expected amount of negotiations required in connection with a potential purchaser's investment;
- Whether the potential purchaser would subject the Adviser, the applicable Fund, or their affiliates to legal, regulatory, reporting, public relations, media or other burdens;
- A potential purchaser's investment into another Fund (including any commitment into a future Fund);
- Requirements in such Fund's Organizational Documents; and
- Such other facts as it deems appropriate under the circumstances in exercising such discretion.

Conflicts Related to Purchases and Sales

In addition to any Fund formed for the purposes of facilitating the commitment of Executive Advisory Board members alongside another Fund, the Funds may, from time to time, invest in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Such investments give rise to conflicts of interest. Investment opportunities are from time to time appropriate for more than one Fund at the same, different or overlapping levels of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these clients may invest in different types of securities in a single portfolio company. Questions arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work-out or restructuring or other concessions that may be given in such a situation raise conflicts of interest, and the Adviser may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund.

In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition, a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company. In certain instances, clients of the Adviser and its affiliates may invest in bank debt and securities of companies in which other clients hold securities, including equity securities. Equity holders and debt holders or holders of other senior securities have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. Furthermore, in the event a portfolio company breaches a debt or asset covenant, the Funds invested in the portfolio company have differing interests to waive certain remedies available. In addition, the involvement of such persons at both the equity and debt levels could inhibit strategic information exchanges among fellow creditors. In certain circumstances, Funds may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. In addition, there may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing may be detrimental to a Fund. The applicable Fund's Organizational Documents and the Adviser's policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or more Funds in different classes of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure) and, as such, there may be a degree of variation and potential inconsistencies, in the manner in which potential or actual conflicts are addressed.

If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and, if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In the event one Fund is unable to fund its share of additional capital (e.g., in the event such Fund does not have sufficient available capital), the other Fund may fund a disproportionate share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. The returns of each Fund may be negatively impacted as a result of the foregoing. Investments by more than one Fund in a portfolio company raise the risk of the Adviser using assets of a Fund to support positions taken by other Funds, or that a Fund may remain passive in a situation in which it is entitled to vote. There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio or liquidity needs. These variations in timing may be detrimental to the Fund. There can be no assurance that the return of a Fund participating in a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed.

In addition, where more than one Fund of the Adviser (or its affiliates) invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns as compared to the same investment held by another Fund. These variations in timing may be detrimental to a Fund. At the same time, if the Adviser determines it is advisable for a Fund to exit an investment at the same time as another Fund of the Adviser or its affiliates, the term of which may expire sooner than the former Fund's, such Fund may dispose of its interest earlier than it ordinarily would have and may, as a result, experience lower returns than it otherwise may have earned on such investments. In addition, investors may receive different consideration (for instance, investors in one Fund may receive cash whereas investors in another Fund may be provided the opportunity to receive distributions in-kind) which may impact the realized return ultimately received by each Fund.

Finally, in certain circumstances, if more than one Fund is participating in an investment, one Fund may bear more than its pro rata share of expenses relating to such investment if the other Fund or Funds do not have the resources to bear such expenses (including, for instance, as a result of insufficient reserves and/or the inability to call capital to cover such expenses).

In such circumstances described above, the Adviser could take steps to reduce the potential conflicts of interest between the various Funds, including causing a Fund to take certain actions that, in the absence of such conflict, it would not take (e.g., a Fund may divest itself of an asset it otherwise may have retained, it may not invest in an asset it would have otherwise sought to acquire, the Adviser may establish information barriers, certain matters may be referred to an advisory committee or a third party, the Adviser may abstain from taking an action that would benefit a Fund, or a Fund may only invest in securities that seeks to align the interests with other investing Funds). Any such steps could have the effect of benefiting one Fund or the Adviser at the expense of another Fund.

From time to time the Adviser may, in its discretion, enter into transactions with investors in one or more Funds, prospective investors in a Fund, co-investors, Adviser Investors or Third Parties to dispose of all or a portion of certain investments held by one or more Funds. In exercising its discretion to select the purchaser(s) of such investments, the Adviser will comply with the requirements set forth in the Organizational Documents of the applicable Fund(s), or to the extent not addressed in the Organizational Documents of the applicable Fund(s), the Adviser may consider the factors it deems to be relevant in its sole discretion. The sales price for such transactions will be mutually agreed to by the Adviser and such purchaser(s); however, determinations of sales prices involve a significant degree of judgment by the Adviser. Although the Adviser is not obligated to solicit competitive bids for such sales transaction or to seek the highest available price (which means the Adviser may not obtain the highest price for the transaction), the Adviser will first determine that such transaction is in the best interests of the applicable Fund(s), taking into account the sales price and the other terms and conditions of the transaction. There can be no assurance, in light of the performance of the investment following such a transaction, that such transaction will ultimately prove to be the most profitable or advantageous course of action for the applicable Fund(s). Any such transactions will comply with the Organizational Documents of the applicable Fund(s).

A Fund may sell down an interest in its portfolio companies to co-investors. Subject to the Organizational Documents, the Adviser may charge (or may decide not to charge) a co-investor (such as a Fund investor, an Adviser Investor or Third Party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor.

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances the Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a "reverse termination fee" to the seller entity and (b) full guarantee arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. Co-investment vehicles (including co-investment vehicles for the General Partner's investment or the investment of any member of the Executive Advisory Board) are generally not direct parties to the equity commitment arrangements or guarantees and, in any event, are not, to the maximum extent permitted by applicable law, obligated to pay their proportionate share of any reverse termination fee. Therefore, in the unlikely event that a co-investment vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

Cross-Transactions

In certain cases, the Adviser may seek to cause a Fund to purchase investments from another Fund, or it may seek to cause a Fund to sell investments to another Fund. Such transactions create conflicts of interest because, by not exposing such buy and sell transactions to market forces, a

Fund may not receive the best price otherwise possible, or the Adviser might have an incentive to improve the performance of one Fund by selling underperforming assets to another Fund in order, for example, to earn fees or generate profit in respect of such other Funds. Additionally, in connection with such transactions, the Adviser, its affiliates and/or their professionals (i) may have significant investments, or intentions to invest, in the Fund that is selling and/or purchasing such an investment or (ii) otherwise have a direct or indirect interest in the investment (such as through certain other participations in the investment).

Depending on the transaction structure, these transactions may disproportionately benefit the purchasing, selling, or merging Fund (or the Adviser as a result of its interests in a particular Fund), and one Fund may incur expenses or forego gains that would have been obtained had it not entered into such transaction. For example, the Adviser may be incentivized to support a less successful portfolio company of an older Fund by causing a newer Fund with a longer remaining term and investment period to purchase a part or all of such portfolio company in order to provide the Adviser additional time to potentially manage it to a successful exit and increase the likelihood of the Adviser or an affiliate receiving Carried Interest. Conversely, the Adviser may be incentivized to sell an attractive investment in an older Fund to a newer Fund to increase the amount of fees received by the Adviser or an affiliate with respect to such an investment. Determining the valuation or other terms of such transactions may also create a conflict of interest due to the Adviser's consideration of the particular terms (including the fee terms) of the Funds and the Adviser's interest in such Funds. Such acquisition or merger may result in the acquiring entity purchasing a Fund's portfolio company at a valuation that is: (a) not the highest price than could have been obtained in the market had there been a robust sales process with multiple third party bidders or (b) higher than the value of the company resulting in an overvaluation.

Under certain circumstances, the Adviser may wish to reduce the investment of one or more Funds in an investment and increase the investment of other Fund(s) in such investment, and may, therefore, effect such transactions by directing the transfer of such investment between such Funds or through any other transaction structure (for example, distribution of portfolio company interests from one Fund and contribution of such interests to another Fund). Any costs and expenses associated with any such transaction will be borne by such Funds in accordance with such Funds' Organizational Documents and to the extent not addressed in the applicable Organizational Documents, on an allocation that the Adviser deems in good faith to be fair and reasonable.

In determining whether to seek to consummate such a transaction, the Adviser will consider its duties to the applicable Fund and determine whether the purchase or sale and price or other terms are comparable to what could be obtained through an arm's length transaction with a third party on commercially reasonable terms (which may or may not involve a valuation agent or a third-party bid). There can be no assurance that any such conflicts can be resolved in a manner that is beneficial to each Fund or portfolio company nor is there any assurance that such transaction will be equally or similarly profitable or advantageous to each participating Fund.

