

FORM ADV PART 2A: INVESTMENT ADVISER BROCHURE



STG PARTNERS LLC

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This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of STG Partners LLC (the “Management Company”). If you have any questions about the contents of this Brochure, please contact the Management Company’s Chief Compliance Officer at (650) 935-9500. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state authority.

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

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

ITEM 2 – MATERIAL CHANGES

There have been no material changes since the Management Company filed its most recent annual Form ADV Part 2 on March 31, 2023. STG routinely makes changes throughout its Brochure to improve and clarify the descriptions of its business practices and compliance policies and procedures or in response to evolving industry best practices and Firm practices. In this year's filing, the following Items have been updated, in addition to certain immaterial changes and/or conforming changes related to the following:

- Item 4: updated to reflect regulatory assets under management as of December 31, 2023 and
- Item 8: updated to reflect additional risk factors and potential conflicts of interest.

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ITEM 4 – ADVISORY BUSINESS

Advisory Business

STG Partners LLC and its affiliates (collectively, “STG”) is an investment adviser based in Menlo Park, California that manages private investment funds focused on fueling innovative software, data and analytics market leaders in the mid-market.

Led by William Chisholm, STG commenced operations in 2017 as a successor entity to Symphony Technology Group, LLC (“Symphony”), a registered investment adviser which was founded in 2002 by Dr. Romesh Wadhvani and William Chisholm. STG follows the same investment strategy as its predecessor entity. STG and Symphony have entered into a non-discretionary management agreement whereby STG manages the remaining Symphony funds (“Symphony Funds”) and their portfolio companies.

STG serves as the investment adviser for, and provides discretionary investment advisory services to, private funds (each, a “Fund”) and to co-investment special purpose funds established to invest alongside a fund in a single portfolio company (each, a “Co-Investment Fund” and collectively with the Funds, the “Funds”, unless the context otherwise requires). STG manages two strategies within its Fund offerings, those focused on making control equity investments in lower mid-market companies (the “Allegro Funds”) and those focused on making control equity investments in mid-market companies (the “Flagship Funds”). In certain circumstances, as more fully described in Item 7 below, the Firm permits certain limited partners and third parties to co-invest alongside a Fund directly into a portfolio company. Unlike the Co-Investment Funds mentioned above, such direct co-investments are not considered Funds or clients of STG.

Each Fund is affiliated with a general partner (“General Partner”) with authority to make investment decisions on behalf of the Funds. The General Partners are deemed registered under the Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”), pursuant to STG’s registration in accordance with SEC guidance. The applicable General Partner retains investment discretion and limited partners in the Funds do not participate in the control or management of the Funds. While the General Partners maintain ultimate authority over the respective Funds, STG has been designated the role of investment adviser. For purposes of this Brochure, references to STG shall include reference to the General Partners, unless the context otherwise requires. For more information about the Funds and General Partners, please see STG’s Form ADV Part 1, Schedule D, Section 7.A. and Section 7.B.(1)

Advisory Services

STG provides investment supervisory services to its clients, which currently consist of the Funds. The Funds invest through negotiated transactions in operating entities, generally referred to as “portfolio companies.” Each portfolio company has its own independent management team responsible for managing its day-to-day operations, although (i) members of STG or representatives

appointed by the Firm are expected to serve on the boards of, or otherwise act to influence control of the management of, such portfolio companies and will therefore have a significant impact on the long-term direction of the company, including the selection of management team members and (ii) in some cases, STG will more directly influence the day-to-day management of a portfolio company by recruiting and installing certain individuals in various leadership roles, such as chief executive officer, chief operating officer, chief financial officer or in other roles. STG's investment advisory services to the Funds consist of identifying and evaluating investment opportunities, negotiating investments, managing and monitoring investments and achieving dispositions for such investments. Investments are made predominantly in non-public companies, although investments in public companies are permitted in certain instances.

STG's investment advice and authority for each Fund is tailored to the investment objectives of that Fund; STG does not tailor its advisory services to the individual needs of limited partners in its Funds. The Fund investment objectives are described in and governed by, as applicable, the private placement memorandum, limited partnership agreement, subscription agreements, investment advisory agreements, side letter agreements and other governing documents of the relevant Fund (collectively, "Governing Documents") and limited partners determine the suitability of an investment in a Fund based on, among other things, the Governing Documents. The Firm does not seek nor require limited partner approval regarding each investment decision.

Limited partners in a Fund participate in such Fund's overall investment program but may be excused from a particular investment due to legal, regulatory or other applicable constraints. In accordance with common industry practice, each Fund or its General Partner has entered into side letters or other similar agreements with certain limited partners that have the effect of establishing rights under, altering or supplementing the applicable Governing Documents, including providing informational rights, addressing regulatory matters or varying fees and carried interest, with respect to such limited partners. These rights, benefits or privileges are not always made available to all limited partners, consistent with the Governing Documents and general market practice. Commencing in September 2024, STG will make required disclosure of certain side letters to all limited partners (and in certain cases, to prospective limited partners) in accordance with the new Private Fund Rule. Side letters are negotiated at the time of the relevant limited partner's capital commitment, and once invested in a Fund, limited partners generally cannot impose additional investment guidelines or restrictions on such Fund. There can be no assurance that the side letter rights granted to one or more limited partners will not in certain cases disadvantage other limited partners.

Ownership Structure

STG is principally owned by William Chisholm. Investment funds managed by Goldman Sachs Asset Management's Petershill investment platform (collectively, "GSAM") own a minority interest in STG not large enough to appear on STG's Form ADV Part 1, Schedule A or B. GSAM does not have authority over the day-to-day operations or investment decisions of STG as it relates to the Funds, although it has negotiated certain minority protection and consent rights in connection with its investment

in STG. For more information about the conflicts of interest inherent in third-party ownership of the management company, see Item 8.

Regulatory Assets Under Management

As of December 31, 2023, STG managed \$11.746 billion in regulatory assets under management, all on a discretionary basis. STG managed, on behalf of affiliate Symphony, \$429 million in regulatory assets under management, all on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

STG and its affiliated General Partners receive fees and compensation in exchange for advisory services provided to the Funds, including a management fee (the “Management Fee”), carried interest (“Carried Interest”), additional compensation in connection with the provision of advisory services for the portfolio companies of the Funds and reimbursements from portfolio companies for certain expenses advanced on their behalf. Differences in fees and expenses exist from Fund to Fund, and certain Funds do not charge certain fees, compensation or expenses that other Funds charge or charge them in different amounts. The following is a general description of fees, compensation and expenses of the Funds. Limited partners should refer to the Governing Documents of the applicable Fund for a complete understanding of how STG is compensated for its advisory services; the information contained herein is a summary only and is qualified in its entirety by such documents.

Management Fees

The Flagship Funds and the Allegro Funds initially pay a Management Fee equal to 2.0% on an annual basis of aggregate non-affiliated limited partner capital commitments (“Commitments”) payable quarterly in advance. Upon the occurrence of certain events set forth in the applicable Governing Documents, such as when a Fund’s investment period expires, when STG begins to accrue management fees with respect to certain new investment funds or following certain key person events, the Management Fee will be reduced to an amount equal to 2.0% on an annual basis of the aggregate amount of investment contributions made by non-affiliated limited partners with respect to investments that have not been disposed of, less the aggregate amount of any write-offs of such investments, subject to any limitations set forth in such Governing Documents.

As is generally the case in private equity funds, the Governing Documents provide that a Fund’s Management Fees will be calculated and charged on a basis that generally is not tied to the Fund’s then-current net asset value. As further specified in the Governing Documents, from the effective date of the relevant Fund until a date specified in the Governing Documents (generally representing the earlier of the end of the Fund’s defined investment period, the date the relevant General Partner (or an affiliate thereof) first begins receiving or accruing Management Fees from another Fund meeting certain criteria, and a certain time after a “key person” event) (the “Stepdown Date”), Management Fees generally will be charged based on a formula tied to the amount of the

relevant Fund's aggregate Commitments. Further, after the Stepdown Date, Management Fees generally will be charged and calculated based on a formula tied to the amount of investment contributions made by the relevant Fund that have not been disposed of or completely written-off for U.S. federal income tax purposes.

Under the Governing Documents, where the aggregate fair market value of an investment exceeds the total amount of investment contributions relating to such investment, post-Stepdown Date Management Fees will not be calculated based upon such appreciated value and will instead continue to be calculated based on the amount of such investment contributions. However, where there has been a partial distribution, partial permanent writedown or partial sale of an investment and the fair market value of such investment following such event exceeds the total amount of investment contributions relating to such investment, the Governing Documents do not require Management Fees after the Stepdown Date to be reduced.

As a result, the amount of Management Fees generally will not correspond with fluctuations in the Fund's net asset value, including following the investment period, and will not be reduced in connection with any write downs (whether temporary or permanent), except in the case of investments that have been disposed of or completely written-off for U.S. federal income tax purposes. Except where the Governing Documents expressly provide to the contrary, Management Fees will not be reduced (in whole or in part) in the case of partial distributions (*e.g.*, those resulting from a dividend recapitalization) or partial sales of investments.

In many circumstances, the fair market value component of such post-Stepdown Date Management Fees will include capitalized transaction-specific expenses of unrealized investments. Further, Management Fees generally will not be reimbursed or refunded under the Governing Documents in the event of realizations, dispositions or partial write-downs that occur partway through the relevant calculation period.

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

The General Partners are permitted, in their sole discretion, to reduce or waive all or a portion of the Management Fee. Management Fees can differ from one Fund to another as well as among limited partners in the same Fund. Such differences arise from the size of a limited partner's commitment to a Fund, provisions of side letter agreements or other negotiated terms. Management Fees are generally waived for STG employees investing in a Fund (either as direct limited partners or through a General Partner), affiliates, Operations Group members and their respective families investing in a Fund (although in each case, these limited partners generally pay their pro rata share of certain Fund expenses). Similarly, limited partners in a Co-Investment Fund generally pay a reduced Management Fee or none at all on the co-investment portion of their investment (although such co-

investors generally pay Management Fees on the main Fund portion of their investment, if applicable, and pay their pro rata share of certain expenses as described more fully below).

The Governing Documents of certain Funds permit a General Partner to waive or agree to reduce a Fund's Management Fee in full or partial satisfaction of any obligation of the General Partner and certain employees and affiliates to invest in and alongside such Fund. Certain waived portions of the Management Fee are treated by the Governing Documents as deemed capital contributions by the relevant General Partner, which is effectively invested in the relevant Fund on the General Partner's behalf and operates to reduce the amount of capital the General Partner would otherwise be required to contribute to a Fund. The limited partners of a Fund will generally be required to make a *pro rata* contribution according to their respective Commitments to fund any contribution that would otherwise be required of the General Partner in connection with any such waiver or reduction as described above and, as a result, the exercise of such waiver may result in an acceleration of limited partner capital contributions.

As set forth more fully in each Fund's Governing Documents, a Fund's Management Fee will be reduced, but not below zero, by a percentage of net directors' fees, financial consulting fees and advisory fees ("Transaction Fees") earned by STG or certain affiliates with respect to the Fund's portion of an investment net of such costs incurred in connection with generating such fees, as set forth in the applicable Governing Documents. In addition, a Fund's Management Fee will be offset by any placement agent fees (excluding expenses) and organizational expenses in excess of the cap stated in such Fund's Governing Documents, to the extent any such fees are incurred. Transaction Fees do not include any amount received by or on behalf of STG, the Operating Group (as defined below) or other person from a portfolio company or prospective portfolio company (i) as reimbursement for expenses directly related to such portfolio company or prospective portfolio company, (ii) as payment for services provided to any portfolio company or prospective portfolio company in the ordinary course of such company's business, (iii) as compensation for services provided by any STG persons or other person as an employee of or in a similar capacity for such portfolio company or prospective portfolio company or (iv) as compensation, including fees, incentive equity or other stock awards, for services rendered by the Operations Group (or a member thereof) to a portfolio company or prospective portfolio company (including amounts received by any STG persons) or its affiliates in connection with services provided by the Operations Group (or a member thereof) or (v) as otherwise approved by the Advisory Board.

Any Transaction Fees received with respect to an investment or potential investment (including a transaction not consummated) are allocated to a Fund (and offset against the Management Fee) only to the extent of the Fund's relative ownership (or anticipated ownership) of such investment or potential investment on a fully diluted basis, as set forth in the Governing Documents. Accordingly, a Fund will only benefit from the Management Fee reduction described above with respect to its allocable portion of any such Transaction Fees and not the portion allocable to any other investor (which could include other Funds, Co-Investment Funds, co-investors, third parties, portfolio company management or employees and/or others) that holds an economic interest in (or, in the case

of a transaction not consummated, would have held an economic interest in) the applicable investment. Further, any such reduction of a Fund's Management Fee is only applicable to the extent a Management Fee is payable by a Fund currently or in the future. In the event a Fund, Co-Investment Fund or limited partners do not pay a Management Fee or do not have an offset provision requiring the reduction of Management Fees, STG will retain the credited offset portion of Transaction Fees allocable to these Funds without reduction. Receiving an allocable amount of Transaction Fees that do not offset the Management Fee gives STG an incentive to maximize such amounts and to make and structure and potentially syndicate investments that could generate such amounts.

To the extent that an offset credit would reduce a Fund's Management Fee for a given quarter below zero, the credit will be carried forward for future application against payable Management Fees, and if a credit remains upon dissolution, a payment will be made to limited partners that have not elected to waive such amount for tax or other reasons.

STG generally has discretion over whether to charge Transaction Fees, monitoring fees or other compensation to a portfolio company and, if so, the rate, timing and/or amount of such compensation, as well as to charge such amounts at varying levels in a portfolio company's holding or operating structure. In most circumstances, such compensation is not reviewed or approved by an independent third party. There can be no assurance that the amount of Transaction Fees charged will be proportional to the amount of work performed on behalf of a portfolio company. The receipt of such compensation may give rise to potential conflicts of interest between the Funds, on the one hand, and STG and/or its affiliates on the other hand.

On occasion, in certain circumstances (such as a portfolio company's liquidity needs or otherwise) STG determines in its discretion to waive, defer or renegotiate, in whole or in part, the amount of Transaction Fees received from a portfolio company. STG endeavors to require the payment of such fees only to the extent permitted by the earnings or cash position of the applicable portfolio company, and STG will defer or forego the payment of such fees if too burdensome for the portfolio company or at such time a senior credit agreement prohibits the payment of such fees. In the case of amounts deferred, such payments will generally be payable in the future, which can result in a single payment or installments of repayment amounts that are larger than if the fees had originally been paid in increments. STG makes such determinations on a case-by-case basis and reserves the right to take different actions (or no action) with respect to similarly situated portfolio companies.

Limited partners participating in a closing after a Fund's commencement of operations ("Effective Date") bear the Management Fee from such Effective Date, with interest. Management Fees can be collected through a capital call, through a draw-down on the line of credit or offset against a distribution to limited partners. The Management Fee is generally payable until proceeds from all portfolio investments are distributed or until STG's relationship with such Fund is terminated for other reasons (as described in the applicable Governing Documents). Installments of the Management Fee payable for any period other than a full three-month period are adjusted on a *pro rata* basis according to the actual number of days in such period. Each Fund invests on a long-term

basis. Accordingly, Management Fees and other fees are expected to be paid, except as otherwise described in the applicable Governing Documents, over the term of a Fund and limited partners generally are not permitted to withdraw or redeem interests in a Fund.

Carried Interest

As more fully described in the applicable Governing Documents and more briefly in Item 6 below, certain Funds' General Partner is entitled to receive a Carried Interest with respect to such Fund's realized profits in excess of a preferred return and subject to a catch-up provision. The Carried Interest distributed to a General Partner is subject to a potential clawback at the end of a Fund's life and, at other specified times, if such General Partner has received excess cumulative distributions.

Fund Expenses

In addition to the Management Fee, Carried Interest and Transaction Fees payable to STG or an affiliate, each Fund bears certain expenses. These expenses differs across Funds and are set forth more fully in the applicable Governing Documents. Subject to any limitations set forth therein, each Fund generally bears all other fees, costs, expenses relating to such Fund's and/or its subsidiaries' and intermediate entities' activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company or potential portfolio company), including all fees, costs, expenses, liabilities and obligations (referred to collectively herein as "costs") relating or attributable to:

- activities with respect to the sourcing, identifying, pursuing, structuring, organizing, negotiating, consummating, financing, refinancing, diligencing, acquiring, bidding on, owning, managing, monitoring, operating, holding, hedging, restructuring, trading, taking public or private, selling, valuing, winding up, liquidating, dissolving, or otherwise disposing of, as applicable, actual and potential investments (including follow-on investments) or seeking to do any of the foregoing (including any associated legal, financing, commitment, transaction or other costs payable to attorneys, accountants, tax professionals, investment bankers, lenders, expert networks, third-party diligence software and service providers, data providers, executive search firms for searches related to portfolio company personnel, consultants and similar professionals in connection with any of the foregoing and any fees and expenses related to transactions that were offered to co-investors), whether or not any contemplated transaction or project is consummated and whether or not such activities are successful;
- indebtedness of, or guarantees made by, a Fund, General Partner or any "affiliated partner" on behalf of a Fund (including any credit facility, letter of credit or similar credit support), including interest with respect thereto, or seeking to put in place any such indebtedness or guarantee;
- financing, commitment, origination and similar costs;

- broker, dealer, finder, underwriting (including both commissions and discounts), loan administration, private placement, sales, investment banker, finder and similar services (including buy- and sell-side finders' fees as well as similar deal sourcing payments);
- brokerage, sale, custodial, depository, local paying agent, trustee, record keeping, account and similar services (including a depository appointed pursuant to the AIFMD) or any law, rule or regulation relating to the implementation thereof in any relevant jurisdiction and any Swiss representative or paying agent (pursuant to the Swiss Collective Investment Schemes Act (as amended), including any law, rule or regulation relating to the implementation thereof);
- legal, accounting, research (including expert consultants, research reports, subscriptions to any periodicals, databases and/or research services, research calls and meetings and research or industry conferences), auditing, technology, administration (including costs associated with any third-party administrator and administration, tracking or reporting software, if any), information, appraisal, advisory, valuation (including third-party valuations, appraisals, fairness opinions or pricing services, including with respect to portfolio company transactions entered into between a Fund and other investment vehicles affiliated with a General Partner), consulting (including consulting and retainer fees, bonuses, guaranteed minimums, salary and other compensation or expense reimbursements paid to, or benefits or personnel costs (including employee benefits, payroll taxes, insurance, paid time-off and other office space) provided to or on behalf of the Operations Group (as defined below) or any of its members, consultants performing investment initiatives or providing services related to environmental, social and governance investment considerations and policies and other consultants), tax and other professional services (including costs related to the establishment or maintenance of any such activities or services);
- reverse breakup, termination and other similar arrangements;
- insurance, including directors' and officers' liability, fidelity bond, cybersecurity, errors and omissions liability, crime coverage and general partnership liability premiums and other insurance (including costs related to any retention or deductibles and broker costs and commissions) and any consultants or other advisors utilized in the procurement, review, maintenance and analysis of insurance;
- filing, title, transfer, survey, registration and other similar activities;
- printing, communications, mailing, courier, marketing and publicity;
- the preparation, distribution or filing of financial statements or other reports, tax returns, tax estimates, Schedule K-1s or other similar forms or other communications with partners, any other administrative, compliance or regulatory filings or reports (including Form PF and Bureau of Economic Analysis Reports) or other information and reporting filings and other ongoing compliance requirements contemplated by the AIFMD (excluding the initial and preliminary registrations, filings and compliance relating thereto) including secondary legislation, regulations, rules and/or associated guidance and any related requirements;
- developing, licensing, implementing, maintaining or upgrading any web portal, extranet tools, computer software (including accounting, limited partner reporting, ledger systems, financial

management and cybersecurity) or other administrative or reporting tools (including subscription-based services) for the benefit of a Fund or the limited partners;

- any costs, fees and expenses of any third-party service providers and professionals related to maintaining a General Partner's and its advisory affiliates' status as SEC-registered investment advisers and complying with the Advisers Act up to a specified amount, and any similar U.S. federal or state or non-U.S. government or self-regulatory organization laws, rules or regulations that require a General Partner or its affiliates to obtain or maintain a license, apply for, or otherwise rely upon, an exemption or otherwise be regulated in order to control or manage the affairs of a Fund (including expenses of any legal or other service providers maintained by STG to advise it or perform services on behalf of it or a Fund and the costs of any compliance software, services or programs implemented by STG in connection with such matters);
- any activities with respect to protecting the confidential or non-public nature of any information or data, including any costs incurred in connection with EU Data Protection Law or FOIA (as such terms are defined in the Governing Documents);
- to the extent provided in the Governing Documents, or otherwise approved by a General Partner in its sole discretion, activities or proceedings of the Advisory Board (including any reasonable out-of-pocket costs incurred by representatives of a General Partner, the Advisory Board members, permitted observers and other persons in attending or otherwise participating in meetings of the Advisory Board);
- indemnification (including legal and any other costs incurred in connection with indemnifying any partner or other entity or person pursuant to the Governing Documents and advancing fees, costs and expenses incurred by any such person in defense or settlement of any claim that may be subject to a right of indemnification pursuant to the Governing Documents), except as otherwise set forth in the Governing Documents;
- actual, threatened or otherwise anticipated litigation, mediation, arbitration or other dispute resolution process, including the costs of discovery related thereto and any judgment, other award or settlement entered into in connection therewith;
- any periodic or special meeting of the partners and any other conference, meeting or webcast or other video conference with any partner(s) (in each case, including any costs associated with venue, set-up, room and board, dining, entertainment, gifts and mementos, honorarium, events or speakers and other meeting or conference-related costs), in each case to the extent incurred by a Fund, General Partner or any other affiliate;
- the Management Fee
- except as otherwise determined by a General Partner in its sole discretion, any cost relating to any alternative investment vehicle or its activities, business, portfolio companies or actual or potential investments (to the extent not borne or reimbursed by a portfolio company of such alternative investment vehicle) that would be a Fund expense if it were incurred in connection with the Fund, any costs incurred in connection with the formation, management, operation, termination, winding up, structuring, restructuring and dissolution of any feeder vehicles

related to a Fund to the extent not paid by the investors investing in such entities and any other costs related to the structuring or restructuring of any alternative investment vehicle, portfolio company or portfolio company of any alternative investment vehicle;

- the termination, liquidation, winding up, structuring, restructuring or dissolution of a Fund and any entities owned directly or indirectly by a Fund (including portfolio companies) and related entities;
- defaults by partners in the payment of any capital contributions;
- amendments to, and waivers, consents or approvals pursuant to (including the preparation, distribution and implementation of), the constituent documents of (A) a Fund, any entities owned directly or indirectly by the Fund (including portfolio companies) and any alternative investment vehicle of a Fund or the parallel fund and (B) a General Partner or its general partner, STG, but only if such amendment, waiver, consent or approval is necessary or advisable following (x) an amendment of any of the constituent documents set forth in clause (A) or (y) a change in law, rule or regulation relating to a Fund or parallel fund;
- (A) complying with any law, rule, regulation, policy, directive or special measure related to the activities of a Fund, including regulatory expenses of a General Partner incurred in connection with the operation of such Fund (including in relation to anti-money laundering, privacy, data protection, know-your-customer, money laundering, sanctions or anti-terrorism considerations) and any costs related to compliance with any environmental social or governance or other investment considerations and policies applicable to a Fund, General Partner and/or any of their respective affiliates and/or (B) the validation or other confirmation of any payments made to a Fund or General Partner (including as a result of anti-money laundering laws, rules or regulations);
- any litigation or governmental inquiry, regulatory exams, investigation or proceeding involving a Fund, including any costs of discovery related thereto and the amount of any judgments, settlements or fines paid in connection therewith, except as set forth in the Governing Documents;
- unreimbursed costs incurred in connection with any transfer or proposed transfer by a limited partner or any limited partner's name change, internal restructuring or change in trust, registered agent or custodian;
- any taxes, fees and other governmental charges levied against a Fund and all costs incurred in connection with any tax audit, inquiry, investigation settlement or review of a Fund (except to the extent that a Fund is reimbursed therefor by a reimbursing partner) and any costs of or related to the "partnership representative" and the "designated individual" of the Fund;
- distributions to the partners and other costs associated with the acquisition, holding and disposition of s Fund's investments, including extraordinary expenses;
- unreimbursed and unpaid costs of the Operations Group or its members, employees or other persons engaged by the Operations Group;

- compliance with any agreements or arrangements related to s Fund (including compliance with any side letter or similar agreement and expenses incurred in connection with the most-favored nations process);
- any travel, lodging, meals or entertainment relating to any of the foregoing, including in connection with consummated and unconsummated investment and disposition opportunities;
- any third-party experts, including independent appraisers, engaged by the General Partner in connection with the Fund considering, making, holding or disposing of, directly or indirectly, an investment in the same entity as one or more other funds or other entities sponsored by the General Partner or any of its affiliates;
- any of the items listed above relating to any investment, restructuring, take public or private, disposition, transaction, project or other opportunity not consummated or otherwise not successful and/or that may have been offered to co-investors (including co-investors' proportionate share of any expenses related to an investment or other opportunity not consummated);
- any Organizational Expenses;
- any Placement Fees;
- compliance with any tax or financial account reporting regime, including Foreign Account Reporting Requirements and any similar laws, rules and regulations, including any costs of any third-party service providers and professionals related to the foregoing; and
- any other costs approved by the Advisory Board.

Out-of-pocket expenses associated with completed transactions are either billed directly to a Fund, reimbursed by a portfolio company or capitalized as part of the acquisition price of a consummated transaction. Out-of-pocket expenses associated with unconsummated transactions ("broken deal expenses") are paid by the relevant Fund(s) selected as proposed investors in such transaction, including broken deal expenses incurred before a limited partner's admission into a Fund. To the extent brokerage fees are incurred, they will be incurred in accordance with the general practices set forth in Item 12.

Expense Reimbursement

Certain expenses related to STG's oversight of portfolio companies incurred on behalf of the Funds are reimbursed by a portfolio company pursuant to a management services agreement with the portfolio company. These expenses are paid by STG and reimbursed by a portfolio company or paid directly by a portfolio company. Such expenses can include, without limitation: (i) travel expenses, which can include expenses for chartered or first-class travel and meals and entertainment expenses (such expenses including, as applicable, those relating to (a) use of premium black car and other car services, which from time to time include waiting time and (b) social and entertainment events, including closing dinners and mementos, with portfolio company management, customers, clients, borrowers, brokers and service providers); (ii) expenses relating to training programs, meetings,

conferences or other events (to the extent such programs, meetings or events are attended by portfolio company personnel); (iii) premium meals (including outside normal business hours); (iv) expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses); (v) indemnification expenses; (vi) insurance; (vii) corporate filings; (viii) certain legal expenses; (ix) similar out-of-pocket expenses; (x) consulting fees; and (xi) other consideration and expenses.

Offering and Organizational Expenses

Each limited partner will bear its pro rata share of a Fund's expenses incurred in connection with the organization of the Fund ("Organizational Expenses"). The amount and type of Organizational Expenses varies by Fund and is further detailed in the Governing Documents of such Fund. Any amounts in excess of such permitted limit are offset dollar for dollar against Management Fees.

Co-Investment Expenses

In certain circumstances, STG expects to permit certain investors to co-invest in portfolio companies alongside one or more Funds in connection with the consummation of a transaction, subject to STG's related policies and practices and the relevant Governing Documents. Where a co-investment vehicle is formed, such entity often will bear expenses related to its formation and operation, many of which are similar in nature to those borne by the Funds. Expenses incurred for direct co-investments are borne directly at the portfolio company. Since co-investments are incremental to the investment activities of a main Fund, any compensation received in connection with, related to or allocable to such co-investment does not reduce the Management Fee payable by a Fund.

In the event that a transaction in which a co-investment was planned, including a transaction for which a co-investment was believed necessary in order to consummate such transaction or would otherwise be beneficial, in the judgment of the applicable General Partner, ultimately is not consummated, no co-investment vehicle generally will have been formed, and all unconsummated transaction expenses, including "reverse break-up" and/or extensive diligence fees and expenses, relating to such unconsummated transaction will be borne by the Fund or Funds selected by the applicable General Partner as proposed investors for such proposed transaction, and not by any prospective co-investors that were to have participated in such transaction, to the extent set forth in the applicable Governing Documents. As a result, the Fund(s) selected as proposed investors for such proposed transaction will bear more than what would otherwise have been its share of such broken deal expenses. Conversely, co-investors who commit to a transaction after a Fund signs a definitive purchase agreement will lower the risk of broken deal or similar expenses incurred by such Fund (and indirectly, by such Fund's limited partners) in connection with such transaction based on the timing of when a co-investor becomes contractually obligated to invest. However, to the extent that such co-investors have already invested in a co-investment or other vehicle in connection with such transaction, such vehicle is expected to bear its share of such unconsummated transaction

expenses where permitted by such vehicle's governing documents. To the extent the Fund makes use of a credit facility to invest in a portfolio company or pay related expenses, it will generally be reimbursed by co-investors for their proportionate use of the facility. Furthermore, a Fund may acquire an investment with the intent to sell a portion of such investment to a co-investment vehicle or a third party co venturer or partner.

Operations Group Members

STG and its affiliates engage and retain certain individuals (including entities formed for the benefit of such persons and/or to facilitate the provision of their services) to provide services to (or with respect to) one or more Funds or certain current or prospective portfolio companies in which one or more Funds invest or may invest ("Operations Group" and the individuals therein, "Operations Group Members"). Such Operations Group Members generally provide services in relation to the identification, acquisition, holding, improvement and disposition of portfolio companies, including operational aspects of such companies, and also provide board of director and/or management services to portfolio companies. In certain circumstances, these services also include serving in management or policy-making positions for portfolio companies. Operations Group Members receive compensation, including, but not limited to cash fees, retainers, discretionary bonuses (whether or not based on pre-determined milestones), co-investment opportunities (including in portfolio companies in which they are not involved), Transaction Fees, a profits, participation or equity interest in a portfolio company or holding company, profits or equity interests in one or more Funds or General Partners, remuneration from STG (for which STG generally would be reimbursed by the applicable portfolio company) and/or its Funds or affiliates or other compensation. Certain fees payable to the Operations Group are associated with a particular transaction and will typically be included in the closing costs payable by the applicable portfolio company. Work performed by Operations Group members for unconsummated transactions is borne by the Fund(s) that was to have participated in such transaction as part of broken deal expenses. Operations Group Members also generally will be reimbursed for certain travel and other costs in connection with their services.

To the extent that Operations Group Members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operations Group Member's services at a time when fewer portfolio companies or Funds make use of such Operations Group Member. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount of work generated by the Operations Group Member.

No such amounts received by Operations Group Members will offset or reduce the Management Fee, and are not otherwise covered by the Management Fee. The use of Operations Group Members subjects STG to conflicts of interest, as discussed in Item 8 below.

Fee Receipt Allocation

From time to time, STG, a Fund or a portfolio company agrees to pay all or a portion of a transaction fee, Management Fee, Carried Interest, equity grant or other fee to a third party, such as a consultant, advisor, Operations Group Member, finder, placement agent, broker and/or investment banker. Similarly, on occasion certain members of a portfolio company management team receive additional cash and equity compensation, including bonus payments or incentive equity payments based on the applicable portfolio company meeting certain success hurdles. All such compensation, whether in the form of a profits or equity interest in a portfolio company or immediate holding company, generally has a dilutive impact on a Fund's investment and indirectly reduces the proceeds available for distribution to portfolio company investors at the time of such portfolio company's exit. None of these fees or compensation allocations offset Management Fees payable by a Fund.

Allocation of Fees and Expenses

In good faith and in its fair and reasonable discretion, STG determines on a case-by-case basis whether an expense should be borne by the Firm, a Fund, multiple Funds or a portfolio company. Some expenses are incurred on an aggregate basis for the benefit of multiple Funds and/or STG. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Fund, STG will typically allocate common expenses among multiple Funds on a pro rata basis and in accordance with its policies and procedures on expense allocation, unless another method is more equitable. The aggregate cost of such expenses are allocated in a fair and reasonable manner and in STG's sole discretion. Where one or more Funds to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Fund(s) will be borne by STG.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

A carried interest allocation represents an adviser's compensation based on a percentage of net profits of the funds it manages. The General Partners generally are entitled to receive a Carried Interest allocation on certain realized profits of the relevant Funds equal to 20% of all realized profits (although some Funds charge a lower Carried Interest allocation) subject to an 8% annually compounded preferred return (or hurdle) and subject to reimbursement of all capital called to pay relevant Fund expenses, including Management Fees. Calculated based on cumulative realized gains and income only, Carried Interest is allocated to a General Partner as portfolio holdings are liquidated or otherwise monetized and is subject to a potential after-tax giveback if the respective General Partner has received excess cumulative distributions. Each Fund's Carried Interest calculation, as well as the

clawback provisions of each Fund, is further described in the relevant Fund's Governing Documents received by each limited partner prior to investment in such Fund.

The General Partner of each Fund, in its sole discretion, is permitted to waive or reduce the amount of Carried Interest for certain Funds or limited partners in a Fund. Specifically, if principals and employees and their respective family members and/or Operations Group members are limited partners in a Fund, they will generally pay reduced Carried Interest or none at all. Similarly, limited partners in Co-Investment Funds generally pay a lower amount of Carried Interest on the co-investment portion of their investment.

Management of multiple vehicles on a side-by-side basis has the potential to create conflicts of interest with regard to STG's allocation of investment opportunities, expenses, time and attention of advisory personnel and consideration for certain transactions. Although STG generally makes new investments for a Fund with the same investment objectives only after a predecessor Fund is substantially invested or committed as more fully described in the applicable Fund's Governing Documents, management of side-by-side Funds can create an incentive for STG or its personnel to favor a Fund in which STG or an affiliate has a greater financial interest. Additionally, to the extent that STG personnel are assigned varying percentages of Carried Interest from the Funds, such personnel are subject to potential conflicts of interest, to the extent they are involved in identifying investment opportunities as appropriate for Funds from which they are entitled to receive a higher Carried Interest percentage.

The existence of performance-based compensation has the potential to create an incentive for the General Partners to make more speculative investments on behalf of a Fund than they would otherwise make in the absence of such arrangement, although STG generally considers performance-based compensation to better align its interests with those of its limited partners, particularly in instances where the Governing Documents include terms requiring clawback or giveback of performance-based compensation at the end of the relevant Fund's life or at certain interim intervals.

ITEM 7 – TYPES OF CLIENTS

STG provides investment advice solely to its Fund clients, and references throughout this Brochure to "clients" and to STG's related duties to and practices on behalf of its clients and/or limited partners should be construed accordingly. The Funds generally include investment partnerships or other investment entities formed under U.S. or non-U.S. laws and operated as exempt investment pools under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Certain Funds are structured to include alternative investment vehicles established from time to time in order to permit one or more limited partners to participate in one or more particular investment opportunities in a manner desirable for tax, regulatory or other reasons. Alternative investment vehicle sponsors generally have limited discretion to invest the assets of these vehicles independent of limitations or other procedures set forth in the organizational documents of such vehicles and the related Fund.

Subject to certain suitability and net worth qualifications, limited partners participating in the Funds include individuals, banks or thrift institutions, insurance companies, endowments, sovereign wealth funds, family offices, pension and profit-sharing plans, trusts, estates or charitable organizations, corporations or other business entities or other investment entities, and from time to time include, directly or indirectly, principals or other employees of STG and its affiliates and members of their families, Operations Group Members or other service providers retained by STG, as well as executives of portfolio companies. The Funds generally have a minimum investment amount of at least \$20 million for third-party investors, which on occasion have been waived by the applicable General Partner. Fund interests are generally offered and sold to “qualified purchasers” as defined in the Investment Company Act (or qualified knowledgeable STG employees).

From time to time and as permitted by the relevant Governing Documents, STG provides (or agrees to provide) investments or co-investment opportunities (including the opportunity to participate in co-investment vehicles) to certain current or prospective limited partners or other persons, including other sponsors, market participants, finders, lenders, consultants and other service providers, STG personnel and/or certain other persons associated with STG and/or its affiliates. As referenced in Item 4 above, co-investments have been structured either as (i) a separate Co-Investment Fund or (ii) a direct investment by certain investors into a portfolio company or its holding or operating company. When structured as a Co-Investment Fund, STG considers the investment to be a Fund client, identifies the Fund in its Form ADV Part 1, Schedule D, Section 7.B.(1), obtains an audit for the Fund, reserves the option to assess a Management Fee and Carried Interest on such Fund and includes the amount of assets of such Fund in the Firm’s regulatory assets under management. In the case of direct co-investments, STG does not consider the investment to be a Fund or a client, does not act as the investment manager to the co-investment portion of the investment, does not charge Management Fees or Carried Interest to the investment, does not have custody of the investment or include the amount of assets of the co-investment in the Firm’s regulatory assets under management. In such direct co-investment opportunities, STG will perform management, advisory and other services for the portfolio companies in which these co-investors invest, generally at no cost to such co-investors except portfolio company fees and expenses (which such fees and expenses are recorded at the portfolio company).