Principal Transactions

Section 206 under the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and the clients thereof, on the other hand. Very generally, if an

investment adviser or an affiliate thereof proposes to purchase a security from, or sell a security to, a client (what is commonly referred to as a “principal transaction”), the adviser must make certain disclosures to the client of the terms of the proposed transaction and obtain the client’s consent to the transaction. In connection with the Adviser’s management of the Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 of the Advisers Act be made to the applicable Fund(s) regarding any proposed principal transactions and that any required prior consent to the transaction be received.

Continuation Transactions

From time to time the Adviser may determine that it is in the best interest of a Fund holding the investment (the “selling Fund”) to transact with another Fund (the “purchasing Fund”) in order to provide the selling Fund’s investors with an option to either: (1) receive cash proceeds from the selling Fund’s sale or transfer of such portfolio company and/or (2) “roll” (i.e., retain) their interest in such portfolio company. These types of transactions are often referred to as “continuation transactions.” In connection with such continuation transactions, Adviser may require the investors in the purchasing Fund to make an additional investment in a Fund or commit to invest in a future Fund. In addition to those conflicts of interest described above under “*Cross-Transactions*”, conflicts of interest arise in these continuation transactions because (i) the Adviser and its affiliates may charge investors in the purchasing Fund an Advisory Fee and Carried Interest (which economics are likely to be different than the selling Fund) and the transactions have the potential to result in the receipt of additional Advisory Fees and Carried Interest by the Adviser and its affiliates; (ii) the Adviser and Adviser Personnel are expected to have the ability to make material investments in the purchasing Fund, which may cause them to take actions that benefit the purchasing Fund; (iii) the Adviser is actively involved in negotiating the terms of the sale on behalf of the selling Fund, on the one hand, and the purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (iv) of the requirement for an investor in the purchasing Fund to make an investment in a Fund or a commitment to invest in a future Fund, which (a) incentivizes the Adviser to favor such investors because of the potential for the Adviser and its affiliates to earn additional Advisory Fees and/or Carried Interest with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses, because fees and expenses will be incurred in connection with the transaction, and the Adviser might determine to allocate bankers’ fees and certain other fees and expenses solely to selling investors and not to the “rolling investors” or “new investors” in the purchasing Fund or vice versa.

To the extent not addressed in a Fund’s Organizational Documents, the Adviser will address conflicts of interest that arise in connection with continuation transactions as set forth above under “*Cross-Transactions*.”

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects that it or its personnel will in the future establish one or more additional

investment funds with investment objectives substantially similar to, or different (and potentially conflicting) from, those of the current Funds. Allocation of available investment opportunities between the Funds and any such investment fund could give rise to conflicts of interest. See “*Allocation of Investment Opportunities Among Clients*” above. The Adviser may give advice or take actions with respect to, the investments of one or more Fund that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies will not hold the same securities or achieve the same performance. In addition, a Fund may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences will result in variations with respect to price, leverage and associated costs of a particular investment opportunity.

In addition, it is expected that Adviser Personnel responsible for managing a particular Fund will have responsibilities with respect to other Funds managed by the Adviser, including funds raised in the future or to proprietary investments made by the Adviser and/or its principals of the type made by a Fund. Conflicts of interest arise in allocating time, services or functions of these Adviser Personnel. Adviser Personnel have an incentive to allocate more time, services or functions to Funds from which such personnel derive a higher economic benefit and/or better-performing Funds.

In addition, the Adviser may compete against, or engage in business with (i.e., through co-investments or joint ventures), another investment adviser with which a member of their personnel has a personal relationship or a close family member who may derive a direct or indirect financial or other benefit from such transactions. The Adviser has implemented procedures with an aim to mitigate such potential conflicts of interests and ensure that any investment made by a Fund is bona fide and made in accordance with the investment strategy and Organizational Documents of a Fund.

The Adviser may, consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an investment in the same company. A conflict of interest arises because one Fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

In addition, the Adviser expects that it will, from time to time, consider an investment opportunity for one Fund and then subsequently determine to have another Fund make the investment or, alternatively, consummate an investment opportunity for a Fund and then subsequently determine to have another Fund make an investment in the same portfolio company (or in an opportunity related to that portfolio company). In making any such determination, the Adviser will consider a variety of factors, including those set forth above under “*Allocation of Investment Opportunities Among Clients*.” Conflicts of interest arise in connection with such an allocation, including those set forth above under “*Allocation of Investment Opportunities Among Clients*.” In addition, a conflict of interest exists because the investing Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund for which the investment was initially considered (whether or not such investment was consummated). In

certain cases, such allocation determination can be expected to occur after a significant period of time has passed (particularly where a Fund invests in a portfolio company and another Fund later invests in the same portfolio company or an opportunity related to that portfolio company) and the Fund to which the investment was originally allocated, or which made the initial investment, has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Fund typically will not be required to reimburse the original Fund for such expenses. In the event that the investing Fund does reimburse the original Fund for out-of-pocket expenses incurred in connection with evaluating, investigating and diligencing such investment, the investing Fund typically will not pay interest on any such amounts reimbursed to the original Fund. Alternatively, if the investing Fund does pay interest on such amounts to the initial Fund, there can be no assurance any such interest will be paid over at the same time as such reimbursement or that the amount of such interest will be sufficient to compensate the original Fund for the time since it deployed capital to pay such expenses. The Adviser experiences conflicts of interest in connection with causing one Fund to incur expenses that may ultimately benefit another Fund, and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of a liability that one Fund owes to another Fund, and in all such cases these determinations, calculations, and terms are not arm's length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Funds. There can be no assurance that amounts reimbursed to the original Fund, if any, will be commensurate with the benefit received by the investing Fund.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to or created in connection with financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors, and other metrics, financial information, commercial and transactional information, user data, cost data and related data or information, some of which is sometimes referred to as "big data." This information may, in certain instances, include confidential and/or sensitive information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends and financial opportunities, enhance and improve operations of portfolio companies and otherwise develop investment strategies or identify specific investment or business opportunities. The Adviser also intends to utilize such data for purposes of identifying new investments opportunities for the Funds. Information from a portfolio company owned by a Fund may enable the Adviser to better understand a particular industry and develop and execute investment strategies in reliance on that understanding for the Adviser and other Funds that do not own an interest in such portfolio company, without compensation or benefit to such Fund or its portfolio companies. Further, data is expected to be aggregated across the Funds and their respective portfolio companies and, in connection therewith, the Adviser is expected to serve as the repository for such data, including with ownership, use and distribution rights therein. The Adviser may also share data from a portfolio company of one Fund with a portfolio entity of an other Fund, which may increase a competitive disadvantage for, and indirectly harm, such portfolio company. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds). The Adviser has in the past and is likely in the future to enter into information sharing and confidentiality arrangements with portfolio companies and other sources of information that may

limit the internal distribution and use of such data. The Adviser has already used and is likely in the future in certain instances to use this information in a manner that may provide a material benefit to the Adviser, its affiliates, or to certain other Funds without compensating or otherwise benefitting the Fund or Funds from which such information was obtained. In addition, the Adviser may have an incentive to pursue investments in portfolio companies based on the data and information expected to be received or generated. Furthermore, except for (a) contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, (b) policies, practices and procedures designed to ensure confidentiality of trade secrets and (c) compliance with applicable data privacy laws, laws prohibiting insider trading, anti-competition laws and laws protecting national security interests, the Adviser is generally free to use data and information from a Fund's activities in its sole discretion for the benefit of the Adviser and other Funds. The sharing and use of "big data" and other information presents potential conflicts of interest and any benefits received by the Adviser or its personnel will not be subject to the Advisory Fee offset provisions or otherwise shared with a Fund or its investors. The Adviser has in the past and may in the future utilize such information to benefit the Adviser, its affiliates and/or certain Funds.

The Funds are likely to, from time to time, enter into borrowing arrangements that require the Funds to be jointly and severally liable for the obligations. If one Fund defaults on such arrangement, the other Funds will be held responsible for the defaulted amount.

Follow-on Investments

Investments to finance follow-on acquisitions may present conflicts of interest, including determination of the equity component and other terms of the new financing as well as the allocation of the investment opportunities in the case of follow-on investments by one Fund in a portfolio company in which another Fund has previously invested. In addition, a Fund may participate in re-leveraging and recapitalization transactions involving portfolio companies in which another Fund has already invested or will invest. Conflicts of interest arise, including determinations of whether existing investors are being cashed out at a price that is higher or lower than market value and whether new investors are paying too high or too low a price for the company or purchasing securities with terms that are more or less favorable than the prevailing market terms.

Furthermore, a conflict of interest also arises because a Fund that participates in a follow-on investment in a portfolio company held by another Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund and from operational or other information about such portfolio company acquired from the original Fund's ownership of interests in the portfolio company. In such circumstances, such benefitting Fund or Funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment. An investment by a Fund in a portfolio company in which another Fund invests at a later stage may be made at a higher or lower valuation than the investment in such portfolio company by such other Fund and an investment by one or more other Funds in any such portfolio company may dilute the original Fund's interest in such portfolio company.

Additionally, the Adviser at times will make a follow-on investment in a portfolio investment because such follow-on investment protects the rights given to the investing Fund (or another

Fund) previously or for reputational or strategic reasons, even when such follow-on investment's valuation has decreased since the original investment. These reputational benefits and protections will, from time to time, benefit and/or accrue to other Funds and/or the Adviser at the expense of the current Fund(s) investing in such follow-on investment.

Conflicts Relating to the General Partner and the Adviser

The Adviser generally may, in its discretion, recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) the Adviser or a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or their personnel otherwise derives financial or other benefit (e.g., through ownership, employment or other interest). These relationships that the Adviser may have with a service provider can influence the Adviser in determining whether to select or recommend such service provider to perform services for a Fund or a portfolio company.

Adviser Personnel and partners, officers, principals and employees of the Adviser's affiliates may buy or sell securities or other instruments that the Adviser has recommended to Funds. Adviser Personnel may also buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because such investing Adviser Personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing Adviser Personnel will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity. The transactions described above are subject to the policies and procedures set forth in the Adviser's Code of Ethics and investors will not benefit from any such investments. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. Additionally, while the significant interests of officers, principals and employees of the Adviser in a Fund's portfolio companies generally aligns the interest of such persons with the Fund, such persons may have different interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity).

Fee Structure

Because the Advisory Fee is payable through liquidation of a Fund and there is a fixed investment period after which capital from investors in the Funds will only be drawn down in limited circumstances and because Advisory Fees are, at certain times during the life of the Funds, based upon capital invested by the Funds, this fee structure creates an incentive to defer the realization of investments and/or deploy capital when the Adviser would not otherwise have done so. In addition, the valuation of partially realized or unrealized investments from time to time may be zero or close to zero. Because the Advisory Fee, at certain times during the life of the Funds, payable to the Adviser is based on capital invested by the Funds relative to such investments, in such instances the Advisory Fee paid with respect to such investment will be higher than if the Advisory Fee payable were based on the fair value of such investment.

As described in Item 5 above, after the investment period of a Fund, the Advisory Fee will be based on invested capital, less the amount invested in investments which have been sold, disposed

of, or liquidated, or permanently and fully written off and no longer being monitored. The Adviser has discretion in determining whether and when to determine that an investment has been sold or permanently and fully written-off and is no longer being monitored, which impacts the calculation of Advisory Fees. As a result, a conflict of interests exists because the Adviser has an incentive to refrain from or delay determining that an investment has been permanently and fully written-off and is no longer being monitored in order to ensure the Advisory Fee base does not decrease, which would result in higher Advisory Fees ultimately paid to the Adviser. In general, the Adviser evaluates several criteria in determining whether to determine whether an investment has hit this threshold, including, without limitation, likelihood of recovery of any equity value, market conditions, business quality, competitive positioning, and the Adviser's lack of monitoring activity. The Adviser may change these criteria in its sole discretion from time to time and the Adviser has flexibility in determining the applicability and weight of these factors and has ultimate discretion in determining whether an investment is permanently and fully written-off and no longer being monitored. As a result, the Adviser is permitted to determine that even extremely distressed investments should not be determined to be permanently and fully written-off and no longer being monitored. There can be no assurance that an investment, in hindsight, should have been determined to be permanently and fully written-off and are no longer monitored at an earlier date.

The Organizational Documents of certain Funds permit each such Fund's General Partner to elect to treat one or more unrealized investments as having been realized for purposes of allocating distribution proceeds between the limited partners and the General Partner. If the General Partner makes such an election in advance of such Fund making a distribution in respect of which the General Partner would have received Carried Interest, such election will cause the limited partners to receive a return of their capital contributions earlier than they would have absent such election. While the General Partner will as a result defer its entitlement to Carried Interest, the General Partner has an incentive to make such an election because accelerating the return of capital contributions to the limited partners will reduce the total portion of net profits distributed to the limited partners in respect of the hard hurdle. As a result, the General Partner will be entitled to Carried Interest with respect to a larger portion of overall net profits.

Additionally, as discussed above in Item 6, the General Partners of many of the Funds are entitled to Carried Interest under the terms of the Organizational Documents of such Funds. Such General Partners are affiliates of the Adviser. The existence of the General Partners' Carried Interest creates an incentive for the General Partners to cause such Funds to make more speculative investments than they would otherwise make in the absence of performance-based compensation.

Pursuant to the Organizational Documents, the General Partner may be required to return excess amounts of Carried Interest as a "clawback". This clawback obligation may create an incentive for the General Partner to defer disposition of one or more investments or delay the liquidation of a Fund if the disposition and/or liquidation would result in a realized loss to the Fund or would otherwise result in a clawback situation for the General Partner.

In addition, the General Partner is incentivized to hold on to investments that have poor prospective for improvement in order to receive ongoing Advisory Fees in the interim and, potentially, a more likely or larger Carried Interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of the clawback obligation of the General Partner.

Under current law, capital gains in respect of a General Partner's right to Carried Interest will be subject to a three-year "holding period" in order to be classified as "long-term capital gains," while the corresponding holding period requirement with respect to capital gains that investors in the Funds are allocated is one year. This Carried Interest holding period requirement could affect investment decisions, including the timing and structure of dispositions and other realization events, and it could adversely impact returns for investors in the Funds. For example, the holding period requirement may incentivize the General Partner to cause a Fund to hold an investment for longer than three years in order for the General Partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there continues to be uncertainty regarding certain aspects of this law and its application, and the current administration has announced that it is contemplating further legislation that may result in significant changes to the Internal Revenue Code of 1986, as amended. There are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in the General Partner. A General Partner and the Adviser may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the General Partner and the Adviser, on the one hand, may diverge from the interests of the investors, on the other hand.

Pursuant to the Organizational Documents, the General Partner may elect to receive its Carried Interest in the form of an in-kind distribution of securities of a portfolio company, including for purposes of permitting one or more General Partner personnel to donate such securities to charity (which may include private foundations, fund or other charities so chosen by such personnel). Any tax efficiencies to such General Partner personnel associated with this form of charitable giving may have the effect of reinforcing or enhancing the General Partner's incentives otherwise resulting from the existence of its Carried Interest and therefore, the General Partner may have a conflict of interest in making decisions on behalf of the Funds (including, for instance, the timing of disposition of investments).

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay Fund expenses and liabilities, to pay Advisory Fees, to pay organizational expenses, to make or facilitate new or follow-on investments (including borrowings pending receipt of capital contributions from investors), to make payments under hedging transactions, or to cover any shortfall resulting from an investor's default or exclusion. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would generally be used for all limited partners in such Fund on a pro-rata basis, including the General Partner.

In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would be guaranteed by such Funds. In such instances the Funds would bear the sole liability for the borrowed funds in the event of a default, and as a result, such portfolio company and any of its other investors (including direct investments by the General Partner and any co-investor, including co-investment vehicles) benefit from the credit risk taken by the Fund's guarantee.

To the extent the Fund uses borrowed funds in advance or in lieu of capital contributions, the Fund's investors generally will later make capital contributions, but the Fund will bear the expense

of interest on such borrowed funds. As a result, the Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and will likely make net IRR calculations higher than they otherwise would be without Fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions. It is expected that the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which will begin accruing when capital contributions to fund such investments, or repay borrowings used to fund such investments, are actually made to the relevant Fund. Thus, while a Fund will bear the expense of borrowed funds, such borrowings can also increase the Carried Interest received by the Fund's General Partner by decreasing the amount of distributions from the Fund that are required to be made to the investors in satisfaction of the preferred return. The General Partner therefore has a conflict of interest in deciding whether to borrow funds because the General Partner may receive disproportionate benefits from such borrowings. Furthermore, the use of Fund-level borrowing for investment purposes are treated as invested capital when relevant for the purposes of calculating the relevant Fund's Advisory Fee. Therefore, investors pay Advisory Fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

In addition, the batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. To the extent a subscription facility is due upon demand by a lender (such as upon an event of default or otherwise), such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in multiple Funds and being unable to satisfy all such demands simultaneously. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Borrowing by a Fund will generally be secured by capital commitments made by the investors in such Fund and/or by such Fund's assets, and documentation relating to such borrowing may provide that during the continuance of a default under such borrowing, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of borrowings by the Fund may cause the realization of "unrelated business taxable income."