Opportunities to participate in co-investment transactions arise when STG has the opportunity for an investment in an existing or prospective portfolio company and STG determines that (i) an investment requires additional capital, (ii) all or a portion of the applicable opportunity is not required to be offered to a Fund, (iii) the full investment opportunity is not appropriate for a Fund, whether due to concentration restrictions contained in the Fund’s Governing Documents or otherwise or (iv) STG believes the Fund will benefit from the participation of the co-investor(s). Such determinations are based on the provisions of the applicable Governing Documents, side letter agreements, agreements with lenders and such other factors as STG will consider in its sole discretion, including those specified in its policies on investment allocation and co-investments. Subject to any restrictions contained in the Governing Documents of the relevant Fund or any side letter or other terms negotiated with respect to such Fund, in general no investor has a right to participate in any co-

investment opportunity. STG's exercise of discretion in allocating co-investment opportunities will not always result in proportional allocations among co-investors and such allocations can be more or less advantageous to some co-investors relative to other co-investors. When co-investment opportunities are permitted, it is possible that the size of the investment opportunity otherwise available to the Fund will be less than it would otherwise have been without the inclusion of such co-investors.

STG can cause some co-investors in a Co-Investment Fund to bear a Management Fee, Carried Interest or other fees while not imposing a Management Fee and/or Carried Interest (or imposing a different Management Fee or Carried Interest) on other co-investors. In certain cases, co-investment opportunities can include opportunities to invest in Fund portfolio companies at a time when there is not a corresponding Fund investment or on different terms than a Fund investment. Some co-investors can be provided a board seat or observer rights at a STG portfolio company. Such positions provide such persons with voting rights, access to information and potentially the ability to influence the operations and decision-making of the portfolio company that are not necessarily available to other investors.

Co-investments typically involve investment and disposal of interests in the applicable portfolio company at the same time and on the same terms (although co-investors are generally subject to different economic terms) as the Fund making the investment. However, from time to time, for strategic and other reasons, a co-investor or co-invest vehicle (including a Co-Investment Fund) are permitted to purchase a portion of an investment from one or more Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell-down or transfer). Any such purchase from a Fund by a co-investor or Co-Investment Fund generally occurs shortly after the Fund's completion of the investment to avoid any changes in valuation of the investment; however, in certain instances, a post-closing sell-down or transfer could occur well after the Fund's initial purchase. When co-investors purchase their interest from a Fund after the Fund has consummated the investment, the price paid by co-investors is typically determined by the Fund's General Partner in its sole discretion. Where appropriate, and in STG's sole discretion, STG reserves the right to charge interest on the purchase to the co-investor or co-invest vehicle (or otherwise equitably to adjust the purchase price under certain conditions), and to seek reimbursement to the relevant Fund for related costs. However, to the extent such amounts are not so charged or reimbursed, they generally will be borne by the relevant Fund. The price may not reflect the full cost incurred by the Fund in connection with the investment, any interest charge on the co-investment amount, the cost of establishing the credit facility utilized to acquire the portfolio company (if applicable) or the risk borne by the Fund in connection with purchasing and warehousing the investment. The Funds will bear the risk that any co-investors acquiring an interest in an investment after the closing of such investment will acquire such interest on terms that do not reflect the then-current value of such investment.

In either case, potential co-investors typically do not bear any out-of-pocket transaction costs of investments that are not consummated and are not subject generally to the same risks to which a

Fund is throughout the investment process. As fees paid by or on behalf of co-investors in portfolio companies are not subject to a Management Fee offset and are thus retained by STG, the opportunity to receive such fees presents a conflict of interest in that STG 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. STG seeks to address any such potential conflict of interest by investing in accordance with its policies and procedures governing investment allocation and co-investments. In addition, to the extent that STG engages in a secondary liquidity transaction in connection with an investment, co-investors will not necessarily receive the same liquidity options as limited partners in a Fund and may therefore be compelled to receive cash or continue to hold an interest in the investment, depending on the particular facts of the transaction.

In the event STG is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, it is possible that a Fund will consequently hold a greater concentration and have greater exposure in the related investment opportunity than was originally intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto and would result in a greater concentration of risk as a result. To mitigate such risk, each investment is subject to concentration limits as described in the relevant Fund Governing Documents. Despite these concentration limits, it is possible an investment that is not syndicated to co-investors as originally anticipated could result in a significant impact to a Fund's overall investment returns.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment and Operating Strategy

STG leverages a combination of investment and business transformation experience to invest in and be a partner in building software and services companies. STG primarily focuses on making control equity investments in lower mid-market (typically with respect to the Allegro Funds) and mid-market (typically with respect to the Flagship Funds) enterprise software and data/technology-enabled services businesses of scale. Each Fund's portfolio companies typically have a strong existing franchise at the time of such Fund's investment, including a recurring revenue base with a sticky relationship with major enterprise customers and leverageable intellectual property. Target businesses generally also have the potential for multi-dimensional transformation, including cost optimization team upgrade potential, new product innovation potential and potential adjacent or nascent growth opportunities.

Post-closing, STG utilizes its expertise in order to attempt to simultaneously drive growth, innovation and cost transformation at its portfolio companies. STG proactively builds (where not already present) and partner with management teams to deliver increased value to clients, to retain the best talent and to improve business performance.

Consistent with the above described elements of its investment strategy, STG principally focuses on four different stages of each portfolio investment: (1) disciplined opportunity creation and

effective deal structuring, (2) cost transformation, (3) growth through enhanced execution and (4) superior growth through innovation.

Risks of Investment

Each Fund and its limited partners bear the risk of loss that STG's investment strategy entails. The risks involved with STG's investment strategy and an investment in a Fund include, but are not limited to, those described below. Limited partners should review a Fund's Governing Documents for information regarding the risks specific to an investment in that Fund. There can be no assurance that STG will achieve the investment objectives of a Fund and a loss of investment may be possible.

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

Future and Past Performance. The performance of the principals' and/or Symphony's prior investments and the performance of a given Fund is not necessarily indicative of a Fund's future results. While each General Partner intends for the relevant Fund to make investments that have estimated returns commensurate with the risks undertaken, there can be no assurances that any targeted internal rate of return will be achieved. On any given investment, loss of principal is possible.

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

Risks in Effecting Operating Improvements. A key element of the Funds' investment strategy depends, in part, on the ability to restructure and effect improvements in the operations of a portfolio company, including with the help of the principals. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Funds will be able to successfully identify and implement such restructuring programs and improvements. The loss of one or more principals may have an adverse effect on the ability to implement such changes.

Investments Longer than Term. A Fund may make investments which may not be advantageously disposed of, or have liabilities that may not be resolved, prior to the date that the Funds will be dissolved, either by expiration of the Funds' term or otherwise. Although the Fund's General Partner (i) would intend that investments will be disposed of prior to winding up and termination or be suitable for in kind distribution at the Fund's winding up and termination and (ii) has a limited ability to extend the term of the Fund (with the requisite consent required under the Governing Documents), the Fund may have to sell, distribute or otherwise dispose of investments or resolve litigation or other contingent liabilities at a disadvantageous time as a result of the winding up and termination. In addition, although upon the termination of the Fund, the General Partner will seek to reduce Fund

assets to cash and cash equivalents by selling assets of the Fund as the General Partner shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the limited partners will occur.

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

Lack of Sufficient Investment Opportunities. Limited partners rely on the ability of the relevant General Partner and the principals to locate and evaluate the investments to be made by a Fund. The business of identifying, structuring and completing private equity transactions is highly competitive and involves a high degree of uncertainty and is subject in some cases to the prevailing capital market, regulatory or political environment. There can be no assurance that the relevant General Partner or the principals will be able to identify, or a Fund will be able to complete, portfolio investments that satisfy the Fund's rate of return objectives or, if completed, realize such investments for fair or attractive values or that the Fund will be able fully to invest its Commitments. It is possible that a Fund will never be fully invested if enough sufficiently attractive investments are not identified. However, a Fund's limited partners will be required to bear Management Fees through the Fund during the investment period based on the entire amount of the Fund's limited partners' Commitments and other expenses as set forth in the relevant Governing Documents even if the Fund fails to make any investments.

Investments in Technology-Related Sectors. A Fund will participate in a limited number of investments and currently intends to concentrate its investments in the technology, enterprise software and software-enabled technology services sectors. Concentration in certain sectors may involve risks greater than those generally associated with diversified acquisition funds, including significant fluctuations in returns. The technology, enterprise software and software-enabled technology services sectors are challenged by various factors, including rapidly changing market conditions and/or participants, new competing products and/or services, and improvements in existing products and/or services. The Funds' portfolio companies will compete in this volatile environment. There is no assurance that products or services sold by the portfolio companies will not be rendered obsolete or adversely affected by other challenges. Instability, fluctuation or an overall decline within the technology sector will likely not be balanced by investments in other industries not so affected, as the Fund's investments are likely to be concentrated in middle-market enterprise software and software-enabled companies in transition that have embedded next-generation assets and are primarily located in North America. In the event that the technology, enterprise software and software-enabled technology services sectors decline, returns to the limited partners would be adversely impacted.

Competition in Technology-Related Sectors. Competitors of the Funds and their portfolio companies range in size from diversified global companies with significant research and development resources to small, specialized firms whose narrower product lines may let them be more effective in deploying technical, marketing and/or financial resources. Barriers to entry in the software and technology industries are low and software products can be distributed broadly and quickly at relatively low cost. Many of the areas in which the Funds and their portfolio companies participate evolve rapidly with changing and disruptive technologies, shifting user needs and frequent introductions of new products and services.

Investing in Emerging Growth Software Companies. The Funds are authorized to invest in emerging growth and other software companies or companies with interests in these companies. These companies are often characterized by short operating histories, new technologies and products, evolving markets, intense competition and management teams that may have limited experience working together. The products of emerging growth software companies, and of other companies in which the Funds may invest, may be unproven at commercial scale. A portfolio company's ability to succeed will be dependent not only upon its ability to develop the right products for the right market, but to constantly evolve its business to be sure that its products keep pace with changing technologies and markets. Such a portfolio company will need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. In addition, emerging growth companies may be more susceptible to macroeconomic effects and industry downturns, including those resulting from acts of terrorism or war. Such investments can experience failure or substantial declines in value at any stage. There is no assurance that such investments by the Funds will be successful.

Investments in Regulated Industries. The technology-related industry sectors that the Funds may invest in may also be heavily regulated. The Funds may make investments in portfolio companies operating in industries that are subject to greater amounts of regulation than other industries generally. Investments in portfolio companies that are subject to greater amounts of governmental regulation pose additional risks relative to investments in other companies generally. Changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could result in increased compliance costs or the need for additional capital expenditures. If a portfolio company fails to comply with these requirements, it could also be subject to civil or criminal liability and the imposition of fines. A portfolio company could also be materially and adversely affected as a result of statutory or regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Governments have considerable discretion in implementing regulations that could impact a portfolio company's business and governments may be influenced by political considerations and may make decisions that adversely affect a portfolio company's business.

Software Code Protection. Source code is often critical to portfolio companies. If an unauthorized disclosure of a significant portion of source code occurs, a portfolio company could potentially lose future trade secret protection for that source code. This could make it easier for third parties to

compete with such portfolio company products by copying functionality, which could adversely affect revenue and operating margins. Unauthorized disclosure of source code could also increase security risks (e.g., viruses, worms and other malicious software programs that may attack portfolio company products and services). Costs for remediating the unauthorized disclosure of source code and other cybersecurity breaches may include, among other things, increased protection costs, reputational damage and loss of market share, liability for stolen assets or information and repairing system damage that may have been caused. Remediation costs may also include incentives offered to portfolio company customers or other business partners in an effort to maintain the business relationships after a security breach.

Laws and Regulations Governing the Internet. The future success of many, if not all, portfolio companies, will depend upon the continued use of the internet as a primary medium for commerce, communication and business services. Changes in laws and regulations related to the internet or changes in the infrastructure of the internet itself may diminish the demand for portfolio companies' products, including software solutions. U.S. federal, U.S. state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws and regulations affecting the use of the internet as a commercial medium. Portfolio companies may be required to modify their products in compliance with such changes in laws and regulations. Also, domestic and foreign government agencies and private organizations may begin to impose taxes, fees or other charges for accessing the internet or for the commerce conducted via the internet. Such charges and regimes could limit the growth of internet-related commerce or communications generally or reduce demand for internet-based products and business services, which may negatively impact the Funds' portfolio companies.

Governmental Export and Import Controls. Companies may be subject to U.S. export controls for software and for incorporating encryption technology into any customer service platforms enabled through mobile applications. Such products incorporating encryption technology may only be exported outside of the U.S. with the required export authorizations, including by license, a license exception or other appropriate government authorizations, for example the filing of an encryption registration. Also, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit the ability of companies to offer or distribute their products. Further, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by U.S. sanctions. Such governmental export and import controls could negatively impact the Funds by impairing the abilities of portfolio companies to compete in international markets or subject them to liability for violations, including possible civil and criminal penalties and repercussions.

National Security Investment Clearance Considerations. Investments by the Funds involving the acquisition of or investment in a U.S. business (including a U.S. subsidiary of a company domiciled outside of the U.S.) or U.S. assets could be subject to review by the Committee on Foreign Investment in the United States ("CFIUS"), which may have outsized impacts on transaction certainty, timing,

feasibility and costs, among other things. Certain of the limited partners in the Funds are expected to be “foreign persons” and, in the aggregate, may comprise a substantial portion of the Funds’ Commitments. In addition, certain co-investors or holders of interests in the General Partner may be “foreign persons.” The presence of limited partners, co-investors and/or holders of interests in the General Partner who are “foreign persons” may increase the risk of an investment being subject to CFIUS’ jurisdiction and the likelihood of CFIUS imposing restrictions on an investment.

Significant CFIUS reform legislation, together with the implementing regulations thereof, among other things expands the scope of CFIUS’ jurisdiction, including by making investments by “foreign persons” in certain U.S. “critical technology” businesses mandatory, and empowers CFIUS to scrutinize more closely investments in U.S. businesses that have a nexus to specified “critical technologies”, “critical infrastructure”, and/or “sensitive personal data”, including non-controlling investments and investments involving foreign limited partners or co-investors that may be deemed “non-passive.” Moreover, countries outside of the U.S. are increasingly taking action to strengthen their national security review regimes. As a result, certain investments by the Fund outside the U.S. may likewise be subject to review by foreign investment clearance (“FIC”) regimes if the investments are perceived to implicate national security policy priorities.

CFIUS and other FIC regulatory practices are evolving rapidly, and CFIUS and other FIC regulators have substantial discretion in deciding how to interpret, apply, and enforce the relevant regulations. There can be no assurance that the Funds’ investments will be exempt from CFIUS and/or other FIC requirements or that CFIUS and/or another FIC regulator will not seek to ask questions about a transaction.

In the event that CFIUS and/or other FIC regulators review one or more of the Funds’ investments, there can be no assurances that the Funds will be able to maintain or proceed with such investments on any terms, or on terms that are acceptable to the relevant General Partner. Additionally, CFIUS and/or another FIC regulator may seek to impose limitations on one or more such investments that may prevent the Funds from maintaining or pursuing investment opportunities that the Funds otherwise would have maintained or pursued, which could adversely affect the performance of the Funds or their investments. Increased scrutiny of foreign investments in the U.S. and elsewhere may also adversely impact the Funds’ exit opportunities for investments by decreasing the universe of suitable potential buyers or causing the Funds to favor buyers that they believe are less likely to require or warrant CFIUS review, even in circumstances where other buyers may offer better terms or more consideration.

Proprietary Rights. Many target portfolio companies rely on a combination of patent, copyright, trademark and trade secret protection and non-disclosure agreements to establish and protect proprietary rights. There can be no assurance that the Funds or a portfolio company will be able to protect these rights or will have the financial resources to do so, or that competitors will not develop technologies substantially equivalent or superior to a company’s technologies. While piracy will generally adversely affect portfolio company revenue, the impact on revenue from outside the U.S.

may be even more significant, particularly in countries where laws are less protective of intellectual property rights. The absence of harmonized patent laws around the world makes it more difficult to ensure consistent respect for patent rights. Reductions in the legal protection for software intellectual property rights in any country or jurisdiction could adversely affect the Funds' portfolio companies.

Third-Party Infringement Claims. The Funds (or an affiliate thereof) or a portfolio company of the Funds may, from time to time, receive notices from others claiming the Funds (or an affiliate thereof) or such portfolio company (or a third party using a portfolio company's products or services) has infringed their intellectual property rights. The number of these claims may grow because of constant technological change in the technology sector, increased user-generated content, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents. Additionally, portfolio companies may use "open source" software in their products, or may use such software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Licensing authors or third parties may allege that a portfolio company has not complied with the conditions of one or more of these licenses. To resolve these and other intellectual property infringement claims, the Funds and/or portfolio companies may enter into royalty and licensing agreements on unfavorable terms, stop selling or redesign affected products, or pay damages to satisfy indemnification commitments with customers. These outcomes may cause operating margins of the relevant portfolio companies, and ultimately, the Funds, to decline. In addition to monetary damages, in some jurisdictions plaintiffs can seek injunctive relief that may limit or prevent importing, marketing and selling products that have infringing technologies. In some countries, an injunction can be issued before the parties have fully litigated the validity of the underlying patents.

Dynamic Investment Strategy. Many factors may contribute to changes in emphasis in the construction of the portfolio, including changes in market or economic conditions or regulation applicable to particular industries and changes in the political or social situations in particular countries. As a result, while the General Partners generally intend to seek attractive returns for the Funds primarily through making control equity investments in middle-market enterprise software and software-enabled technology services businesses, a General Partner may pursue additional investment strategies and may modify or depart from its initial and/or expected investment strategy, investment process and investment techniques as it determines appropriate. For example, the Funds are authorized to invest in public and private debt and equities, and to otherwise make minority investments. STG may pursue investments outside of the asset classes, geographies, industries and sectors in which the principals have previously made investments or have internal operational experience. There can be no assurance that the investment portfolio of the Funds will resemble the portfolio of any prior fund sponsored or managed by STG and/or Symphony.