The use of Fund-level borrowings will differ based on available credit facility capacity and contractual terms applicable to each Fund and each such credit facility. Therefore, as the subscription credit facilities utilized by the Funds may have different terms, while the Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant Organizational Documents, the investment return can, in certain circumstances, differ among the Funds as a result.

Such Fund-level borrowing subjects investors in a Fund to risks and costs. For example, because amounts borrowed under a credit facility will likely be secured by pledges of a General Partner's right to call capital from its investors and, in certain circumstances, can also be secured by other assets of a Fund, a lender could foreclose on the pledged collateral, including the Fund's right to call capital from investors and, only if applicable pursuant to a pledge of other assets of the Fund, the Fund's investments, if the Fund fails to repay the amounts borrowed under a credit facility or experiences another event of default.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and its investors or impose additional obligations on them. For example, certain lenders or facilities may impose restrictions on a General Partner's ability to consent to the transfer of an investor's 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 the credit facility, a General Partner is permitted to request certain financial information and other documentation from investors to share with lenders. A General Partner will have significant discretion in negotiating the terms of any credit facility and reserve the right to agree to terms that are not the most favorable to one or all investors.

NAV Facilities; Special Purpose Vehicle Leverage

In addition to Fund-level borrowing, a Fund is generally able to utilize leverage at the level of a portfolio investment or to incur debt under a NAV Facility (as defined below) or asset-backed financing facilities at the level of one or more special purpose subsidiaries vehicles formed to invest in or hold one or more portfolio investments (each such subsidiary, a "Borrowing Subsidiary").

The Adviser may cause a Fund and/or one or more Borrowing Subsidiaries to enter into net asset value-based facilities (each such facility a "NAV Facility"). In connection with such transactions, the Adviser may pledge all or certain of a Fund's or a Borrowing Subsidiary's investments, including, for the avoidance of doubt, portfolio investments, including on a cross-collateralized basis, without taking into account the potential for non-pro rata investments by investors as a result of any particular investor's opt-out rights or otherwise. An investor may also be required to fund amounts to repay borrowings under a NAV Facility incurred in connection with an investment or managing a Fund's investment portfolio even if such investor did not participate in, or participated on a non-pro rata basis in, the relevant investment(s) in connection with which such borrowings were incurred. NAV Facility lenders may foreclose on a Fund's assets if the Fund fails to repay the amounts borrowed under a NAV Facility or experiences another event of default, which could have a material adverse effect on the value of an investor's investment in the Fund.

A Borrowing Subsidiary or any other special purpose vehicle a Fund forms to hold one or more investments may also engage in borrowing or incur similar debt obligations. For example, special purpose vehicles could enter into asset-backed loan arrangements, whereby they borrow money from a bank and pledge the equity interests in one or more Borrowing Subsidiaries (or other assets) as collateral for the loan. The Borrowing Subsidiaries could then use the loan proceeds for a variety of purposes, including to make investments (including follow-ons in the portfolio investments subject to the loan arrangement or new and unrelated investments), to pay expenses or to distribute the proceeds to a Fund for further distribution to the investors. Under these arrangements, Borrowing Subsidiaries would typically be subject to requirements to repay all or part of the financings if or post cash collateral if the value of the underlying assets decreases significantly or such assets cease to satisfy eligibility or concentration criteria under the financings. In order to meet such obligations to prepay loans or post cash, the Borrowing Subsidiaries may need additional assets to avoid foreclosure, in which case a Fund could decide to contribute additional capital to the Borrowing Subsidiaries to avoid adverse consequences to the investment(s), including foreclosure on the collateral at a lower valuation. This type of leverage may be incurred by a single special purpose vehicle or by multiple vehicles, and may be collateralized by a single

investment or multiple Fund investments. Any borrowing incurred by a Borrowing Subsidiary is not subject to the limitations on borrowing by a Fund set forth in the Fund's Organizational Documents and can exceed such amounts.

Executive Advisory Board; Providers of Operations Support

The Adviser has established an executive advisory board (the "Executive Advisory Board") comprised of senior, experienced executives and academics. It is anticipated that the members of the Executive Advisory Board will provide sourcing and due diligence services to the Adviser. As compensation for such services, the members of the Executive Advisory Board will have an opportunity to invest in the Funds without paying Advisory Fees or bearing Carried Interest and may be able to earn a portion of the Carried Interest generated by the Funds.

In addition, the Adviser, the Funds and/or the portfolio companies will from time to time retain other companies and individuals to provide operational support, due diligence, research, sourcing, specialized operations and consulting services and similar or related services to, or in connection with, the Funds or one or more portfolio companies or prospective portfolio companies in relation to the identification, acquisition, holding, improvement and disposition of such portfolio companies. Such other companies and individuals are likely to include members of the Executive Advisory Board, as well as employees of portfolio companies, third party consultants (including specialized consultants, advisers, industry specialists, external executives, and industry advisory roundtable members), "operating partners" or "senior advisors" (together, "Operations Support Providers"). It is expected that the services provided by the Operations Support Providers will expand over time. The nature of the relationship with each such Operations Support Provider and the time devotion requirements of each such Operations Support Provider may vary significantly. Certain Operations Support Providers may be subject to contractual obligations to exclusively provide certain services to the Funds and/or the portfolio companies. Certain of the Operations Support Providers may serve on the boards of directors of companies unrelated to those held by the Funds (including companies that are competitors of, customers of, or service providers to, the portfolio companies) and therefore may have conflicting obligations with respect to a Fund and such other companies. These arrangements may be memorialized in a formal written agreement or may be informal and are negotiated individually, depending upon the anticipated operations support services to be provided. In certain cases, Operations Support Providers have attributes of Adviser Personnel (for instance, they may have dedicated office space, receive Adviser administrative support services, participate in general meetings or events for Adviser Personnel, have Adviser e-mail address or business cards), even though they are not employees, affiliates or personnel of the Adviser. Operations Support Providers may be offered the ability (or may have a preferred right) to co-invest alongside Funds, including in investments in which such Operations Support Provider is involved or participates in the management thereof.

Pursuant to the Organizational Documents of the Funds, fees, compensation, expenses and any attributable overhead associated with such providers ("Operations Expenses") will typically be paid and/or reimbursed by portfolio companies and/or the Funds and will be determined at the discretion of the applicable General Partner taking into account the particular services to be performed. Operations Expenses may include a periodic fee or retainer, a discretionary bonus, a success fee (in the form of cash or equity) based on pre-determined targets or milestones, a profits or equity interest in the Funds and/or portfolio company or other incentive-based compensation

(e.g., Carried Interest). Operations Expenses will, from time to time, also be incurred in respect of portfolio companies prior to the closing of the investment. To the extent services are provided for the benefit of a Fund, without reference to a particular portfolio company, Operations Expenses incurred in connection with such services are borne by a Fund and, indirectly, its investors. Operations Expenses will not be considered Other Fees to be included in the determination of the Advisory Fee offset described in above and to the extent such providers are compensated directly by the Adviser or its affiliates, any reimbursement to the Adviser by a portfolio company or a Fund will not be considered an Other Fee. It may be difficult to distinguish services provided by the Operations Support Providers from the investment advisory services provided to the Funds by the Adviser and its affiliates. Because such costs and expenses are paid for by portfolio companies and/or the Fund or, if incurred by the Adviser, are reimbursed by portfolio companies and/or the Funds, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing the portfolio companies or the Fund to incur) such expenses. In the event an Operations Support Provider is paid an annual retainer, the value provided to the relevant Fund and/or portfolio company by such Operations Support Provider may vary year to year and there can be no assurance that the annual retainer paid will be commensurate with the value provided by the Operations Support Provider. Over time, certain existing and former employees of the Adviser (including senior personnel) may transition to an Operations Support Provider role, which will shift the burden of compensation such persons from the Adviser to the applicable Fund and/or its portfolio companies. The Adviser believes any such potential conflicts of interest are mitigated by the quality, availability or other benefits to be realized from the services to be provided. Operations Support Providers will, from time to time, be offered the ability to invest in a Fund or in a particular investment as a co-investor on preferred economic terms (including on a no-fee/no-carry basis).

Diverse Membership

The investors in the Funds are expected to include U.S. taxable and tax-exempt entities, and institutions from jurisdictions outside of the United States. Such investors often have conflicting investment, tax and other interests with respect to their investments in a Fund. The conflicting interests among the investors generally relate to or arise from, among other things, the nature of investments made by a Fund, the structuring of the acquisition of investments and the nature and timing of the disposition of investments. As a consequence, conflicts of interest arise in connection with decisions made by the Adviser or its affiliates, including with respect to the nature or structuring of investments, that are more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring investments appropriate for a Fund, the Adviser and its affiliates will consider the investment and tax objectives of the applicable Fund, not the investment, tax or other objectives of any investor individually.

Business with and Among Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of the Adviser's business and the portfolio companies in which the Funds have invested, may be situations where the Adviser is in the position of recommending portfolio company services to other portfolio companies of the Funds or, which may involve fees, commissions, servicing payments and/or discounts to the Adviser, an affiliate, or a portfolio company. The Adviser will generally have a conflict of interest in making such recommendations,

in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies of the Funds, while the products or services recommended may not necessarily be the best available to the portfolio companies held by the Funds. The benefits received by a portfolio company providing a service may be greater than those received by the Fund(s) and its portfolio companies receiving the service.

In addition, certain portfolio companies controlled by a Fund may, from time to time in the future engage in activities that could adversely affect another Fund and/or its portfolio company, including, for instance, as a result of laws and regulations or certain jurisdictions (such as bankruptcy, environmental, consumer protection and/or labor or union laws) that may not recognize or permit the segregation of assets and liabilities between separate entities. Such jurisdictions may also allow for recourse against assets that are under common control with, or part of the same economic group as the entity that has incurred the liability. This may result in the assets of a Fund and/or a portfolio company being used to satisfy the obligations or liabilities of another Fund or its portfolio company.

The Adviser generally has an incentive to recommend the products or services of certain investors or prospective investors in the Funds, certain Third Parties, or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended may not necessarily be the best available to the Funds or the portfolio companies.

In certain situations, a Fund may invest in a portfolio company in which an investor, directly or indirectly holds an interest or otherwise derives a financial or other benefit. While not generally anticipated to occur, such transactions create a conflict of interest because the Adviser may have an incentive to cause the Fund to make an investment in such a portfolio company and/or to structure the terms of such investment in a manner that is believed to strengthen and/or cultivate relationships that may provide benefits to current or future related Funds and/or the Adviser and as a result, such conflicts of interest could affect the negotiations of the terms of the investment. To the extent such a transaction arises, the Adviser believes that the economic arrangement of the Adviser and its affiliates (e.g., the Carried Interest that it would receive) and the requirement that the personnel of the Adviser have exposure to such portfolio companies through their investments in a Fund.

Portfolio companies controlled by a Fund may, from time to time in the future provide services to certain Fund investors or prospective investors. This creates a conflict of interest, as the Adviser has an incentive to cause the portfolio company to favor itself or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

Current and former founders and prospective founders, officers and executives and other affiliates of portfolio companies may also invest in a Fund. While the Adviser believes this aligns portfolio company management teams and other affiliates with the best interests of the Fund, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company

management team investor or other affiliate of the portfolio company that is an investor in a Fund such that they continue to invest in the Funds, among other reasons.

In certain instances, a Fund's portfolio company competes with, is a customer of, or is a service provider to, another Fund's portfolio company. In providing advice to a portfolio company's business, the Adviser may consider the interests of one portfolio company or Fund and is not obligated to, and need not, take into consideration the interests of other relevant portfolio companies or Funds. As a result, a conflict of interest may arise in these instances because advice and recommendations provided by the Adviser to a portfolio company may have adverse consequences to the portfolio company owned by another Fund. The performance and operations of a competitor, customer or service provider portfolio company could conflict with, and adversely affect the performance and operations of another portfolio company, or could adversely affect prices, business opportunities or potential acquisition opportunities. For instance, a portfolio company may seek to expand its market share at the expense of another portfolio company, withdraw business from another portfolio company in favor of another company offering the same product or service at a lower price, increase its own prices, purchase assets from, or sell assets to, another portfolio company, commence litigation against another portfolio company, or prevent one portfolio company from commencing litigation against another portfolio company.

From time to time, a Fund's portfolio company may be a counterparty or participant in agreements, transactions or other arrangements with other portfolio companies of such Fund or other Funds. Any of such agreements, transactions and other arrangements could involve payment of fees and other amounts, none of which would result in any offset to the Advisory Fee, and are generally entered into without the consent or direct involvement of the Funds and/or the Adviser or the consent of any advisory committee.

The Adviser and/or its affiliates have in the past, and may in the future, engage in business opportunities arising from a Fund's investment in a portfolio company (for example, without limitation, entering into a joint venture with a portfolio company or making a proprietary investment in a portfolio company). This creates a conflict of interest, as such interests are a benefit arising from the Fund's investment and may vary from the applicable Fund's interest (e.g., whether to make a follow-on investment and, if so, how much should be allocated to the Fund).

In addition, the Adviser has in the past, and may in the future, cause a Fund to transact with a portfolio company or the Fund or another Fund, including purchasing an asset from, or selling an asset to, a portfolio company. This creates a conflict of interest as the interests of the purchasing or selling Fund differ from those of the counterparty portfolio company.

A Fund's portfolio companies may be counterparties or participants in agreements, transactions or other arrangements with portfolio companies of other Funds managed by the Adviser that, although the Adviser determines to be consistent with the requirements of such Funds' Organizational Documents, may not have otherwise been entered into but for the affiliation with the Adviser, and which may provide economic or other benefits to the Adviser or its affiliates that are not subject to the Advisory Fee offset provisions described herein. For example, the Adviser has in the past and may in the future cause portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased under these agreements and which may be pooled across multiple portfolio companies and discounted due to

scale), benefits management, data management and/or mining, technology development, purchase or title and/or other insurance policy (which may be pooled across multiple portfolio companies and discounted to scale) and other similar operational initiatives that may result in fees, better pricing, rebates, servicing payments, commissions or similar payments and/or discounts being paid to the Adviser, its affiliates or a portfolio company, including related to a portion of the savings achieved by the portfolio company. While the Adviser may have a conflict of interest because its economic benefit may incentivize the Adviser to maintain such arrangements, the Adviser believes that such agreements benefit the portfolio companies due to increased access to quality products and services at beneficial pricing and the Adviser's benefits from such arrangements are reduced because the Adviser only benefits on at the same rate as the portfolio companies. However, it should not be assumed that a company related to, or otherwise affiliated with the Adviser will only take actions that are beneficial to, or not opposed to, the interests of a Fund and its portfolio companies.

Adviser Personnel may serve as directors of portfolio companies. While conflicts of interest may arise in the event that such employee's fiduciary duties as a director conflict with those of the Funds, it is expected that the interests will generally be aligned. For instance, such positions could impair the ability of a Fund to sell the securities of an issuer in the event a director receives material non-public information by virtue of his or her role, which would have an adverse effect on the Fund. Furthermore, Adviser Personnel serving as a director to a portfolio company in certain cases owes a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such Adviser Personnel may be in a position where they must make a decision that is either not in the best interest of the Fund, or is not in the best interest of the portfolio company.

Certain members of a Fund's advisory committee are, or in the future may be, officers or directors of, or otherwise affiliated with, investors in another Fund. The General Partner of a Fund may from time to time utilize the services of investors and their affiliates on an arm's length basis with commercially reasonable terms, as it deems appropriate.

The Adviser and its affiliates may, from time to time hire part-time or full-time employees (including interns) who are relatives of, or are otherwise associated with an investor, portfolio company, former portfolio company, investment target or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time a Fund could hold an investment in a different layer of the capital structure than an investor or another party with which the Adviser has a material relationship, in which case the Adviser could have an incentive to cause the Fund or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements).

The Adviser has in the past, and may from time to time in the future, cause the Funds to invest in a portfolio company in which an employee of the Adviser (or a family member of such employee) directly or indirectly holds an interest or otherwise derives a financial or other benefit. Such transactions create a conflict of interest because the Adviser may have an incentive to cause the

Funds to make an investment in such a portfolio company and/or to structure the terms of such investment in a manner that is beneficial to the Adviser's employee and as a result, such conflicts of interest could affect the determination to make the investment and the negotiations of the terms of the investment.