Illiquidity; Lack of Current Distributions. An investment in a Fund should be viewed as an illiquid investment. It is uncertain as to when profits, if any, will be realized. Losses on unsuccessful investments may be realized before gains on successful investments are realized. The return of capital and the realization of gains, if any, generally will occur only upon the partial or complete disposition

of an investment. While an investment may be sold at any time or a Fund may seek to recapitalize or otherwise return cash early in an investment's holding period, it is generally expected that this will not occur for a number of years after the initial investment. Before such time, there may be no current return on the investment. Furthermore, the expenses of operating a Fund (including the annual Management Fee payable to the relevant General Partner) may exceed its income, thereby requiring that the difference be paid from the applicable Fund's capital, including, without limitation, unfunded Commitments.

Leveraged Investments; Borrowing. A Fund is permitted to make use of leverage by incurring or having a portfolio company or intermediate entity incur debt to finance a portion of its investment in a given portfolio company, including in respect of companies not rated by credit agencies. Leverage generally magnifies both a Fund's opportunities for gain and its risk of loss from a particular investment, and the magnification of the risk of loss may be substantial. The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage by a Fund will also result in interest expense and other costs to the Fund that may not be covered by distributions made to the Fund or appreciation of its investments. The use of leverage also imposes restrictive financial and operating covenants on a company, in addition to the burden of debt service, and will constrain its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of portfolio companies will increase the exposure of a Fund's investments to any deterioration in a company's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Fund's investments in the leveraged portfolio companies in a down market. These risks generally are expected to increase as interest rates rise, including in circumstances where a portfolio company's creditworthiness is such that it must borrow at higher interest rates than are available to the relevant Fund. In the event any portfolio company cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the portfolio company, which could adversely affect the returns of such Fund. Additionally, lenders would typically have a claim that has priority over any claim by the Fund to the assets of such portfolio company in an insolvency event or proceeding. Furthermore, should the credit markets be limited or costly at the time a Fund determines that it is desirable to sell all or a part of a portfolio company, such Fund may not achieve an exit multiple or enterprise valuation consistent with its forecasts. If a portfolio company is unable to obtain favorable financing terms for its investments, refinance its indebtedness or maintain a desired or optimal amount of financial leverage, a Fund may hold a larger than expected equity investment in such portfolio company and may realize lower than expected returns from the portfolio company that would adversely affect such Fund's ability to generate attractive investment returns for the Fund as a whole. Any failure by lenders to provide previously committed financing could also expose a Fund to potential claims by sellers of businesses which the Fund may have been contracted to purchase.

A Fund is also permitted to borrow money or guaranty indebtedness (such as a guaranty of a portfolio company's debt, a letter of credit or other forms of promise to provide funding). The companies in which the Funds will invest generally will not be rated by a credit rating agency. Although use of such borrowing facilities enhances STG's ability to close transactions quickly, such activity also increases risk and raises the possibility that STG will need to call additional capital to pay off such debt. Any use of leverage by a Fund generally will also result in fees, interest expense and other costs to such Fund that may not be covered by distributions made to the Fund or appreciation of its investments. A Fund is permitted to incur leverage on a joint, several, joint and several or cross-collateralized basis with one or more other investment funds and entities managed by such Fund's General Partner or any of its affiliates, including through Fund subsidiaries and other intermediate entities, and, in connection with incurring such indebtedness, the General Partner may, in its sole discretion, cause the relevant Fund to enter into one or more agreements to obtain a right of contribution, subrogation or reimbursement from or against such entities. It is also possible that certain co-investors (including management, any roll-over investors and/or third-party co-investors) will not share in incurring such leverage and that the Fund will disproportionately bear the risk and/or costs of leverage arrangements. However, it is possible that, if and when a Fund were to seek to enforce any such right, any such entity could default on its obligation and/or such right may otherwise be unenforceable. In addition, to the extent a Fund incurs leverage or provides any guaranty, such amounts are permitted to be secured by the Commitments made by such Fund's limited partners and other Fund assets. The inability of a Fund to repay any leverage secured by the capital Commitments of such Fund's limited partners could enable a lender to issue a capital call on behalf of the relevant General Partner.

Required repayments of debt and related interest can adversely affect a Fund's operating performance. A Fund has the potential to have significant credit facilities as well as holding and operating company debt for which the Fund provides a guarantee or equity support agreement, each of which may be subject to these various risks. A Fund is also permitted incur additional debt connection with future acquisitions or investments by the Fund or portfolio companies. A Fund, in some instances, will borrow under an existing credit facility or borrow new funds to acquire investments.

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

In addition, Fund-level borrowing will result in additional partnership expenses that will be borne by limited partners. These expenses typically include interest on the amounts borrowed, unused commitment fees on the committed but unfunded portion of a subscription line, an upfront fee for establishing a subscription line, and other one-time and recurring fees and/or expenses, as well as legal fees relating to the establishment, structuring and negotiation of the terms of the borrowing facility, as well as expenses relating to the maintaining, renegotiating or terminating the facility. Because a subscription line's interest rate is based in part on the creditworthiness of the relevant Fund's limited partners and the terms of the governing documents, it may be higher than the interest rate a limited partner could obtain individually. To the extent a particular limited partner's cost of capital is lower than the applicable Fund's cost of borrowing, Fund-level borrowing can negatively impact a limited partner's overall individual financial returns even if it increases such Fund's reported net returns in certain methods of calculation. Conflicts of interest have the potential to arise in that the use of Fund-level borrowing typically delays the need for limited partners to make contributions to a Fund, which generally enhances the relevant Fund's internal rate of return calculations and thereby increases the likelihood that the preferred return component of the Fund's Carried Interest waterfall will be met, and benefits the marketing efforts of the General Partner and its affiliates. Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors, as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities.

A credit agreement or borrowing facility frequently will contain other terms that restrict the activities of a Fund and the limited partners or impose additional obligations on them including limitations on the ability to otherwise incur indebtedness, financial covenants and asset level covenants in non-recourse financing. For example, certain lenders or facilities are expected to impose restrictions on the relevant General Partner's ability to consent to the transfer of a limited partner's interest in a Fund, impose concentration or other limits on the Fund's investments, limit the limited partners' ability to use their interest in a Fund as collateral for other indebtedness, and/or impose financial or other covenants, that could affect the implementation of the Fund's investment strategy. A Fund also generally would be limited in its ability to respond to changing operational circumstances with respect to an investment in ways it would have done had it not been subject to asset level covenants. In addition, in order to secure a subscription line, the relevant General Partner is permitted to obtain certain financial information and other documentation from limited partners to share with lenders. The relevant General Partner will have significant discretion in negotiating the terms of any subscription line and may agree to terms that are not the most favorable to one or more limited partners. In certain circumstances, due to separate evaluations of creditworthiness by lenders or facility providers, a portfolio company or other Fund subsidiary is expected to bear higher rates under a borrowing facility than are borne by the Fund, resulting in a potential net benefit to the Fund, or additional potential liquidity constraints or other burdens on the relevant portfolio company or Fund subsidiary.

Fund-level borrowing involves a number of additional risks. For example, drawing down on a subscription line allows a relevant General Partner to fund investments and pay partnership expenses without calling capital, potentially for extended periods of time. To the extent provided in the relevant Governing Documents, any such borrowing will remain outstanding for such time as the relevant General Partner deems appropriate, potentially including through disposition of such investment, and the interest expense and other costs of any such borrowings will be Fund expenses that decrease net returns of the Fund. Calling a large amount of capital at once to repay the then-current amount outstanding under a subscription line could cause short-term liquidity concerns for limited partners that would not arise had the relevant General Partner called smaller amounts of capital incrementally over time as needed by a Fund. This risk would be heightened for a limited partner with commitments to other funds that employ similar borrowing strategies or with respect to other leveraged assets in its portfolio; a single market event could trigger simultaneous capital calls, requiring the limited partner to meet the accumulated, larger capital calls at the same time. A General Partner is authorized to use Fund-level borrowing to pay Management Fees and to reimburse STG for expenses incurred on behalf of the Fund. A Fund is also permitted to utilize Fund-level borrowing when the relevant General Partner expects to repay the amount outstanding through means other than limited partner capital, including as a bridge for equity or debt capital with respect to an investment. If a Fund ultimately is unable to repay the borrowings through those other means, limited partners would end up with increased exposure to the underlying investment, which could result in greater losses. In the event that a Fund is unable to repay any credit facility borrowings from its cash flows, the Fund also may be required to dispose of investments to repay the lender(s). If the Fund is required to dispose of investments in order to repay lender(s) at an inopportune time or on an expedited basis, it may not realize as much value upon such disposition as it would receive in connection with an orderly disposition.

In borrowing on behalf of a Fund, relevant General Partner is subject to conflicts of interest between repaying such obligations and retaining borrowed amounts for the benefit of the Fund, and in circumstances where interest accrues on any such outstanding borrowings at a rate lower than the relevant Fund's preferred return, is expected to have incentives to cause the Fund to borrow in this manner rather than drawing down capital commitments. Where a preferred return begins to accrue after capital contributions are due (regardless of when the Fund borrows, makes the relevant investment, or pays expenses) and ceases to accrue upon return of these capital contributions, the use of borrowing to shorten the period between calling and returning capital limits the amount of time the preferred return will accrue. In circumstances where there is not a preferred return on funds borrowed in advance or in lieu of calling capital, Fund-level borrowing typically will reduce the amount of preferred return to which the limited partners would otherwise be entitled had the General Partner called capital, and thus could result in the relevant General Partner receiving Carried Interest sooner than it would without borrowing. In addition, when the Management Fee is calculated as a percentage of invested capital, a limited partner may pay Management Fees on borrowed amounts used to fund investments that have not yet been realized even though such amounts would not accrue preferred return as described above. If an investment appreciates in value and is disposed of prior to repayment of the borrowing, the disposition proceeds would be applied to repay the borrowing (and related

interest and expenses), and the net proceeds would be distributed to the limited partners without a preferred return accrual on the amount invested by a Fund (due to the absence of invested capital funded by limited partners) prior to the determination of Carried Interest distributions. Accordingly, borrowings by a Fund may support the distribution of proceeds to limited partners and increase the potential Carried Interest for the relevant General Partner; however, the interest incurred by the Fund due to such borrowing would reduce the Carried Interest received by the General Partner. Subject to the limitations in the Governing Documents, if any, this conflict of interest incentivizes the General Partner to permanently fund the acquisition and ongoing capital needs of investments of the Fund and related expenses with the proceeds of such borrowings in lieu of drawing down capital contributions on an as-needed basis, and, accordingly, capital contributions to repay such borrowings may be required only at the time of the disposition of an investment (or never if principal and interest on such borrowings are repaid out of disposition proceeds).

Conflicts of interest also have the potential to arise to the extent that a subscription line is used to make an investment that is later sold in part to co-investors (including one or more co-investing Funds), as to the extent co-investors are not required to act as guarantors under the relevant facility or pay related costs or expenses, co-investors nevertheless stand to receive the benefit of the use of the subscription line and neither the relevant Fund nor limited partners generally will be compensated for providing the relevant guarantee(s) or being subject to the related costs, expenses and/or liabilities. It is expected that the costs relating to the establishment and/or maintenance of a subscription line of credit will be significant, and there can be no assurance that the benefits to limited partners will be commensurate with such costs.

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

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

Limited Transferability of Fund Interests. There will be no public market for Fund interests, and none is expected to develop. There are substantial restrictions upon the transferability of Fund

interests under the relevant Governing Documents and applicable securities laws. In general, withdrawals of Fund interests are not permitted. In addition, Fund interests are not redeemable. Each limited partner will be required to represent that it is a qualified investor under applicable securities laws and that it is acquiring its Fund interest for investment purposes and not with a view to resale or distribution. Further, each limited partner must represent that it will only sell or transfer its Fund interest with prior written consent from the General Partner to a qualified investor under applicable securities laws and in a manner permitted by the Governing Documents and consistent with those laws. Voluntary withdrawals from a Fund will not be permitted except with the consent of the General Partner in certain narrow circumstances where there is a legal, regulatory or similar issue or as agreed in advance with the General Partner. In addition, Fund interests are not redeemable. Consequently, limited partners are likely to be unable to liquidate their investments prior to the end of a Fund's term and must be prepared to bear the risks of an investment in the Fund for an extended period of time.

Limited Access to Information. Limited partners' rights to information regarding the Funds will be specified, and strictly limited, in the Governing Documents. In particular, the STG will obtain certain types of material information from portfolio companies and all or portions of such information will not be disclosed to limited partners because, among other things, such disclosure is prohibited for contractual, legal or similar obligations outside of STG's control or because disclosure of such information is deemed by STG not to be in the best interest of the Funds or the portfolio company. Decisions by STG to withhold information may have adverse consequences for limited partners in a variety of circumstances. For example, a limited partner that seeks to transfer its Fund interests may have difficulty in determining an appropriate price for such Fund interests. Decisions to withhold information also may make it difficult for limited partners to monitor STG and its performance. Additionally, it is expected that limited partners selected by STG to participate on the Advisory Board (as defined below) or the board of directors of a portfolio company will, by virtue of such participation, have more information about the Funds and portfolio investments in certain circumstances than other limited partners generally and will be disseminated information in advance of its communication to other limited partners generally. Limited partners generally will bear the expenses of responding to disclosure requests, including in connection with state public records, similar freedom of information and other laws, whether or not the Fund succeeds in asserting confidentiality for requested documents and other materials, and STG reserves the right to withhold certain information from limited partners subject to such laws for reasons relating to STG's public reputation, business strategy or other reasons.

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

the amount of Carried Interest available to the relevant General Partner with respect to such investment.

Recycling; Reinvestment. The General Partners generally have the right to recall certain capital returned or distributed to the limited partners and the right to deem certain capital to have been distributed and thereafter utilize such capital without first making a distribution, in each case subject to certain limitations set forth in the Governing Documents. Accordingly, a limited partner may be required to make aggregate capital contributions in excess of its Commitment (with certain limitations), and to the extent such recalled or retained amounts are reinvested in investments, a limited partner will remain subject to investment and other risks associated with such investments.

Investment in Restructurings. A Fund may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience financial difficulties. These financial difficulties may never be overcome and may cause such portfolio company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject the Fund to certain additional potential liabilities that may exceed the value of the Fund's original investment therein. For example, under certain circumstances, a lender that has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Fund and distributions by the Fund to the limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by local statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Distressed Investments. A Fund may, from time to time, invest in the securities and obligations, including debt obligations that are in covenant or payment default, of companies experiencing significant financial difficulties and material operating issues, including companies that may have been, are or will become involved in bankruptcy proceedings or other restructuring, recapitalization or liquidation processes. Investments in such companies involve a substantial degree of risk that is generally higher than the risk involved in investing in companies that are not in financial or operational distress. Given the heightened difficulty of the financial analysis required to evaluate distressed companies, there can be no assurance that the relevant General Partner will correctly evaluate the value of the assets of a distressed company securing its debt and other obligations or correctly project the prospects for the successful restructuring, recapitalization or liquidation of such company. Therefore, in the event that one or more of the Fund's portfolio companies does become involved in bankruptcy proceedings or a restructuring, recapitalization or liquidation is required, the Fund may lose some or all of its investment or may be required to accept illiquid securities with rights that are materially different than the original securities in which the Fund invested.

Debt Investments. A Fund may, from time to time, invest in certain debt or structured securities, including bonds, loans or other fixed-income securities of U.S. and non-U.S. issuers, including bank debt, notes, debentures, and commercial paper, as well as derivatives thereon. Fixed-income securities pay fixed, variable, or floating rates of interest. The value of fixed-income securities in which the Fund invests will change in response to fluctuations in interest rates. In addition, the value of certain fixed-income securities and bank loans can fluctuate in response to perceptions of creditworthiness, foreign exchange rates, political stability or soundness of economic policies. Fixed-income securities and bank loans are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (i.e., market risk). The Fund's investments in loans may be subject to early redemption features, refinancing options, prepayment options or similar provisions that, in each case, could result in the issuer repaying the principal on an obligation held by the Fund earlier than expected. As a consequence, the Fund's return with respect to such investment may be adversely affected. If the Fund acquires a loan participation, it will generally be unable to enforce its rights against the borrower or the collateral directly, and will instead be dependent on the participating financial institution. To the extent that one or more borrowers default on a secured obligation held by the Fund, the Fund may receive equity issued by an entity reorganized through a bankruptcy or insolvency proceeding, or assets that such borrowers had pledged to secure such loans or obligations. There is no guarantee that such assets will be liquid or of a value equivalent to the amount due and owing from the issuer or obligor of such defaulted obligation. Investing in fixed-income securities and loans will subject the Fund to many of the risks of investments in portfolio companies generally, especially where the loans are acquired in distressed or "loan to own" situations.