Additionally, Adviser Personnel may invest in funds or other entities managed by limited partners of a Fund, which could incentivize such Adviser Personnel to afford the limited partner preferential or favored treatment, such as, for example, increased access to co-investment opportunities, and could create conflicts of interest to the extent such other funds compete with a Fund for investment opportunities or invest in competing portfolio companies.

Adviser Personnel serve as directors, or observers on boards with respect to, certain portfolio companies. While conflicts of interest may arise in the event that such Adviser Personnel's fiduciary duties as a director conflict with those of the Funds, it is expected that they will be aligned. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employees' fiduciary duties among the two portfolio companies may create a conflict of interest. Decisions made by a director may subject the Adviser, its affiliate or the Funds to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In addition, employees of the Adviser may leave the employment of the Adviser and become an officer, employee or consultant of a portfolio company, which will shift the burden of compensating such persons from the Adviser to the applicable portfolio companies, and any fees received by such persons as an officer, employee or consultant of the portfolio company will not reduce the Advisory Fee.

From time to time, Adviser Personnel are asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such employee's employment with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

In addition, the Adviser may continue to receive other fees from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or group purchasing arrangements). In such circumstances, any fees received with respect to such exited investment is not subject to the Advisory Fee offset described above, or otherwise shared with the Funds and/or investors.

In connection with co-investment opportunities, some co-investors (which may include one of more investors in the Funds) are provided with the opportunity to serve on the board of directors or board of advisors of the applicable portfolio company. Positions on boards of directors or boards of advisors of such portfolio companies provide such co-investors with voting rights, access to information and the ability to potentially influence the operations and decision-making of the portfolio company that are not available to other investors in the Funds. In certain cases, co-investors have contractual rights that require the approval of the co-investors for certain major actions relating to the applicable portfolio company, such as a sale of the company or the issuance of additional equity by the company. Such rights may limit the ability of the Adviser to take

actions with respect to the portfolio company that the Adviser considers to be in the best interest of the Funds.

Partners, officers, principals and employees of the Manager from time to time invest in securities of companies for their own accounts. The Manager may cause the Funds to invest in securities of companies in which a partner, officer, principal or employee of the Manager has a pre-existing interest. In that situation, the partner, officer, principal, or employee with such pre-existing interest may have different interests from the Fund with respect to such investment since such person would benefit as an owner of interests in the business at the time of the Fund's investment. In addition, in the event the Fund invests in a company in which a partner, officer, principal or employee of the Manager has previously invested, the Manager may have an incentive to make an investment that supports the existing investment of the partner, officer, principal or employee.

Service Providers

Services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations, be outsourced in whole or in part to third parties or licensed software, in each case in the discretion of the Adviser or its affiliates. This can create a conflict of interest because the Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser Personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, licensed software, depository, data processing, client relations, administration, custodial, marketing and marketing reviews, accounting, valuation, legal, human resources, client services, compliance, corporate secretarial and tax support, director services and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that are not incurred for comparable services by other Funds. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future, and the Adviser has no obligation to inform such Funds or investors of such a change. Such services may also supplement or be performed alongside services performed by the Adviser. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

If a service provider provides services to a Fund on the property of the Adviser, such Fund may also be responsible for any overhead, rent or other fees, costs and expenses charged by the Adviser in connection with an on-site arrangement.

The Adviser and/or its affiliates may engage certain service providers to provide services to the Adviser, the Funds and/or the portfolio companies, including services during the due diligence and acquisition process. Such service providers or their affiliates may be, in certain circumstances, investors in a Fund or affiliates of such investors and may include, for example, investment or commercial bankers, outside legal counsel pension consultants and/or other investors who provide services (including mezzanine and/or other lending arrangements). The engagement of any such service provider may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics or other terms with respect to its investment in a Fund, enhanced

information or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor.

Although the Adviser selects service providers that it believes will enhance portfolio company performance (and, in turn, the performance of a Fund), there is a possibility that the Adviser may favor such retention or continuation because of its own (or a related party's) interests even if a better price and/or quality of service could be obtained from another person. The Adviser will have a conflict of interest with a Fund in recommending the retention or continuation of a service provider to such Fund or a portfolio company because of its financial or other business interest, such as its belief that the service provider will continue to invest in such Fund or will provide other services that are beneficial to the Adviser.

Additionally, former Adviser employees may also become employees, officers or directors of, or otherwise be engaged by, third-party service providers that provide services to the Adviser, the Funds and/or portfolio companies. While employed by the Adviser, the cost of the compensation, benefits and attributable overhead provided to these individuals are, except as permitted by the applicable Fund's Organizational Documents, paid by the Adviser. If a former Adviser employee becomes an employee, officer or director, or is otherwise engaged by, a third party that also provides services to a Fund, such former Adviser employee may be assigned by such third party to provide services to that account. In such instance, the cost of the third-party service provider attributable to the former Adviser employee working on the Fund will be borne entirely by the Fund and no such amounts will reduce the Advisory Fee paid or the Carried Interest distributed by such Fund on the basis that such person used to be a former Adviser employee.

The Adviser or its affiliates and service providers, often charge varying amounts or may have different fee arrangements for different types of services provided. For instance, fees for various types of work often depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or its portfolio companies, the Adviser and its affiliates will pay different rates and fees than those paid by the Funds and/or its portfolio companies.

The Adviser or its affiliates engage certain service providers (including law firms) on behalf of the Funds and personnel of such service provider may in the future be seconded to the Adviser or its affiliates on a temporary basis or serve in an internship capacity, pursuant to various arrangements including at cost or at no cost. The Adviser is, from time to time, a beneficiary of these arrangements as well. Such personnel may provide services in respect of multiple matters, including in respect of matters related to the Adviser, its affiliates and/or portfolio companies and in any such circumstance the benefits or costs of any such personnel will be allocated in the Adviser's discretion taking into consideration the usage of such personnel. The Advisory Fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. In such circumstances, a conflict of interest exists because the Adviser or its affiliates have an incentive to select one service provider over another on the basis that the Adviser or its affiliates may receive the benefit of seconded employees from such service provider, particularly where the compensation and expenses for such personnel during the secondment is borne by the service provider and not the Adviser or its affiliates.

To the extent the Adviser commits or has committed to seek “market” or “arms-length” rates or terms in certain circumstances, the Adviser 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. The Adviser 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, the Adviser 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, the Adviser reserves the right to rely on approximations or estimates of time for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest. Whether or not the Adviser 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. To the extent the Funds engage in a long-term or recurring contract with an Adviser affiliated service provider, the Adviser may not seek to benchmark or otherwise renegotiate the original fee arrangement for a significant period of time.

The Adviser from time to time expects to cause the Funds to bear the full cost and expense of engaging certain third-party service providers on behalf of a portfolio company. In the event a Fund is not the sole shareholder of the portfolio company, other shareholders will benefit from the costs incurred by such Fund and will not reimburse the Fund for their pro rata portion of the cost of any such service provider.

Certain personnel of the Adviser or its affiliates may also be temporarily seconded to or otherwise engaged by certain portfolio companies on either a full-time or a part-time basis to provide services to such portfolio companies. In such instances, the portfolio companies will pay such person’s directors’ fees, salaries, consultant fees, other cash compensation, stock options, other equity grants or other compensation and incentives and may reimburse the Adviser or such persons for any travel costs or other out-of-pocket expenses incurred in connection with the provision of their services. The Adviser may also advance compensation to seconded employees and be subsequently reimbursed by the applicable portfolio companies. Any compensation customarily paid directly by the Adviser or its affiliates to such persons will typically be reduced to reflect amounts paid directly or indirectly by the portfolio company even though the Advisory Fee paid or Carried Interest distributed by the Fund to the Adviser will not be reduced. Any amounts paid to such persons by a portfolio company (or paid by the Adviser and reimbursed by a portfolio company) will not reduce the Advisory Fee otherwise payable to the Adviser or any Carried Interest otherwise payable to the Adviser or its affiliates. All or a portion of any such compensation and incentives will be borne by the Fund, directly or indirectly, via its ownership interest in such portfolio company. In certain instances, whether an individual who provides services to a portfolio company should be categorized as an Operations Support Provider, an employee of the Adviser, a former employee of the Adviser or a seconded employee may not be clear. In such cases, the Adviser will experience a conflict of interest in making a determination in good faith based on an evaluation of the facts and circumstances, though there can be no assurance that such determination would be favorable to a Fund.