Non-Controlling Interests in Portfolio Companies. A Fund may, from time to time, hold meaningful minority stakes in portfolio companies and in some cases may have limited minority protection rights. In addition, during the process of exiting investments, the Fund at times may hold minority equity stakes of any size such as might occur if portfolio companies are disposed of over time or taken public. In such instances, the Fund may have limited management and/or control rights with respect to the operation of such companies and may be entirely dependent on the decisions of the management of portfolio company and/or third-party investors. As is the case with minority holdings in general, such minority stakes that the Fund may hold will have neither the control characteristics of majority stakes nor the valuation premiums accorded majority or controlling stakes. Where the Fund holds a minority stake, it may be more difficult for the Fund to liquidate its interests than it would be had the Fund owned a controlling interest in such company or were otherwise granted control and/or management rights alongside any such company and/or third party investor. Even if the Fund has contractual rights to seek liquidity of the Fund's minority interests in such companies, it may be very difficult to sell such interests or to seek a sale of such company upon terms acceptable to the Fund, especially in cases where the interests of the other investors in such company have different business objectives and goals. In addition, the Fund may co-invest with other persons or entities through partnerships, joint ventures or other entities or arrangements as a co-venturer or partner, in addition to co-investing directly in portfolio companies. Such investments may involve risks not present in investments where

a third party is not involved, including the possibility that: (i) the Fund and such co-venturer may reach an impasse on a major decision that requires the approval of both parties; (ii) a co-venturer or partner of the Fund may at any time have economic or business interests or goals that are inconsistent with those of the Fund; (iii) the co-venturer or partner may encounter liquidity or insolvency issues or may become bankrupt; (iv) the co-venturer or partner may be in a position to take action contrary to the Fund's investment objective; (v) the co-venturer or partner may take actions that subject the property to liabilities in excess of, or other than, those contemplated; or (vi) in certain circumstances the Fund may be liable for actions of its co-venturers or partners. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to such co-investments, including incentive compensation arrangements. The co-venturer or partner may be a joint venture partner or interest holder in another joint venture or other vehicle in which STG or its affiliates has an interest or otherwise controls. The co-venturer or partner may also be entitled to receive payments from, or allocations or performance-based compensation (e.g., Carried Interest) in respect of, the Fund and/or such investments, and in such circumstances, any such amounts will not, even if they have the effect of reducing any retainers or minimum amounts otherwise be payable by STG or its affiliates, be deemed paid to or received by such persons or entities or reduce the Management Fee. In addition, the Fund may co-invest with non-affiliated co-investors or partners whose ability to influence the affairs of the companies in which the Fund invests may be significant, and even greater than that of the Fund and as such, the Fund may be required to rely upon the abilities and management expertise of such co-venturer or partner. It may also be more difficult for the Fund to sell its interest in any joint venture, co-investment, partnership or entity with other owners than to sell its interest in other types of investments (and any such investment may be subject to a buy-sell right). The Fund may grant co-venturers or partners approval rights with respect to major decisions concerning the management and disposition of the investment, which would increase the risk of deadlocks or unanticipated exits from an investment. A deadlock could delay the execution of the business plan for the investment or require the Fund to engage in a buy-sell of the venture with the co-venturer or partner or conduct the forced sale of such investment or require alternative dispute resolution in order to resolve such deadlock. As a result of these risks, the Fund may be unable to fully realize its expected return on any such investment. Further, to the extent that the Fund offers any co-investment opportunity to any limited partners or third parties, some or all of the risks described above may also apply to such co-investments.

Risks of Multi-Step Acquisitions. In the event a Fund chooses to effect a transaction by means of a multi-step acquisition (such as a first-step cash tender offer or stock purchase followed by a merger or in the case of a simultaneous acquisition and concurrent merger of two separate companies), there can be no assurance that the subsequent steps can be completed on attractive terms or at all. This could result in the Fund having limited or no control over the investment or access to its cash flows to service debt incurred in connection with the acquisition. In addition, some or all of the risks applicable to toehold investments may also apply.

Toehold Investments. A Fund may accumulate minority positions in the securities of potential portfolio companies, including public companies. While the General Partner may seek to achieve

such accumulation through investments such as open market purchases, registered tender offers, negotiated transactions or private placements, the Fund may be unable to accumulate a sufficiently large position in a target company to execute its strategy. Moreover, the Fund may otherwise be unsuccessful in executing its strategy or may forego further implementation of its strategy. In addition, the Fund may dispose of its position in the target company at an inopportune time and there can be no assurance that the price at which the Fund can sell such securities will not have declined since the time of acquisition. This may be exacerbated by the fact that (i) securities of the companies that the Fund may target may be thinly traded, (ii) the Fund's position may nevertheless have been substantial, (iii) speculation following the Fund's investment may increase the securities' price, and (iv) the Fund's disposal may depress the market price for such securities, all of which will increase the risk of loss. Also, if a toehold investment is in publicly listed securities, certain filings may be required under the U.S. Securities Exchange Act of 1934, as amended, in respect of such toehold investment, including, without limitation, Form 3, Form 4, Form 13F, Form 13H, Schedule 13D filings and Schedule 13G filings. In addition, filings under the Hart-Scott Rodino Act may be required, as well as other filings with regulatory agencies if the investment is in a company that is in a regulated industry and certain non-U.S. filings or other requirements if the issuer is outside of the U.S. Certain of these regulatory filing obligations could delay, impede or prevent the Fund from executing its investment strategy, or require advance disclosure of the Fund's plans, proposals or intentions pertaining thereto, any of which could negatively impact the Fund's investments or investment opportunities.

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

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

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

Risks Relating to Due Diligence of and Conduct at Portfolio Companies. Before making portfolio investments, a General Partner will typically conduct such due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each portfolio investment. Due diligence generally entails evaluation of important and complex business, financial, tax, accounting, environmental, legal and other issues. Outside consultants, legal advisors, accountants, investment bankers and/or other third parties will typically be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants presents a number of risks primarily relating to a General Partner's reduced control of the functions that are outsourced or underwritten by third parties. In addition, if a General Partner is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the General Partner will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that a General Partner carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the portfolio investment being successful. There can be no assurance that attempts to provide downside protection with respect to portfolio investments will achieve the desired effect and potential investors should regard an investment in a Fund as being speculative and having a high degree of risk. In some cases, such as when making toehold investments in public companies or making debt investments, a Fund will conduct less diligence or have access to less information. In addition, portfolio company analyses and decisions by the a General Partner will often be undertaken on an expedited basis in order for the relevant Fund to compete for investment opportunities and/or consummate investments. In such cases, the information available to the General Partner at the time of an investment decision may be limited, and the General Partner may not have access to the detailed information necessary for a full evaluation of an investment opportunity. The due diligence investigation carried out with respect to any investment opportunity is unlikely to reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. In such instances a Fund would be less likely to uncover potentially negative information about such company and/or investment.

There can be no assurance that the General Partners will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or

during their efforts to monitor the portfolio investments on an ongoing basis. Conduct occurring at portfolio companies, even activities that occurred prior to a Fund's investment therein, could have an adverse impact on the Fund.

In the event of fraud or other criminal behavior by any portfolio company or any of its affiliates, a Fund may suffer a partial or total loss of capital invested in that portfolio company. In addition, investments are subject to the possibility of material misrepresentation or omission on the part of the portfolio company or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Fund's securities and/or other instruments issued by such portfolio company. Where applicable, a Fund will rely upon the accuracy and completeness of representations and warranties made by portfolio companies and/or such portfolio companies' former owners to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. Moreover, a Fund may have limited or no recourse in the event of a material breach of such representations and warranties, particularly if the portfolio company was a public company.

Conflicting Limited partner Interests. The limited partners that have conflicting investment, tax, and other interests with respect to their investments in a Fund and with respect to the interests of limited partners in other investment vehicles managed or advised by STG and/or Symphony that may participate in the same investments as the Fund. The conflicting interests of individual limited partners with respect to other limited partners and relative to limited partners in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by the Fund and such other investment vehicles, the structuring or the acquisition of investments, and the timing of disposition of investments. As a consequence, conflicts of interest will potentially arise in connection with decisions made by a General Partner or STG, including with respect to the nature or structuring of investments, which may be more beneficial for one or more (but not all) limited partners than for another limited partner, especially with respect to limited partners' individual tax situations. In addition, a Fund may make investments that may have a negative impact on related investments made by the limited partners in separate transactions. In selecting and structuring investments appropriate for a Fund, the General Partner and STG will consider the investment and tax objectives of the Fund and its partners as a whole (and those of limited partners in other investment vehicles managed or advised by STG and/or STG that participate in the same investments as the Fund), not the investment, tax, or other objectives of any limited partner individually. Additionally, a General Partner may elect to exclude certain limited partners from particular investments for legal, tax, regulatory, or other similar reasons applicable to any such investment, in which case non-excluded limited partners will be allocated a greater proportionate interest in such investment. In addition, certain limited partners may also be limited partners in other investment funds sponsored or managed by STG and/or STG. It is also possible that the Fund or the portfolio companies will be counterparties (such counterparties dealt with on market terms) or participants in agreements, transactions, or other arrangements with a limited partner or an affiliate of a limited partner. Such transactions may include agreements to pay performance fees to service providers affiliated with limited partners in connection with the investment therein, which will reduce a Fund's returns and will not necessarily be subordinated to the return of the limited partner's capital contributions. Such

limited partners described in the previous sentences may therefore have different information about STG and a Fund than limited partners not similarly positioned. In addition, conflicts of interest may arise in dealing with any such limited partners, and a General Partner and its affiliates may not be motivated to act solely in accordance with its interest relating to the Fund. Similarly, not all limited partners monitor their investments in vehicles such as the Funds in the same manner. For example, certain limited partners may periodically request from a General Partner information regarding a Fund and its investments that is not otherwise set forth in (or has yet to be set forth) in the reporting and other information required to be delivered to all limited partners. In such circumstances, the General Partner may provide such information to such limited partner, but just because it has provided such information upon request by one or more limited partners does not mean the General Partner will be obligated to affirmatively provide such information to all limited partners (although the General Partner will generally provide the same information upon request and treat limited partners equally in that regard). As a result, certain limited partners may have more information about the Fund than other limited partners, and the General Partner will have no duty to ensure all limited partners seek, obtain, or process the same information regarding the Fund and/or its investments.

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

Additionally, the SEC has indicated that it intends to seek to enact changes to numerous areas of law and regulations that would impact the business of STG and the Funds. In particular, the SEC has signaled an increased emphasis on investment adviser and private fund regulation and has proposed a number of new rules that, if adopted, would impose significant changes on private fund advisers and their management of private funds, and the SEC is expected to propose additional changes in the future. Any such changes are expected to materially impact STG and its affiliates, the Funds and/or their investments, as well as increasing their expenses. Significant time and resources may be required to comply with new regulations, which potentially will detract from the time and resources dedicated to the Funds.

The combination of such scrutiny of private equity firms (along with other alternative asset managers) and their investments by various politicians, regulators and market commentators, and the public perception that certain alternative asset managers, including private equity firms, contributed to the recent downturn in the U.S. and global financial markets, may complicate or prevent a Fund's efforts to structure, consummate and/or exit investments, both in general and relative to competing bidders outside of the alternative asset space. As a result, a Fund may invest in fewer transactions or incur greater expenses or delays in completing or exiting investments than it otherwise would have.

Additionally, a Fund may be required to incur additional costs and expenses in implementing structural changes in the conduct of the Fund's business, including to establish greater presence in certain jurisdictions in which the Fund invests or proposes to invest, and the Fund may also become directly or indirectly subject to additional tax liabilities (for example, through restrictions on or denial of the deductibility of interest expenses against taxable profits). The foregoing may make it less attractive or impractical to continue to invest in one or more jurisdictions. Additionally, such additional scrutiny may divert a General Partner's time, attention and resources from portfolio management activities.

Disclosure of Information. Certain limited partners will be subject to state public records or similar freedom of information laws, which may compel public disclosure of confidential information regarding a Fund, its investments and its limited partners. The amount of information about such limited partners' investments that is required to be disclosed has increased in recent years, and that trend may continue. To the extent that disclosure of confidential information relating to a Fund, its portfolio companies or its limited partners results from Fund interests being held by public limited partners, the Fund, its portfolio companies and its limited partners may be adversely affected. A General Partner may, in order to prevent any such potential disclosure, withhold information otherwise to be provided to such public limited partners. Conversely, potential future regulatory changes applicable to investment advisers and/or the accounts they advise could result in STG and/or a Fund becoming subject to additional disclosure requirements the specific nature of which is as of yet uncertain.

Environmental Matters. Ordinary operation or the occurrence of an accident with respect to any of the Funds' portfolio companies could cause major environmental damage, which may result in significant financial distress to such portfolio companies, even if covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost and other liabilities. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination and may impose joint and several liability (including amongst the Funds, other investment vehicles advised by the General Partners, STG or their respective affiliates and the applicable portfolio company) or liabilities or obligations that purport to extend to (and pierce any corporate veil that would otherwise protect) the ultimate beneficial owners of the owner or operator of the relevant property or operating company that stand to financially benefit from such property's or company's operations. A Fund (and its partners) may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of the

Funds. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Even in cases where a Fund is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of a Fund to achieve enforcement of such indemnities.

Environmental, Social and Governance (“ESG”) Activities. STG maintains an environmental, social and governance (“ESG”) policy, which may be amended from time to time, that STG intends to apply to a Fund’s investment activities. Depending on the investment, certain ESG factors, such as environmental risks and incidences, workplace safety and diversity, could have a material effect on the return and risk of the investment. The act of selecting and evaluating material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by the General Partner or any judgment exercised by the General Partner will reflect the beliefs or values of any particular Limited Partner or align with the practices of other asset managers or with market trends. STG’s ESG policy may cause a Fund not to make an investment that it would have made or to make a management decision with respect to an investment differently than it would have made in the absence of its ESG policy. Although STG believes its ESG policy will enhance the performance of the portfolio companies in which a Fund invests over the long-term while also providing benefits to both society and the environment, STG cannot guarantee that its ESG policy will positively impact the financial or ESG performance of any individual investment or the relevant Fund as a whole. Additionally, ESG factors are only some of the many factors a General Partner may consider in making an investment, and there is no guarantee that the General Partner will make investments in companies that create positive ESG impact or that consideration of ESG factors will enhance long-term Limited Partner value and financial returns.

Further, ESG integration and responsible investing practices as a whole are evolving rapidly and there are different frameworks and methodologies being implemented by other asset managers. While STG currently intends for its ESG policy to align with the UN’s Principles for Responsible Investment (“PRI”), the PRI do not represent a universally recognized standard for ESG integration, and therefore STG’s approach to ESG integration may not align with the approach used by other asset managers or preferred by prospective investors or with future market trends. Additionally, STG may not independently verify certain of the information reported by its portfolio companies with respect to the key performance indicators related to ESG, some of which are based on professional or business judgment.

Finally, there is also growing regulatory interest, particularly in the U.S., United Kingdom, and EU, in improving transparency around how asset managers define and measure ESG performance, in order to allow investors to validate and better understand sustainability claims. STG’s ESG policy could become subject to different and/or additional regulation in the future, and STG cannot

guarantee that its current approach will continued to be used or will meet future regulatory requirements. The Management Company could become subject to additional regulation in the future, which could result in significant costs, potential liabilities and operational and legal obligations.

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

Over-Commitment. It is anticipated that a Fund will commit to make equity investments that exceed the amount of equity that the relevant General Partner intends for the Fund to invest (which may be in excess of the amount that the General Partner determines to be desirable for the Fund to invest and/or the Fund's ordinary course concentration limit), in order to facilitate transaction execution or with a view to making investment opportunities available to co-investors prior to or within a specified period of time after the closing of the investment, including via use of the Fund's ability to provide bridge financings. In such event, the Fund will bear the risk that any or all of the investment opportunity will not be taken up by co-investors, that co-investors will fail to fund after making a commitment, or that the excess portion of such investment will not be resold or refinanced on attractive terms or at all. As a consequence, the Fund may ultimately hold a larger than expected (or desired) investment in a portfolio company. These risks would be elevated in the event of an intervening adverse event involving the General Partner, STG, the Fund, the investment opportunity, the principals or the general or local economy. Additionally, the Fund may bear the entire portion of any fees, costs and expenses related to such investments. Although the General Partners will endeavor to address such risks, the General Partners and their affiliates will not be deemed to have violated any duty or other obligation to the Funds or any of their limited partners by engaging in such investments and the related co-investment, sell-down or refinancing activities.

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

Fund's income, and possible non-U.S. tax return filing requirements for the Fund and/or such Fund's partners.

Additional risks of non-U.S. investments include: (a) economic dislocations in the host country; (b) less publicly available information; (c) less well-developed and/or more restrictive laws, regulations, regulatory institutions and judicial systems; (d) greater difficulty of enforcing legal rights in a non-U.S. jurisdiction; (e) civil disturbances; (f) government instability; and (g) nationalization and expropriation of private assets. Moreover, non-U.S. companies may not be subject to uniform accounting, auditing and financial reporting standards, practices and requirements comparable to those that apply to U.S. companies.

Hedging Arrangements; Related Regulations. A General Partner is authorized (but is not obligated) to endeavor to manage the relevant Fund's or any portfolio company's currency exposures, interest rate exposures or other exposures, using hedging techniques where available and appropriate. A Fund may incur costs related to such hedging arrangements, which may be undertaken in exchange-traded or over-the-counter ("OTC") contexts, including futures, forwards, swaps, options and other instruments. There can be no assurance that adequate hedging arrangements will be available on an economically viable basis or that such hedging arrangements will achieve the desired effect, and in some cases hedging arrangements may result in losses greater than if hedging had not been used.

In some cases, particularly in OTC contexts, hedging arrangements will subject the relevant Fund to the risk of a counterparty's inability or refusal to perform under a hedging contract, or the potential loss of assets held by a counterparty, custodian or intermediary in connection with such hedging. OTC contracts may expose a Fund to additional liquidity risks if such contracts cannot be adequately settled.

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

Significant Adverse Consequences for Default. A Fund's Governing Documents provides for significant adverse consequences in the event a limited partner defaults on its Commitment or any other payment obligation. In addition to losing its right to potential distributions from the relevant Fund, a defaulting limited partner may be forced to transfer its interest in the Fund for an amount that is less than the fair market value of such interest and that may be paid over a period of up to ten years, without interest.

General Partner's Carried Interest. The fact that a General Partner's Carried Interest is based on a percentage of net profits may create an incentive for such General Partner to cause a Fund to make riskier or more speculative investments than otherwise would be the case. Additionally, tax laws have

the potential to create a further incentive for a General Partner to cause a Fund to hold an investment for a longer period, or to defer or waive the allocation and distribution of certain Carried Interest in exchange for an interest in future Carried Interest (as permitted under the Governing Documents), either of which could create conflicts of interest between the General Partner's desired tax treatment and the timing of investment realizations or character of income allocated to limited partners. Such deferral of the receipt of Carried Interest also generally has the effect of increasing net Fund returns thereby benefitting a General Partner and its affiliates.

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

Director Liability. A Fund will often obtain the right to appoint one or more representatives to the board of directors (or similar governing body) of the companies in which it invests. Serving on the board of directors (or similar governing body) of a portfolio company exposes a Fund's representatives, and ultimately the Fund, to potential liability. Not all portfolio companies may obtain insurance with respect to such liability, and the insurance that portfolio companies do obtain may be insufficient to adequately protect officers and directors from such liability. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the Fund's investment activities. In addition, involvement in litigation can be time consuming for such persons and can divert the attention of such persons from the a Fund's investment activities. Co-investors and/or co-investment vehicles may indirectly benefit from a General Partner's appointment of such directors, although co-investors (including their respective co-investment vehicle, even if managed by STG) will not typically bear the cost of liability insurance related to such appointment to the extent additional liability insurance is purchased by a Fund.

Litigation. In the ordinary course of its business, the General Partners, the Funds, their portfolio companies and/or the principals expect to be subject to litigation from time to time. It is difficult to predict with certainty the cost of defense, of prosecution or of the ultimate outcome of litigation and other proceedings filed by or against portfolio companies, including penalties or other civil or criminal sanctions, or remedies or damage awards, and adverse results in any litigation and other proceedings may materially harm a Fund's portfolio companies. Litigation and other proceedings may include, but are not limited to, actions relating to breach of fiduciary duty, appraisal, intellectual property, international trade, commercial arrangements, product liability, environmental, health and safety, joint venture agreements, anti-corruption, anti-money laundering, labor and employment or other harms resulting from the actions of individuals or entities outside of the General Partners' or STG's control. In the case of intellectual property litigation and proceedings, adverse

outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in a portfolio company's business and injunctions prohibiting its use of business processes or technology that are subject to third-party patents or other third-party intellectual property rights. The outcome of such proceedings may materially and adversely affect the value of a Fund's investments and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the relevant General Partner's and the principals' time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Additional regulation could also increase the risk of third-party litigation.

Advisory Board. Each General Partners will appoint one or more limited partner representatives to its Fund's advisory board ("Advisory Board"), which has the ability to review and waive compliance with certain provisions of the relevant Governing Documents, including resolving potential conflicts of interest situations, and whose approval is required or may be requested in certain circumstances under the Governing Documents, including certain approvals or consents required by the U.S. federal securities laws. Pursuant to the terms of the Governing Documents, all limited partners are bound by the determinations of the Advisory Board, regardless of whether a limited is represented by a member of the Advisory Board. The Governing Documents generally provide that to the fullest extent permitted by applicable law, none of the Advisory Board members shall owe any fiduciary duties to the relevant Funds or any other limited partner other than to act in good faith. An Advisory Board member may consider the interests of the limited partner it represents over the interests of the limited partners as a whole when voting or consenting to any matter submitted to the Advisory Board. Members of the Advisory Board may have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted to the Advisory Board for consideration or review. Members of the Advisory Board may have various business and other relationships with STG, its affiliates and their respective employees, partners, members, shareholders, officers, directors and managers, and will not be required to recuse themselves from any meetings or votes. These relationships may influence their decisions as members of the Advisory Board. To the extent that a limited partner is not represented by a member of the Advisory Board, such limited partner will have no influence over matters submitted to the Advisory Board for review or approval.

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

Uncertain Economic, Social and Political Environment. Consumer, corporate and financial confidence may be adversely affected by current or future tensions around the world, fear of terrorist

activity and/or military conflicts, localized or global financial crises, federal and local elections or other sources of political, social or economic unrest. Such erosion of confidence may lead to or extend a localized or global economic downturn. Furthermore, such confidence may be adversely affected by local, regional, or global health crises including, but not limited to, the rapid and pandemic spread of novel viruses commonly known as SARS, MERS and COVID-19. Such health crises could exacerbate political, social, and economic risks previously mentioned, and result in significant breakdowns, delays, and other disruptions to important global, local, and regional supply chains affected, with potential corresponding results on the operating performance of affected portfolio companies. A climate of uncertainty, including the contagion of infectious viruses or diseases, may reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. In addition, limited availability of credit for consumers, homeowners, and businesses, including credit used to acquire businesses, in an uncertain environment or economic downturn may have an adverse effect on the economy generally and on the ability of a Fund and its portfolio companies to execute their respective strategies and to receive an attractive multiple of earnings on the disposition of businesses. This may slow the rate of future investments by a Fund and result in longer holding periods for investments. Furthermore, such uncertainty, including the uncertainty stemming from the contagion of infectious viruses or diseases, or general economic downturn may have an adverse effect upon a Fund's portfolio companies.

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

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

Any Distress Event has a potentially adverse effect on the ability of STG to manage the Funds and their investments, and on the ability of STG, any Fund or any portfolio company to maintain operations, which in each case could result in operational burdens, significant losses and unconsummated investment acquisitions and dispositions. Such losses could include: a loss of funds; an obligation to pay fees and expenses in the event a Fund is unable to close a transaction (whether due to the inability to draw capital on a credit line provided by a Financial Institution experiencing a Distress Event, the inability of the Fund to access capital contributions or otherwise); the inability of the Fund to acquire or dispose of investments, including at prices that the relevant General Partner believes reflect the fair value of such investments; and/or the inability of STG or portfolio companies to make payroll, fulfil obligations and/or maintain operations. If a Distress Event leads to a loss of access to a Financial Institution’s services, it is also possible that STG will experience operational burdens and expenses, and a Fund or a portfolio company will incur additional expenses and/or delays in putting in place alternative funding solutions.

Many Financial Institutions require, as a condition to using their services or otherwise, that a General Partner and/or the relevant Fund maintain all or a set amount or percentage of their respective accounts or assets with such Financial Institution or its affiliate(s) (each, a “Custodian”) and/or require capital calls to be funded into accounts at such Financial Institution, which heightens the risks associated with a Distress Event with respect to such Custodians. Although the General Partners seek to do business with Custodians that they believe are creditworthy and capable of fulfilling their respective obligations to the Funds, the General Partners are under no obligation to use

a minimum number of Custodians with respect to any Fund, or to maintain account balances at or below the relevant insured amounts.

Valuation of Investments. Valuations are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. There is not expected to be an actively traded market for most of the securities owned by each Fund. All portfolio companies will be valued in accordance with STG's valuation policy, which may be amended from time to time. Generally, the relevant General Partner will determine the value of all a Fund's investments for which market quotations are available based on publicly available quotations. However, market quotations will not be available for virtually all of a Fund's investments because, among other things, the securities of portfolio companies held by such Fund generally will be illiquid and not quoted on any exchange. When estimating fair value, a General Partner will apply a methodology it determines to be appropriate based on accounting guidelines and the applicable nature, facts and circumstances of the respective investments. The General Partner of a Fund will determine the value of all such Fund's investments that are not readily marketable based on an analysis of various data points using a combination of the following valuation methods: public company comparable multiples, precedent transaction comparable multiples and discounted cash flows analysis. Valuations are subject to multiple levels of review for approval and a third-party valuation firm generally performs year-end valuations in collaboration with the Management Company. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties and the resulting values may differ from values that would have been determined had an active market existed for such securities and may differ from prices at which such securities ultimately may be sold. There can be no assurance that a Fund's General Partner will have all the information necessary to make valuation decisions in respect of these investments, or that any information or valuations provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of a Fund's General Partner with respect to an investment will represent the value realized by such Fund on the eventual disposition of such investment or that would, in fact, be realized upon an immediate disposition of such investment on the date of its valuation. Accordingly, the valuation decisions made by a Fund's General Partner may cause such General Partner to ineffectively manage the relevant Fund's investment portfolios and risks, and may also affect the diversification and management of the Fund's portfolio of investments. In addition, the exercise of discretion in valuation by a Fund's General Partner may give rise to conflicts of interest, including in connection with determining the amount and timing of distributions of Carried Interest and the calculation of management fees.

Cybersecurity Risks. The Funds and STG must rely in part on digital and network technologies, including electronic mail (collectively, "Cyber Networks"), to maintain substantial computerized data and other information about the Funds, including personal identifying data and information relating to limited partners as well as sensitive, confidential and/or proprietary data and information relating to prospective and existing portfolio companies (collectively, "Sensitive Information"). Such Cyber Networks, along with the Cyber Networks of prospective and existing portfolio companies or those of STG's third-party service providers, might, in some circumstance, be subject to a variety of possible

cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of Sensitive Information to unintended parties, or the intentional misappropriation or destruction of Sensitive Information by malicious hackers seeking to compromise Sensitive Information, corrupt data, or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to circumvent network security electronically or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. The Fund's and its portfolio companies' Cyber Networks also may be vulnerable to damage or interruption from computer viruses, network, computer and telecommunication failures, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, earthquakes and other catastrophic events. Cyber-attacks may also take the form of socially-engineered frauds, such as "phishing." There have been reports of alleged Chinese and Russian hacking attempts on American corporate intellectual property and STG's and the Fund's portfolio companies may be at risk of cyber-attacks. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of STG's systems to disclose sensitive information in order to gain access to STG's data or that of the Fund's limited partners or portfolio companies. Companies and service providers have also been subject to "ransomware" attacks.

The occurrence of an extreme event such as a public health emergency generally results in the closure of offices, the implementation of global or regional work-from-home policies, and/or travel disruptions or restrictions. Any such actions may increase the Fund's and its portfolio companies', the General Partner's, STG's, their respective affiliates' and service providers', and the limited partners' dependency on technology systems, result in the rapid deployment of new and potentially less familiar technology or operations systems or lead to the utilization of existing systems in a significantly increased scope or unanticipated manner. If a significant number of personnel of the Fund, its portfolio companies, the General Partner, STG, their respective affiliates and service providers, and/or the limited partners were to be unavailable in the event of a disaster or other event, the General Partner's ability to effectively conduct the Fund's business could be severely compromised. All of the above could also increase the risk of cybersecurity or business continuity related losses, all of which could have a material adverse effect on the Fund.

To the extent that STG, the Funds or a portfolio company is subject to cyber-attack or other unauthorized access is gained to such entity's information technology system, STG, the Funds and/or such portfolio company may be subject to substantial losses in the form of stolen, lost or corrupted (i) data or payment information; (ii) financial information; (iii) software, contact lists or other databases; (iv) proprietary information or trade secrets; (v) cash; or (vi) other items. If technology systems are compromised, become inoperable for extended periods of time or cease to function properly, STG, the Funds and/or portfolio companies may incur significant time or expense to fix or replace them and to seek to remedy the effects of such issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in STG's, the Funds', portfolio companies' and/or service providers' operations, including the ability to make distributions to limited partners, and result in a failure to maintain the security, confidentiality or privacy of sensitive

data, including personal information relating to limited partners (and the beneficial owners of limited partners). In certain events, STG's, the Funds' and/or a portfolio company's failure or deemed failure to address and mitigate cybersecurity risks may be the subject of civil litigation or regulatory or other action. Such cybersecurity and disaster recovery incidents could also result in reputational harm to STG, the Funds and/or any affected portfolio company. Any of such circumstances could subject STG, the Funds or its portfolio companies to substantial losses.

Inflation. High rates of inflation and rapid increases in the rate of inflation are expected to have a significant impact (often a negative or adverse impact) on financial markets and the broader economy. In an attempt to stabilize inflation, governments may impose wage and price controls or otherwise intervene in a country's economy. Governmental efforts to curb inflation, including by increasing interest rates or reducing fiscal or monetary stimuli, often have corresponding impacts (often negative) on the level of economic activity and also potentially result in market or financial sector uncertainty as a result of unintended consequences. Certain countries, including the U.S., have recently seen increased levels of inflation, and persistently high levels of inflation could have a material and adverse impact on the Fund's investments and the Fund's aggregated returns. For example, if a company were unable to increase its revenue while the cost of relevant inputs were increasing, the company's profitability would likely suffer. Likewise, to the extent a company has revenue streams that are slow or unable to adjust to changes in inflation, including by contractual arrangements or otherwise, the company could increase revenue by less than its expenses increase. Conversely, as inflation declines, a company may see its competitors' costs stabilize sooner or more rapidly than its own.

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

Secondaries and other General Partner-Led Transactions. There continues to be a significant market in the private fund sector for secondary sales, General Partner-led transactions, continuation funds, successor fund investments and other transactions for the disposition of investments, and STG reserves the right to dispose of (or seek additional capital for) Fund investments through such means.

Many of these transactions involve an auction process run by an investment bank and a buyer (or buyer group) that agrees to purchase a portion of one or more investments that will continue to be managed by STG following the transaction. Such transactions are undertaken for various reasons, including, for example, to balance competing interests between offering liquidity to existing limited partners and maintaining exposure to an asset where STG believes there is the potential for additional value generation. Where undertaken, existing limited partners typically are offered certain options relating to receiving liquidity from the transaction or continuing to maintain exposure to the asset, assets or a new portfolio of assets (including a portfolio that combines assets from multiple Funds sponsored by STG and its affiliates), often on different terms than the original investment. However, certain of such transactions are expected to require: a limited partner to invest additional capital in the existing Fund and/or other investment vehicles; a greater exposure to one or more particular portfolio company; and/or a delay in the full liquidation of its investment. In other circumstances, even limited partners that elect to continue to hold a direct or indirect interest in the relevant portfolio company will have their interest adjusted as if distributed (i.e., a portion of such interest will be allocated to the relevant General Partner to the extent of its right to receive Carried Interest, if any), effectively diluting their interests.

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

identify all conflicts of interest or resolve or mitigate all such conflicts of interest in favor of Fund or any individual limited partner or group of limited partners. However, STG reserves the right, in its sole discretion, to determine to engage in such transactions, subject to any approvals required in the relevant Governing Documents. STG is permitted to seek the consent of the relevant Fund advisory board to approve conflicts associated with such transactions and accordingly not all limited partners will necessarily be able to approve or disapprove of such transactions. Similar to any prospective sale or disposition of Fund investments, to the extent such transactions are not consummated, the Fund is expected to bear all of the related costs in the absence of an agreement with other parties to bear a portion of such costs.

Conflicts of Interest

STG and its related entities engage in a broad range of advisory and non-advisory activities, including investment activities for their own account and for the account of other Funds, and providing transaction-related, investment advisory, legal, management and other services to Funds and portfolio companies. Additionally, it is expected that principals and employees of STG will continue to devote a substantial amount of time to the management of the Symphony Funds and related portfolio companies which include portfolio companies that are the same as, or similar to, portfolio companies invested in by the Funds. All of the STG personnel continue to provide services (*e.g.*, financial, legal, compliance, analytical, administrative) to, and remain actively involved with, Symphony. For the sake of clarity, except for Romesh Wadhwani, Symphony does not have any personnel other than the STG personnel. STG will devote such time, personnel and internal resources as are necessary to conduct the business affairs of the Funds in an appropriate manner, as required by the relevant Governing Documents, although the Funds and their respective investments will place varying levels of demand on these over time. In the ordinary course of STG conducting its activities, the interests of a Fund likely will conflict with the interests of STG, one or more other Funds, portfolio companies or their respective affiliates. Certain of these conflicts of interest are discussed herein. As a general matter, STG will determine all matters relating to structuring transactions and Fund operations using its best judgment considering all factors it deems relevant, but in its sole discretion, subject in certain cases to the required approvals by the Advisory Boards of the participating Funds.

During a Fund's active investment period, the principals will generally pursue all appropriate investment opportunities that meet the investment criteria of such Fund (the "Primary Fund") principally for the benefit of the Primary Fund, subject to certain exceptions set forth in the applicable Governing Documents and allocation determinations discussed below. However, the principals currently manage, and expect in the future to manage, several other Funds and investments similar to those in which the Primary Fund may invest and reserves the right to direct certain relevant investment opportunities to those investment funds and investments. STG personnel reserve the right to manage their own personal investments, whether or not through a formal family office or estate planning structure, to establish trusts, endowments, charitable programs, foundations or similar arrangements, and to pay or receive compensation relating to the foregoing. For example, from time to time STG invests in certain structured equity, junior debt or similar securities ("special situations investments")

for its own account (through STG Special Situations, L.P. (“Special Situations”) or otherwise that generally do not meet the control buyout criteria of the Funds. The principals and STG’s investment staff will continue to manage and monitor such Funds and investments, although the principals expect that the time required to do so will be less than will be spent on Primary Fund matters. Such other Funds and investments that the principals may control could potentially compete with the Primary Fund or companies acquired by the Primary Fund. At such time as STG is permitted to raise a successor investment fund or when the Primary Fund’s active investment period otherwise ends, the principals will continue to manage the former Primary Fund’s investments, but also may, and likely will, focus investment activities on other opportunities and areas unrelated to the former Primary Fund’s investments. To the extent an investment opportunity is received that is unsuitable for a Fund, in STG’s sole discretion, STG and its personnel reserve the right to refer such opportunity to third parties or to make personal investments in the relevant opportunity. Unless restricted by the Governing Documents, STG personnel are permitted to serve on boards or act in other roles unaffiliated with STG, the Funds or their portfolio companies, including boards of charitable and educational institutions, public companies and former portfolio companies, and receive compensation in connection with such services and roles, none of which will offset or otherwise reduce Management Fees.

From time to time, STG will be presented with investment opportunities that would be suitable for more than one of the Funds and other investment vehicles operated by advisory affiliates of STG. In determining which investment vehicles should participate in such investment opportunities, STG and its affiliates are subject to conflicts of interest among the investors in such investment vehicles. Investments by more than one client of STG in a portfolio company have the potential to raise the risk of using assets of a client of STG to support positions taken by other clients of STG. In addition, certain Funds and investments that STG personnel may control or manage may compete with another Fund or its portfolio companies. STG personnel expect to enter into strategic alliances or form Funds in the future that are independent of other Funds. In consequence of these other activities, STG has agreed, or reserves the right to agree, as the case may be, to forward certain investment opportunities that might otherwise be suitable for a Fund to such strategic alliances or Funds.

STG must first determine which Fund(s) will, or is/are required to, participate in the relevant investment opportunity. STG acts in accordance with its investment allocation policy, which may be amended from time to time, which generally requires an assessment whether an investment opportunity is appropriate for a particular Fund based on the applicable Governing Documents and conflicts provisions therein, as well as factors including, but not limited to, investment restrictions and objectives (including those set forth in the relevant Governing Documents and other governing documents and side letters, where applicable), strategy, risk profile, time horizon, tax sensitivity, tolerance for turnover, asset composition, cash level (if any), applicable regulatory restrictions, life cycle and structure and other relevant factors. For example, the Allegro Funds and the Flagship Funds generally are both expected to invest in the software sector and have overlapping investment periods. In allocating investments between the Flagship Funds and the Allegro Funds STG considers target

portfolio company revenue ranges and other factors as set forth in the Governing Documents of the respective Funds. In the case where an investment opportunity could reasonably be considered to fall within the overlapping ranges of a larger investment for an Allegro Fund and a smaller investment for a Flagship Fund, STG reserves the right to allocate such investment opportunity between the Allegro Fund and the Flagship Fund using the factors described in each Fund's Governing Documents, and reserves the right to allocate a portion of such investment to each Fund.