Side Letter Agreements; Advisory Committee Rights

To the extent permitted under applicable law, the Adviser may enter into certain side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to different fee structures and other preferential economic rights, information and reporting rights, excuse or exclusion rights, waiver of certain confidentiality obligations, co-investment rights, certain rights or terms necessary in light of particular legal, regulatory or policy requirements of a particular investor, additional obligations and restrictions with respect to structuring particular investments in light of the legal and regulatory considerations applicable to a particular investor, modification of representations, indemnification and/or liability and other obligations, veto rights and liquidity or transfer rights. Except as otherwise agreed with an investor, and to the extent permitted under applicable law, the Adviser (or applicable General Partner) is not required to disclose the terms of side letter arrangements with other investors in the same Fund. Also, investors will have no recourse against a Fund, the applicable General Partner, the Adviser or their respective affiliates in the event that certain investors receive additional or different rights or terms pursuant to such side letters, some of which rights may impact the rights and/or increase the obligations of other investors. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict the investments made by an applicable Fund.

Many of the Funds have established an advisory committee, consisting of representatives of investors. A conflict of interest may exist when some, but not all limited partners are permitted to designate a member to the advisory committee because those designating limited partners will, for instance, have greater information rights. The advisory committee may also have the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to the investors, including those investors who do not designate a member to the advisory committee. Representatives of the advisory committee may have various business and other relationships with the Adviser, Adviser Personnel and its affiliates. These relationships may influence the decisions made by such members of the advisory committee.

Other Potential Conflicts

The Organizational Documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the Organizational Documents, if any, may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser and the Funds will generally engage common legal counsel and other advisers in a particular transaction, including a transaction in which there may be conflicts of interest (e.g., cross transactions and other affiliated transactions). Members of the law firms engaged to represent the Funds may be investors in a Fund, and may also represent one or more portfolio companies or

investors in a Fund. In the event of a significant dispute or divergence of interest between Funds, the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates, and in litigation and other circumstances separate representation may be required. Additionally, the Adviser and the Funds and the portfolio companies of the Funds will, from time to time engage other common service providers. In certain circumstances, the service provider may charge varying rates or engage in different arrangements for services provided to the Adviser, the Funds, and/or the portfolio companies. This may result in the Adviser receiving a more favorable rate on services provided to it by such a common service provider than those payable by the Funds and/or the portfolio company, or the Adviser receiving a discount on services even though the Funds and/or the portfolio companies receive a lesser, or no, discount. This creates a conflict of interest between the Adviser, on the one hand, and the Funds and/or portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser will favor the engagement or continued engagement of such persons if it receives a benefit from such service providers, such as lower fees, that it would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser and its personnel may from time to time receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of a Fund, including benefits and other discounts provided from service providers. For example, airline travel or hotel stays incurred as Fund expenses may result in “miles” or “points,” rebates, or credit in loyalty/status programs to the Adviser and/or its personnel. Such benefits, rewards and/or amounts (whether or not *de minimis* or difficult to value), will exclusively benefit the Adviser and/or such personnel even though the cost of the underlying service is being borne by the Funds, its investors and/or the portfolio companies. Any such benefits, rewards and/or amounts will not be subject to the offset arrangements described above or otherwise shared with such Fund, its investors and/or the portfolio companies. In addition, airline travel incurred as a Fund expense for Adviser Personnel travelling for appropriate Fund-related purposes (including, without limitation, travel related to a portfolio company, a prospective portfolio company or other Fund-related matter) may benefit such Adviser Personnel to the extent the trip also serves a personal purpose.

The Funds have in the past and may in the future create a platform for acquiring companies in a particular industry for the purpose of creating synergies across, and adding value to, such companies (e.g., merging companies together to create economies of scale or running certain companies in a coordinated manner). In such instances, a holding company (“Holding Company”) would be created that would acquire and manage the companies in the platform. The investments in the Holding Company may be managed together (including, for example, the use of common service providers, combined and/or otherwise sold together as part of a single transaction or series of related transactions). The Holding Company would be staffed with personnel responsible for sourcing, acquiring and managing companies for the Holding Company. In certain circumstances, such Holding Company employees may include former employees of the Adviser, or current or former senior advisors or consultants to the Adviser and its affiliates. All of the Holding Company’s costs and expenses, initial or ongoing and for any purpose, including compensation for its personnel, (which compensation may include, among other things, salary, benefits, retainers and the granting of profit participation in certain investments of Holding Company and/or a capital interest in such investments or the underlying assets), overhead expenses (including, without limitation, rent, property taxes and utilities allocable to the workspaces) and all expenses related

to sourcing would be borne by the Holding Company (and, therefore, indirectly borne by the Fund). Such costs and expenses will not offset the Advisory Fee and are in addition to Advisory Fees and other compensation (e.g., Carried Interest) received by the Adviser or its affiliates. In addition, as the Adviser or its affiliates earns Advisory Fees and Carried Interest from the Fund, the Adviser or its affiliates will benefit from the assets, income and gains of the Holding Company.

Adviser Personnel from time to time buy securities and hold interests as passive investors in other investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds (including investments for purposes of sourcing future investment opportunities). In the event Adviser Personnel make an investment with the intent to source future investments for the Funds, there is a greater likelihood that the Funds will make investments in the same portfolio companies in which Adviser Personnel hold an interest. The Funds may invest in companies in which such other investment vehicles invest, which raises a conflict of interest in that the Adviser may have an incentive to make an investment that supports the existing investment of the other investment vehicle. In addition, the Adviser may compete against, or engage in business with (i.e., through co-investments and joint ventures) other investment advisers with which the Adviser or its employees have a relationship or from which the Adviser or its employees otherwise derives financial or other benefit or may invest in the investment vehicles managed by such investment advisers. In particular, certain employees of the Adviser have family members that are employed by other investment advisers, including competitors of the Adviser. Such relationships create a conflict of interest because they can influence the Adviser in determining whether to transact with such other adviser. In addition, to the extent Adviser Personnel receive material non-public information regarding an issuer in connection with investments made or to be made by the other investment adviser, the Funds could be restricted in its investment activities with respect to such issuer.

Adviser Personnel have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. In most such circumstances, the Funds' Organizational Documents will not preclude Funds from undertaking any of these investment activities or transactions.

The Adviser expects that it will cause the Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for insurance to insure the applicable Funds, the applicable General Partner, the Adviser and/or Adviser Personnel and their respective agents, representatives, members of the advisory committee and other indemnified parties, against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more "umbrella" or other insurance policies maintained by the Adviser that cover one or more other Funds and/or the Adviser (including Adviser Personnel and their respective agents, representatives, members of the advisory committee

and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds, and/or the Adviser on a fair and reasonable basis, and may make corrective allocations should it determine subsequently that such corrections are necessary or advisable. There can be no assurance that a different allocation would not result in a Fund bearing less (or more) premiums, fees, costs and expenses for insurance policies.

The Adviser may, from time to time, require, cause or invite the Funds and/or a portfolio company to make contributions to charitable initiatives, or other non-profit organizations that the Adviser believes could, directly or indirectly, enhance the value of the Funds’ investments, assist in completing an acquisition of a portfolio company or other transaction (whether or not documented at the time of such acquisition or transaction) or otherwise serve a business purpose for, or be beneficial to, the Funds or their portfolio company. Such contributions could be designed to benefit employees of a portfolio company, the community in which a portfolio company operates or a charitable cause essential to, or consistent with, the business purpose of a portfolio company. In certain instances, such charitable initiatives could be sponsored by, affiliated with or related to current or former employees of the Adviser, portfolio company management teams, advisors, service providers, vendors, joint venture partners, and/or other persons or organizations associated with the Adviser, the Funds or the portfolio companies. These relationships could influence the Adviser’s decision whether to require, cause or invite the Funds or the portfolio companies to make charitable contributions. Further, from time to time, such charitable contributions by the Funds or the portfolio companies could supplement or replace charitable contributions that the Adviser would have otherwise made. Also, in certain instances, the Adviser may, from time to time, select a service provider or other counterparty to the Funds or their investments based, in part, on the charitable initiatives of such person where the Adviser believes such charitable initiatives could, directly or indirectly, enhance the value of the Funds’ investments or otherwise be beneficial to the portfolio companies.