As noted above, a Fund is permitted to invest together with other Funds advised by an affiliate of STG in the manner set forth in the relevant Governing Documents and the STG's Allocation Policy. STG will determine the allocation of investment opportunities among Funds in a manner that it believes is fair and equitable consistent with STG's obligations and may take into consideration factors such as those set forth above. In other circumstances, during the period that a portfolio company is owned by a Fund, it could become a suitable investment for one or more other Funds due to size, revenue or other characteristics.

Following such determination of allocation among Funds, STG reserves the right to offer co-investment opportunities to one or more potential co-investors, as determined by the applicable Governing Documents and STG's Allocation Policy. STG's procedures permit it to take into consideration a variety of factors in making such determinations, including but not limited to: (i) expressed interest in co-investment opportunities by the prospective co-investor and its investment appetite; (ii) expertise of the prospective co-investor in the industry to which the investment opportunity relates and/or any facilitation by the co-investor in bringing the investment opportunity to the relevant Fund or in helping to secure the investment opportunity; (iii) perceived ability to quickly execute on transactions; (iv) size of current or future commitment to Funds by the prospective co-investor; (v) tax, regulatory, securities laws and/or other legal considerations; (vi) confidentiality concerns that may arise in connection with providing the prospective co-investor with specific information relating to the investment opportunity; (vii) perceived ease of process in coordinating or completing the investment with the prospective co-investor or co-investors similar thereto; (viii) STG's perception of whether the investment opportunity may subject the prospective co-investor to legal, regulatory, reporting or other burdens that make it less likely that the prospective co-investor would act upon the investment opportunity if offered or would impair STG's ability to execute the relevant transaction in the desired time or on desired terms; (ix) size of investment allocation and practicality of dividing it up among multiple co-investors; (x) lender requirements; (xi) perceived public relations and reputational benefits or costs; and (xii) whether STG believes that allocating investment opportunities to a current Fund limited partner or other third-party person or entity will help establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant portfolio company, a Funds, STG or their respective affiliates. STG is authorized, in its sole discretion, charge a management fee and/or obtain a Carried Interest in respect of any such co-investment. Because co-investments will not be made through the Funds, any compensation received in connection with a co-investment does not arise out of the investment activities of the Funds or actions taken directly or indirectly by STG on behalf of the Funds and, therefore, none of such fees and other co-investor-related compensation will reduce or offset the

Management Fee paid by the Funds. Certain side letters with limited partners contain provisions that economically incentivize STG to offer co-investment opportunities to such limited partner. For example, side letters sometimes provide for STG to receive economic consideration (including, without limitation, management fees, other fees and/or Carried Interest) with respect to co-investment opportunities. In some cases, the amount of Carried Interest that STG may receive will depend on the amount of co-investment opportunities that STG offers to or closes with certain limited partners which may create a potential or actual conflict of interest between STG and the other limited partners and/or the relevant Fund. In addition, Carried Interest received from co-investment vehicles typically is not subject to clawback or escrow provisions because these vehicles typically do not make more than one portfolio investment. These economics may or may not be more favorable to STG than those provided by the Fund and, as a result, could create incentives that could affect how STG allocates investment opportunities.

Furthermore, decisions regarding whether and to whom to offer co-investment opportunities may be made by STG or its related persons in consultation with other participants in the relevant transactions, such as a co-sponsor. Additionally, from time to time, certain service providers (e.g., lenders) seek to negotiate co-investment rights as a component of their compensation or in exchange for granting better terms to STG, a Fund or portfolio company in connection with the services provided. Co-investment opportunities may, and typically will, be offered to some and not to other limited partners in STG's sole discretion. STG's allocation of co-investment opportunities generally will not result in allocations that are proportional to the amounts committed, if any, by the relevant potential co-investors to the relevant Fund or any other co-investment vehicle, and such allocations may be more or less advantageous to some persons or entities than to others. Allowing any co-investment generally reduces the amount of the relevant investment opportunity that theoretically could have been taken by the relevant Fund, and STG expects to be subject to potential conflicts of interest in determining the amount of investment opportunity that should be allocated to the relevant Fund because (i) co-invest opportunities generally appeal to Fund limited partners and third parties, (ii) to the extent co-investments made by Fund limited partners are not subjected to Management Fees and/or performance-based compensation, co-investments blend the effective rates of compensation paid by such persons in a manner not subject to the "most-favored nation" provisions of a Fund's Governing Documents and (iii) co-investors' proportionate share of a particular investment typically is not subject to the Management Fee offset provisions of a Fund's Governing Documents. In order to facilitate the acquisition of a portfolio company, a Fund reserves the right to make (or commit to make) an investment in the company with a view to selling a portion of the investment to co-investors or other persons prior to or following the closing of the acquisition. In such event, the relevant Fund will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, including for example the risk that a portion of the investment will be syndicated at reduced cost, at cost, or at a lower amount at a time when the General Partner believes the value of such investment has appreciated or should be higher than that paid (or willing to be paid) by a co-investor. To the extent such a syndication is made, the General Partner's interest in limiting the Fund's exposure to a given investment while providing a potential benefit to co-investors investing at such lower values will give rise to a potential conflict of interest. As a consequence of a failed co-

investment syndication process or a co-investment syndication on unattractive terms, the relevant Fund would be required to (i) bear the entire portion of any break-up, topping or other fees, costs and expenses related to such investment (including the proportionate share of such amounts that were expected to have been borne by co-investors), (ii) hold a larger-than-expected investment in such portfolio company, (iii) receive less-than-fair-market value for the syndicated portion of the investment and/or (iv) be diluted or realize lower than expected returns from such investment. When and to the extent that employees and related persons of STG and its affiliates make capital investments in or alongside certain Funds, STG and its affiliates are subject to conflicting interests in connection with these investments. There can be no assurance that any Fund's return from a transaction would be equal to and not less than another Fund participating in the same transaction or that it would have been as favorable as it would have been had such conflict not existed. STG's allocation of investment opportunities among the persons and in the manner discussed herein may not, and often will not, result in proportional allocations among such persons, and such allocations likely will be more or less advantageous to some such persons relative to others. While STG will allocate investment opportunities in a manner that it believes is fair and equitable to its clients under the circumstances over time and considering relevant factors, there can be no assurance that a Fund's actual allocation of an investment opportunity, if any, or the terms on which that allocation is made, will be as favorable as they would be if the conflicts of interest to which STG may be subject, discussed herein, did not exist.

In certain cases, STG will have the opportunity (but, subject to any applicable restrictions or procedures in the relevant Governing Documents, no obligation) to identify one or more secondary transferees of interests in a Fund (including STG personnel, limited partners in one or more Funds or persons that are not limited partners, but may in the future invest, in any Funds). In such cases, STG will use its discretion to select such transferees based on suitability and other factors, and unless required by the relevant Governing Documents, will determine in its sole discretion whether the opportunity to receive a transfer of Fund interests should be offered to one or more existing Fund limited partners.

Where multiple Funds invest at the same, different or overlapping levels of a portfolio company's capital structure, there is a potential for conflicts of interest in determining the terms of each such investment. For example, the Funds and Special Situations in particular, currently (and will in the future) invest in a broad range of asset classes throughout the corporate capital structure, including investments in corporate loans and debt securities, preferred equity securities and common equity securities. The Funds are generally permitted to invest in portfolio companies in which one or more other Funds, or Special Situations in particular, already have an investment in the same or different class or type of security. Similarly, Special Situations has invested and expects to invest in the future in Fund portfolio companies. Conflicts of interest could be presented where one Fund (i) makes an equity or other subordinated investment in a portfolio company that has issued, is issuing or subsequently issues a debt instrument or other senior security to another Fund (or Special Situations), or, conversely, where one Fund invests in the debt of a portfolio company whose equity is owned by another Fund, or (ii) purchases securities, the proceeds of which are used by a portfolio

company to repay a loan to the portfolio company from another Fund (or Special Situations). Questions may arise subsequently as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be refinanced or restructured. In troubled situations, decisions including whether to enforce claims, or whether to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, and the terms of any workout or restructuring are expected to raise conflicts of interest, particularly where Funds (or Special Situations) have invested in different securities within the same portfolio company. If additional capital is necessary as a result of financial or other difficulties, or to finance growth or other opportunities, the Funds (or Special Situations) may or may not provide such additional capital, and if provided, each Fund (or Special Situations) generally will supply such additional capital in such amounts, if any, as determined by STG in its sole discretion. Because of the different legal rights associated with debt and equity of the same portfolio company, STG potentially will face a conflict of interest in respect of the advice it gives to, and the actions it takes on behalf of one Fund versus another Fund (*e.g.*, the terms of debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies). Actions may be taken (or fail to be taken) by the relevant General Partner and its affiliates and related persons and the Funds that are adverse to a particular Fund.

Conflicts have the potential to arise when a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. To the extent a Fund has insufficient unfunded capital available to support its investment, then the Fund may suffer dilution, while the other Fund may continue investing. STG reserves the right to give advice and make investment recommendations to other Funds (or Special Situations) that may differ from advice given to, or investment recommendations made to, a Fund, even though their investment objectives may be the same or similar to those of the Fund. For instance, a Fund may not, for example, invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This may result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and Transaction Fees, costs and expenses than later Funds; similarly, to the extent a transaction does not proceed, the first Fund to invest typically will bear the full amount of broken deal expenses relating to the transaction, regardless of whether other Funds could or would have invested in the company in potential future transactions. Further, there can be no assurance that the relevant Fund and the other Fund(s) or vehicle(s) with which it co-invests will exit such investment at the same time or on the same terms. STG and its affiliates reserve the right from time to time to express inconsistent views of commonly held investments or of market conditions more generally, including in instances where different portfolio managers or personnel express different views regarding the same investment. There can be no assurance that the return on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. If additional capital is necessary for the portfolio company, as a result of financial or other difficulties or to finance growth or other opportunities, the Fund and such the other investing fund(s) may or may not provide such additional capital, and each generally will supply such additional

capital in such amounts, if any, as determined in the sole discretion of STG and the relevant general partner, manager or similar control person of such the other investing fund(s), subject the terms of the relevant governing documents. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions may be taken for one or more Funds that adversely affect other Funds.

STG is authorized to cause the Funds to enter into a transaction whereby one Fund purchases securities from, or sells securities to, another Fund, or co-investors or co-investment vehicles. In some cases, a portfolio company of a Fund may be merged with or into a portfolio company owned by another Fund. Investments in a portfolio company by more than one Fund raises potential conflicts of interest, including where the assets of one Fund are used to support the positions taken by another Fund, which action might be motivated by a desire by STG to attempt to reduce the potential clawback liability of an affiliate of STG (and therefore the guarantor liability of the ensuing carry recipients), and/or the transactions allow STG or its affiliates to realize Carried Interest and/or obtain future management fees and/or Carried Interest with respect to such investment. These conflicts are heightened to the extent the relevant securities are illiquid or do not have a readily ascertainable value, and there generally can be no assurance that the price at which such transactions are entered into represents what would ultimately be the underlying investment's fair value. To the extent required by the Governing Documents or otherwise in the sole discretion of STG, STG may seek to mitigate such conflicts by following the procedures set forth in the Governing Documents, seeking input from an unaffiliated third party (including the use of a consultant or investment banker to opine as to the fairness or "arms-length" nature of a purchase or sale price, whether or not part of a formal fairness opinion, "request for proposal" process, or proposal or quotation provided exclusively for the benefit of STG) or by obtaining the consent of the majority of the limited partner (including, where authorized, the consent of the Advisory Board) to such transactions. In certain circumstances, STG may determine that the willingness of a third party to make an investment on the same terms as a Fund demonstrates the fairness of the relevant transaction (including its value) to the Fund under then-current market conditions. Whether or not such consent is obtained or a third-party invests, STG intends that any such transactions be conducted in a manner that it believes in good faith to be fair and equitable to each such vehicle under the circumstances, including a consideration of the potential present and future benefits with respect to each investment vehicle. Given the nature of these conflicts, there can be no assurance that the resolution of these conflicts will be beneficial to any Fund.

Subject to any relevant restrictions or other limitations contained in the Governing Documents of the Funds, STG will allocate fees and expenses in a manner that it believes in good faith is fair and equitable to its clients under the circumstances and considering such factors as it deems relevant, but in its sole discretion. In exercising such discretion, STG may be faced with a variety of potential conflicts of interest. As a general matter, Fund expenses typically will be allocated among all relevant Funds or co-invest vehicles eligible to reimburse expenses of that kind. In all such cases, subject to applicable legal, contractual or similar restrictions, expense allocation decisions will generally be made by STG or its affiliates using their best judgment, considering such factors as they deem

relevant, but in their sole discretion. Any expenses related to an investment that is initially considered for a Fund, as compared to another Fund, prior to the General Partner's determination that such investment is unlikely to be made by the initial, will generally be borne solely by the initial Fund notwithstanding that another Fund may ultimately acquire an interest in such entity. STG may also be faced with a conflict in determining how expenses will be allocated if it is pursuing multiple transactions in advance of one Fund's, as it may be unclear at the time certain expenses are incurred whether the relevant opportunity would have been allocated to the Fund had such opportunities been consummated. The allocations of such expenses may not be proportional, and any such determinations involve inherent matters of discretion, e.g., in determining whether to allocate pro rata based on number of Funds or co-invest vehicles receiving related benefits or proportionately in accordance with asset size. The Funds have different expense reimbursement terms, including with respect to Management Fee offsets, which may result in the Funds bearing different levels of expenses with respect to the same investment.

It should not be assumed that fees and expenses will be allocated pro rata. In certain circumstances, STG expects to allocate the full amount thereof to one Fund. While such allocations are discretionary, STG generally expects a Fund to bear the fees and expenses that relate predominantly (even if not entirely) to the Fund's operations or investment activities. For example, the fees and expenses of a Fund's annual meeting of limited partners (to the extent not allocated to other Funds) are expected to be allocated to the relevant Fund, regardless of whether all of the individuals attending or participating in the meeting are limited partners of the Fund. Similarly, each Fund is expected to bear the fees and expenses of regulatory filings (to the extent not allocated to other Funds) including Form 3, Form 4, Form 13F, Form 13H, Schedule 13D filings, Schedule 13G filings, filings under the Hart-Scott Rodino Act and other regulatory filings, even though certain of these filings may be made by or on behalf of the General Partner, the Management Company, STG, the principals, co-investors or their respective affiliates, and even though such other persons may benefit from these filings. Similarly, the Funds are required to bear any costs, fees and expenses of any third-party service providers and professionals related to maintaining the Management Company's and the General Partners' status as SEC-registered investment advisers and complying with the Advisers Act.

As discussed in Item 5 above, STG, its personnel or its affiliates may provide certain business or consulting services to a Fund portfolio company and, in general, any compensation received for such services and expense reimbursements related to such services do not offset such Fund's Management Fee. Since STG is permitted to retain such fees, STG faces a potential conflict of interest when approving transactions that lead to such compensation and establishing the terms of such compensation.

From time to time, a Fund establishes and/or structures a portfolio company as platform companies or similar platform investments that seek to acquire interests in other companies and/or assets. While the Fund would typically be involved in the strategy and oversight of any platform investment, a platform investment typically would retain its own management team to operate,

administer and manage the platform on a daily basis. In such cases, the Fund generally will directly or indirectly bear the expenses related to developing and operating the platform investment, including overhead expenses (such as real estate, technology, salaries, bonuses and incentive-based compensation (e.g., equity, profits interests, options and warrants)), investment sourcing and diligence expenses, Transaction Fees and other related expenses in connection with backing the management team or building out the platform company. Such expenses will be borne directly by the Fund as Fund expenses (including broken deal expenses, if applicable) or indirectly as the Fund bears the start-up and ongoing expenses of the newly formed platform portfolio company. Such expenses generally will not offset any Management Fee paid by the Fund. Such platform investments create potential conflicts of interest. For example, management teams sometimes provide services that are similar to, and that may overlap with, services provided by STG and STG personnel to the Fund, and certain STG personnel are expected to serve on the boards of, or otherwise provide services to, platform investments. The compensation of management of a platform investment may include interests in the profits of the platform investment, including profits realized in connection with the disposition of an asset. Although a platform investment may be controlled by a Fund, members of a management team will not be treated as affiliates of the General Partner for purposes of the Governing Documents. Accordingly, none of the compensation or expenses described above will offset the Management Fee. Because STG (and not the Fund) otherwise generally pays the salaries of its employees, STG has an incentive to cause a platform investment to retain its own management team instead of relying on STG personnel to provide managerial services, or to deploy existing STG personnel as members of such platform investment's management team. In addition, STG generally will have the ability to influence significantly the form and amount of compensation paid to such management teams. Members of platform investment management teams also may render services exclusively to the platform or provide the same or similar services to the Funds and/or portfolio investments.

As a result of the Funds' controlling interests in portfolio companies, STG and/or its affiliates typically have the right to appoint board members (including current or former STG personnel or persons serving at their request), to such portfolio companies, or to influence their appointment, and to determine or influence a determination of their compensation. From time to time, portfolio company board members approve compensation and/or other amounts payable to STG and/or its affiliates. STG and/or its affiliates may also, from time to time, employ or engage personnel with pre-existing ownership interests in portfolio companies owned by the Funds or other investment vehicles advised by STG and/or its affiliates. In addition, the Funds, through portfolio companies or directly, are expected to bear the cost, including compensation (including portfolio company equity grants), of directors, executives or consultants to portfolio companies, which from time to time include current or former senior principals or employees of STG or its affiliates, in connection with management or consulting services provided by such persons. Any such cost will not offset or otherwise reduce management fees paid to STG. Because such persons may be former senior principals or employees of STG or its affiliates, STG has a conflict of interest approving such arrangement. There can be no assurance that rates for such persons are the lowest cost available. Further, STG, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions or other service providers, some of which will invest (or will be affiliated with a limited partner) in, engage in

transactions with and/or provide services (including services at reduced rates) to, STG and/or its affiliates, and/or the Funds or other investment vehicles they advise. In addition, portfolio companies pay fees and expense reimbursements to third party consultants (including consultants introduced or arranged by STG and/or its affiliates that may regularly provide services to one or more Fund portfolio companies), and such fees and expense reimbursements will not offset the Management Fee as described herein.