The Organizational Documents of certain Funds permit the General Partner of each such Fund to cause such Fund to distribute such General Partner’s share of securities resulting from an investment disposition by such Fund to such General Partner or its affiliates (including Adviser Personnel) in kind, while disposing of limited partners’ share of such securities and distributing the net cash proceeds of such sale of securities to the limited partners. This ability creates conflicts of interest between the General Partners and the limited partners of the applicable Fund, because the General Partner has an incentive to cause the Fund to exit an investment at a time that may result in limited partners receiving a lesser return on such investment than would be the case if the General Partner was prohibited from receiving its proceeds from investments in kind (or was otherwise required to receive its share of investment proceeds in the same form as limited partners). The General Partners are particularly incentivized to receive distributions in-kind of securities that it expects to increase in value, and in cases where the increase occurs, if the limited partners received cash distributions instead of in-kind distributions, the limited partners will be denied the benefits of that increase had the Fund retained the securities and the General Partner will receive more value from the securities than it would have had its Carried Interest been paid in cash. In the event the General Partner, or its affiliates, receive such a distribution, the General Partner will generally act in its own interest with respect to its share of securities and may determine to sell the distributed securities, or hold on to the distributed securities for such time as the General Partner shall determine in its sole discretion. The ability of the General Partner to act in its own interest

with respect to such distributed shares creates a conflict of interest between the General Partner or affiliate, as an adviser to the Fund, and the Fund because the General Partner's interests may not be aligned with those of the Funds and the General Partner may determine to sell the securities received at a different time, or on different terms, than the Fund would sell its interest. These conflicts may be exacerbated due to the enhanced knowledge and information the General Partner has relative to the limited partners with respect to such securities.

The Organizational Documents of certain Funds permit each such Fund's General Partner to withhold information from certain limited partners or investors in such Fund in certain circumstances. For instance, information will typically be withheld from limited partners that are subject to Freedom of Information Act or similar requirements. The General Partner may elect to withhold certain information to such limited partners for reasons relating to the General Partner's public reputation or overall business strategy, despite the potential benefits to such limited partners of receiving such information.

Please see the discussion above under the sub-heading "Resolution of Conflicts" for a description of the means by which the Adviser and its related persons may seek to alleviate conflicts of interest among the Funds or other persons.

Item 12. Brokerage Practices

As Funds invest primarily in private equity ventures, the Adviser anticipates that investments in publicly traded securities will be infrequent occurrences (e.g., money market instruments pending investment in a portfolio company, securities held as a result of initial public offerings of portfolio companies, going-private transactions, etc.). However, to meet its fiduciary duties to the Funds, the Adviser has adopted written policies to address issues that might arise with respect to purchasing, holding, and selling publicly traded securities.

Selection of Brokers and Dealers

For each of the Funds, the Adviser has, subject to the direction of such Fund's General Partner, if applicable, sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker or dealer, if any, to be used to effect transactions. In placing each transaction for a Fund involving a broker-dealer, the Adviser will seek "best execution" of the transaction. "Best execution" means obtaining for a Fund account the lowest total cost (in purchasing a security) or highest total proceeds (in selling a security), taking into account the circumstances of the transaction and the reputability and reliability of the executing broker or dealer. Best execution is not limited solely to the consideration of the best available commission rate.

In determining whether a particular broker or dealer is likely to provide best execution in a particular transaction, the Adviser's Managing Partner takes into account all factors that it deems relevant to the broker's or dealer's execution capability, including, by way of illustration, price, the size of the transaction, the nature of the market for the security, the amount of the commission, the timing of the transaction taking into account market prices and trends, the reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. In addition, the Adviser may consider the use of Electronic

Communications Networks when placing trades on behalf of the Funds. When purchasing or selling over-the-counter securities with market makers, the Adviser generally seeks to select market makers it believes to be actively and effectively trading the security being purchased or sold.

In order to monitor best execution, the Adviser's CCO (as defined below) will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each Fund.

The Adviser does not receive "soft dollars" in connection with its use of broker-dealers.

Aggregation of Trades

The Adviser and its affiliates may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. The Adviser often employs this practice because larger transactions may enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser and its affiliates may combine orders on behalf of Funds with orders for other Funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, the Adviser and its affiliates generally aggregate trade orders for publicly traded securities so that each participating Fund will receive the average price for each execution of a transaction.

If an order for more than one Fund for a publicly traded security cannot be fully executed, allocation shall be made based upon the Adviser's procedures for allocation of investment opportunities, as described in Item 11 above.

Item 13. Review of Accounts

Oversight and Monitoring

The investment portfolios of the Funds are generally private, illiquid and long-term in nature, and accordingly the Adviser's review of them is not directed toward a short-term decision to dispose of securities. However, the Adviser closely monitors the portfolio companies of the Funds and generally maintains an ongoing oversight position in such portfolio companies. The portfolios are reviewed by a team of investment professionals on an on-going basis. The team generally includes Managing Partner and other investment professionals of the Adviser.

Reporting

Investors in the Funds typically receive, among other things, a copy of audited financial statements of the relevant Fund after the fiscal year end of such Fund, as well as quarterly performance reports after each fiscal quarter end. The Adviser and the applicable General Partner, if any, will from time to time, in their sole discretion, provide additional information relating to such Fund to one or more investors in such Fund as they deem appropriate.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above. In addition, the Adviser and its related persons may, in certain instances, receive discounts on products and services provided by portfolio companies of Funds and/or the customers or suppliers of such portfolio companies.

The Adviser may from time to time in the future engage one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain potential investors. Such persons generally will receive a fee in an amount equal to a percentage of the capital commitments for interests made by such potential investors to such Fund that are subsequently accepted.

Item 15. Custody

Item 15 is not applicable to the Adviser.

Item 16. Investment Discretion

Investment advice is provided directly to the Funds, subject to the direction and control of the General Partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Advisory Agreements with the Funds and/or Organizational Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Organizational Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser has established written policies and procedures setting forth the principles and procedures by which the Adviser votes or gives consent with respect to securities owned by the Funds (“Votes”). The guiding principle by which the Adviser votes all Votes is to vote in the best interests of each Fund by maximizing the economic value of the relevant Fund’s holdings, taking into account the relevant Fund’s investment horizon, the contractual obligations under the relevant Advisory Agreements or comparable documents, and all other relevant facts and circumstances at the time of the vote. The Adviser does not permit Voting decisions to be influenced in any manner that is contrary to, or dilutive of, this guiding principle.

It is the Adviser’s general policy to vote or give consent on all matters presented to security holders in any Vote. However, the Adviser reserves the right to abstain on any particular Vote or otherwise withhold its vote or consent on any matter if, in the judgment of the Adviser’s Chief Compliance Officer (the “CCO”) or the relevant Adviser investment professional, the costs associated with voting such Vote outweigh the benefits to the relevant Funds or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of the relevant Funds.

Funds generally cannot direct the Adviser’s Vote.

All Voting decisions initially are referred to the Adviser's Managing Partner or appropriate professional for a voting decision. In most cases, the Adviser's Managing Partner will make the decision as to the appropriate vote for any particular Vote. In making such decision, he or she may rely on any of the information and/or research available to him or her.

The Adviser's CCO has the responsibility to monitor Votes for any conflicts of interest, regardless of whether they are actual or perceived. All Voting decisions will require a mandatory conflicts of interest review by the Adviser's CCO in accordance with these policies and procedures, which will include consideration of whether the Adviser or any investment professional or other person recommending how to vote has an interest in how the Vote is voted that may present a conflict of interest. In addition, all Adviser investment professionals are expected to perform their tasks relating to the voting of Votes in accordance with the principles set forth above, according the first priority to the best interest of the relevant Funds. The Adviser's CCO will use his or her best judgment to address any such conflict of interest and ensure that it is resolved in accordance with his or her independent assessment of the best interests of the Funds.

Where the Adviser's CCO deems appropriate in his or her sole discretion, unaffiliated third parties may be used to help resolve conflicts or to otherwise assist the Adviser in fulfilling all or part of its voting obligations. In this regard, the Adviser's CCO shall have the power to retain independent fiduciaries, consultants, or professionals to assist with Voting decisions and/or which voting and/or consent powers may be delegated in accordance with its proxy voting policies and procedures.

Copies of relevant proxy logs, identifying how proxies were voted in connection with a Fund and copies of proxy voting policies are available to any client or prospective client upon written request to the Adviser's Chief Compliance Officer at info@covehillpartners.com.

Item 18. Financial Information

Item 18 is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

Item 19 is not applicable to the Adviser.