Additionally, a portfolio company typically will reimburse STG or a service provider retained at STG's discretion for expenses (including, without limitation, travel and meal expenses) incurred by STG or such service provider in connection with its performance of services for such portfolio company. This subjects STG and its affiliates to conflicts of interest because the Funds generally do not have an interest or share in these reimbursements, and the amount of such reimbursements over time is expected to be substantial. Such reimbursements also will not offset or reduce the Management Fee. STG determines the amount of these reimbursements for such services in its own discretion, subject to internal reimbursement policies and practices. Although the amount of individual reimbursements typically is not disclosed to limited partners in any Fund, any fee paid or expense reimbursed to STG or such service providers generally is subject to: agreements with sellers, buyers and management teams; the review and supervision of the board of directors of or lenders to portfolio companies; and/or third party co-investors in its transactions. These factors have the potential to mitigate related conflicts of interest.

In connection with its services to the Funds and their investments, STG, its affiliates and personnel expect to receive the benefit of certain tangible and intangible benefits. For example, in the course of STG's operations, including research, due diligence, investment monitoring, operational improvements and investment activities, STG and its personnel expect to receive and benefit from information, "know-how," experience, analysis and data relating to Fund or portfolio company (as applicable) operations, terms, trends, market demands, customers, vendors and other metrics (collectively, "STG Information"). In many cases, STG Information will include tools, procedures and resources developed by STG to organize or systematize STG Information for ongoing or future use. Although STG expects its Funds and their portfolio companies generally to benefit from STG's possession of STG Information, it is possible that any benefits will be experienced solely by other or future Funds or portfolio companies (or by STG and its personnel) and not by the Fund or portfolio company from which STG Information was originally received or derived. STG Information will be the sole intellectual property of STG and solely for the use of STG. STG reserves the right to use, share, license, sell or monetize STG Information, without offset to Management Fees, and the relevant Fund or portfolio company will not receive any financial or other benefit of such use, sharing, licensure, sale or monetization. Additionally, expenses relating to the Funds or portfolio companies are expected to be charged using credit cards or other widely available third-party rewards programs that provide airline miles, hotel stays, travel rewards, traveler loyalty or status programs, "points," "cash back," rebates, discounts and other arrangements, perquisites and benefits under the available terms of such reward programs. Such terms are expected to vary from time to time, and any such rewards (whether or not de minimis or difficult to value) generally will inure to the benefit of the

personnel participating in the rewards program, rather than the portfolio companies, the Funds or their respective limited partners; no such rewards will offset Management Fees.

STG generally exercises its discretion to recommend to a Fund or to a portfolio company thereof that it contract for services with (i) STG or a related person of STG (which may include a portfolio company of such Fund and/or an Operations Group Member), (ii) an entity with which STG or its affiliates or current or former members of their personnel has a relationship or from which STG or its affiliates or their personnel otherwise derives financial or other benefit or (iii) certain limited partners or their affiliates. For example, STG is authorized to initiate transactions or service agreements between two or more portfolio companies of the Funds, and may engage certain limited partners or their affiliates that are engaged in lending or related businesses to provide financing and/or other services in connection with a Fund's investments. Potential conflicts of interest arise in initiating such transactions, as STG has incentives to maintain goodwill between it and its former, existing and prospective portfolio companies. Similarly, STG has incentives to engage limited partners to provide services to a Fund and/or its portfolio companies, including financing, to maintain goodwill with such limited partners including with respect to investments made or that may be made in one or more Funds. As a result, in each case, the products or services recommended may not necessarily be the best or lowest cost option. In addition, one portfolio company may provide goods or services to another portfolio company, and there can be no assurance that the terms of any such transaction will be the same as those that would be obtained in an arm's length transaction between unaffiliated parties. In particular, such transactions could result in the provision of services to a portfolio company at a rate higher than could be obtained by such portfolio company on the open market. Whether or not STG or any of its affiliates have a relationship with or receives financial or other benefit from recommending a particular transaction or service provider, there can be no assurance that no other transaction would be more beneficial or that a more qualified and/or lower cost service provider could not be obtained. This subjects STG to conflicts of interest, because although STG selects service providers that it believes are aligned with its operational strategies and will enhance portfolio company performance and, relatedly, returns of the relevant Fund, STG at times will have an incentive to recommend the related or other person (including a limited partner) because of its financial or other business interest. There is a possibility that STG, because of such belief or for other reasons (including whether the use of such persons could establish, recognize, strengthen and/or cultivate relationships that have the potential to provide longer-term benefits to the relevant Funds or STG), would favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. STG will not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses. Although STG generally seeks appropriate rates for services, it reserves the right to prioritize prior usage, perceived quality, sector competence or expertise, familiarity, onboarding speed or other factors in retaining or recommending service providers. Additionally, from time to time STG expects certain service providers, their affiliates and personnel to invest in, or co-invest alongside, one or more Funds, and due to the nature of the service provider relationships these persons have the potential to have information advantages relative to other limited partners or co-investors. In certain circumstances where STG commits or has committed to seek "market" or "arms-length" rates or terms, STG 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. STG 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, STG 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, STG reserves the right to rely on approximations or estimates of time spent for purposes of allocating or charging for services. Any methodology, or choice among methodologies, involves potential conflicts of interest.

In certain circumstances, current or former STG personnel have the ability to serve in interim or part-time roles at one or more portfolio companies, or provide services to portfolio companies as secondees or in similar capacities, while maintaining certain benefits, support services or indicia of employment at STG. Under such arrangements, the Fund and/or the relevant portfolio company pay or reimburse STG for all or a portion of the personnel costs (including salary, bonuses and employee benefits) of the relevant employee, or supervise or oversee such employee. These arrangements have the potential to create conflicts of interest, in that amounts paid by a portfolio company in connection with secondee relationships will not result in offsets to the Management Fee and such arrangements otherwise will shift employer costs from STG to the relevant portfolio company. The reimbursement amount is determined by the relevant General Partner and may vary by service, by portfolio company and/or by person; provided that in all instances the amount shall be reasonable in relation to the services provided. Due to the nature of secondee relationships, which are often initiated to meet a temporary portfolio company need, the arrangements between such employees and the related portfolio company are expected to change over time, and in many cases will be terminated when the portfolio company is sold. Employees may or may not return to STG at the end of such secondee arrangements.

STG and/or its affiliates reserve the right to employ or engage personnel with pre-existing ownership interests in, or who provided services to portfolio companies owned by the Funds or other investment vehicles advised by STG and/or its affiliates; conversely, current or former personnel or executives of STG and/or its affiliates are expected from time to time to serve in significant management roles at portfolio companies or service providers recommended by STG. Similarly, STG, its affiliates and/or personnel maintain relationships with (or may invest in) financial institutions, service providers and other market participants, including, but not limited to, managers of private funds, brokers, advisors, consultants, finders (including executive finders and portfolio company finders), executives, attorneys, accountants, institutional investors, family offices, lenders, former employees, and current and former portfolio company executives, as well as certain family members or close contacts of these persons. Certain of these persons or entities will invest (or will be affiliated with a limited partner) in, engage in transactions with and/or provide services (including services at reduced rates) to, STG and/or its affiliates, and/or the Funds or other investment vehicles they advise. In other circumstances, these vendors are expected to provide personal banking, private wealth or lending arrangements (including lending arrangements with respect to personal investments in or

through STG entities, whether or not relating to financing STG personnel obligations to fund General Partner commitment obligations) to STG personnel and their estate planning vehicles. STG expects to be subject to a potential conflict of interest with a Fund in recommending the retention or continuation of a third-party service provider to such Fund or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider or its affiliate(s) will continue to invest in one or more Funds, will provide STG information about markets and industries in which STG operates (or is contemplating operations) or will provide other services that are beneficial to STG. STG expects to be subject to a potential conflict of interest in making such recommendations, in that STG has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for a Fund, while the products or services recommended may not necessarily be the best available to the portfolio companies held by a Fund. Whether or not STG 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.

STG, its affiliates, and equity holders, officers, principals and employees of STG and its affiliates reserve the right to buy or sell securities or other instruments that STG has recommended to a Fund. In addition, officers, principals and employees reserve the right to buy securities in transactions deemed unsuitable for a Fund, but will not in such circumstances be required to share in or reimburse the relevant Fund for due diligence or other expenses (including broken deal expenses) incurred by the Fund in connection with the Fund's consideration of the relevant investment opportunity. The investment policies, fee arrangements and other circumstances of these investments generally vary from those of any Fund. Employees and related persons of STG have, and are expected to continue to have, capital investments in or alongside certain Funds, or in prospective portfolio companies directly or indirectly, and therefore may have additional conflicting interests in connection with these investments.

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

their families), any tax efficiencies or other personal benefits associated with the contribution will inure to the benefit of such beneficial owners rather than to the Fund or its limited partners.

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

Certain officers or directors of STG will serve as directors of certain portfolio companies and, in that capacity will be required to make decisions that consider the interests of the portfolio companies. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio companies, actions that may be in the interest of that portfolio companies may not be in the best interests of the Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interests between the relevant individual's duties as an officer or employee of STG or its affiliates and such individual's duties as a director of a portfolio companies.

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

Since STG is permitted to retain certain Transaction Fees (as described in Item 5 above) in connection with Fund investments, it expects to be subject to a potential conflict of interest in connection with approving transactions and setting such compensation. In many cases, fees are established upfront in anticipation of future services, are based on revenue, enterprise value or other metrics relating to a portfolio company, and there can be no assurance that the amount of fees charged will be proportional to the amount of hours of work performed on behalf of the portfolio company. While Management Fees will be offset by Transaction Fees that are attributable to the investments of a Fund pro rata based on the size of the Fund's investment in such portfolio company, Transaction Fees that are attributable to the investments of co-investors, third-party investors, and the General Partner and other Partners designated as "affiliated partners" that do not bear Management Fees generally will not offset the Management Fee or otherwise be subject to corresponding management fee offset provisions as set forth in the Governing Documents, such that STG will retain as earned revenue any such fees that are not required to be given back to limited partners through a management fee offset provision. Therefore, a Fund will only benefit with respect to its allocable portion (on a fully diluted basis) of such Transaction Fees and not the portion of any fee that relates to such co-investors, third-party investors and "affiliated partners." This revenue is expected to be significant and constitutes an actual or potential conflict of interest between STG and the Funds, and could

incentivize STG to allocate investment opportunities away from the Funds or to a specific group of co-investors and/or to approve and cause the Funds to make more speculative investments than they would otherwise make in the absence of such compensation. Further, STG is permitted to receive Transaction Fees before it would be entitled to receive the portion of the Management Fee that is offset by such Transaction Fees. To the extent that there are Transaction Fees that are attributable to a Fund (and not to such “affiliated partners”) that have not offset the Management Fee upon the winding up and dissolution of the Fund including because of Management Fee reductions or term extensions, such excess fees generally will be distributed to each partner (other than such “affiliated partners”) in such amounts that such partner would receive if they were distributed in accordance with the provisions of the relevant Governing Documents; however, a partner may elect not to receive its share of such excess Transaction Fees and in such event the relevant General Partner would realize the full benefit of such portion of the Transaction Fees without an offset to the Management Fee.

In addition, as described above, STG has retained an Operations Group, consisting of professionals with operational expertise whose responsibilities generally relate to diligence, and oversight and support of portfolio companies or prospective portfolio companies, including by maintaining daily interaction with portfolio company management teams and taking on temporary management responsibility at companies on an as-needed basis. Such persons include employees of STG and third-party consultants and STG may designate members of the Operations Group in its sole discretion. STG and its affiliates are authorized from time to time direct members of the Operations Group to provide assistance with sales, marketing, technology, human resources (including recruiting), acquisition integration/rationalization and/or other operations services, acquisition or other due diligence, or similar services to the Fund, any alternative investment vehicle or any portfolio company or prospective portfolio company of the Funds or a portfolio company (e.g., serving on boards, other governing bodies or management teams of portfolio company, consulting, etc.), including on an exclusive basis (the “Services”). Fees and expenses associated with the Services (collectively, “Consulting Fees and Expenses”), will be paid and/or reimbursed by applicable portfolio companies or prospective portfolio companies or by a Fund (either directly or through STG or one of its affiliates) and will not offset or otherwise reduce the Management Fee. Consulting Fees and Expenses are permitted to, at the sole discretion of the General Partner taking into account the particular Services, include cash fees, a per diem or project based retainer or fee, monthly fee, performance fee, profits or equity interest in a portfolio company (the terms of which may be different than the profits or equity interest owned by the Funds) or other incentive-based compensation to a member of the Operations Group, the amount of which may be determined according to one or more methods, including the value of the time (including an allocation for overhead and other fixed costs) spent by such member of the Operations Group, a percentage of the value of the portfolio company, a percentage of the amount of capital invested in and/or committed to such portfolio company, amounts charged by other providers for comparable services and/or a percentage of cash flows from such portfolio company. Operations Group members also are expected to receive reimbursement from portfolio companies and/or the Funds of certain costs and expenses, including travel, meals, lodging and reasonable and customary entertainment, that are incurred in connection with providing Services. Separately, certain Operations Group members also receive

office space, health insurance, business cards, paid time off and other employment benefits and may make use of other Management Company resources. Fees charged by the Operations Group members include a component for such employee benefits. Compensation in the form of profits or equity interests in a portfolio company or intermediate holding company generally has a dilutive impact on the Fund's investment, and the relevant Fund typically will bear the costs of all Operations Group compensation as well as fees, costs and expenses of structuring Operations Group arrangements. To the extent that Operations Group members are paid retainers or guaranteed minimum compensation amounts, there is the possibility that certain portfolio companies or Funds will bear a greater share of such compensation due to the utilization of the Operation Group's services at a time when fewer portfolio companies or Funds make use of such Operations Group member. Under many of these arrangements, there can be no assurance that the amount of compensation paid in a particular year will be proportional to the amount of hours worked or the amount of tangible work product generated by the Operations Group member. Additionally, members of the Operations Group are expected to be provided opportunities to co-invest in one or more portfolio companies or a Fund, without the payment of management fees and Carried Interest. Members of the Operations Group also may have a limited partner or profit interest in a Fund, a General Partner, or their respective affiliates. In addition, portfolio companies are permitted to from time to time pay certain additional compensation (including in the form of equity interests) to members of the Operations Group. Any such compensation, whether paid by a Fund or a portfolio company, will not offset or otherwise reduce the Management Fee as described herein. Members of the Operations Group are permitted to also receive a portion of the General Partner's Carried Interest as compensation. To the extent such members of the Operations Group are involved in a Fund's investments, their Carried Interest may create an incentive to seek that a Fund make riskier or more speculative investments, to sell an investment sooner or to hold an investment longer than otherwise would be the case. Furthermore, portfolio companies of a Fund potentially will pay members of the Operations Group or other consultants to perform services that, directly or indirectly, benefit STG, its affiliates, and/or portfolio companies. Consequently, STG, its affiliates and/or portfolio companies may receive Services without being charged or at below market rates. STG will face potential conflicts of interest in determining the allocation of Consulting Fees and Expenses. For example, STG generally will not be allocated Consulting Fees and Expenses that relate to services performed by Operations Group members for a Fund and/or portfolio companies or prospective portfolio companies. However, these services may also provide a direct or indirect benefit to STG and/or its affiliates including Funds. Therefore, STG has an incentive to classify a particular service as being for a Fund and/or a portfolio company or prospective portfolio company, even though it may directly or indirectly benefit STG and/or its affiliates, in whole or in part. Similarly, STG is permitted determine in its sole discretion whether to hire or designate an employee as an Operations Group member, and has an incentive to do so in order to shift costs to the Funds and/or their portfolio companies that would otherwise be borne by STG as overhead, and to avoid any offset to the Management Fee with respect to Consulting Fees and Expenses paid to such persons. In addition, under certain circumstances, the General Partner may be permitted to redesignate an STG employee as an Operations Group member and/or engage a former STG employee as a consultant, such that their compensation and expenses would be

borne by the Funds and/or the appropriate portfolio company. Operations Group members also may be employed by portfolio companies, and therefore their compensation and employee benefits similarly would be borne by the applicable portfolio companies. Accordingly, any such personnel re-designation or change in employment relationship would increase the costs and expenses directly or indirectly borne by the relevant Fund. The allocation of Consulting Fees and Expenses may not be proportional, and any such determinations involve inherent matters of discretion by the General Partner. Consulting Fees and Expenses generally are expected to be borne by the relevant portfolio companies and/or the Fund. In certain cases, including where a Fund does not own a controlling interest in a portfolio company, the portfolio company, its management and/or equity holders potentially will not agree to engage and/or bear the costs of Operations Group members. In such cases, where the relevant General Partner believes the services of the Operations Group will benefit a portfolio company, it is authorized to cause the Fund to bear such costs directly, resulting in the Fund bearing a disproportionate share of those costs vis-à-vis other equity holders of a portfolio company, notwithstanding that other equity holders in that portfolio company will receive the benefit of any returns that result from Operations Group services. Although STG intends to retain the Operations Group and consultants with a view to reducing costs to portfolio companies (and, ultimately, the Fund) and/or improving portfolio company performance, a number of factors may result in limited or no cost savings from such retention and there can be no assurance that no other service provider is more qualified to provide the applicable services or could provide such services at lesser cost.

In addition to the Operations Group, STG also expects to engage certain other consultants on behalf of the Fund to assist STG in sourcing, analyzing and executing investments and performing other services similar to the Services performed by the Operations Group, often with the intention that such consultants will assume board, executive or other management roles at the portfolio companies they identify. Compensation, expenses, fees and other amounts received by the foregoing, including amounts received by such consultants from portfolio companies or the Funds, are expected to include Consulting Fees and Expenses and similarly will not result in an offset of the Management Fee.

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

STG and/or its affiliates from time to time enter into side letters with certain limited partners in a Fund, including STG personnel and their investment vehicles. These side letters provide certain limited partners with customized terms, which results in preferential treatment or could economically incentivize STG to provide preferential treatment, with respect to, among others: (i) different economic terms, including reduced Management Fees, modified waterfall mechanics and/or reduced Carried Interest; (ii) the ability to opt-out of certain types of investments or prevent the relevant Fund from making certain types of investments (including with respect to investments in certain geographies

and/or industries); (iii) the right to receive certain additional information, certifications, reporting and/or notifications from the relevant Fund, STG or any of their affiliates and/or the manner in which information and/or notice shall be provided; (iv) the right to transfer Fund interests and to cause such transferee to be admitted to the relevant Fund as a substitute limited partner; (v) the offering of, and/or participation in, co-investment opportunities; (vi) the right to withdraw from the relevant Fund in the event of adverse tax or regulatory events or violations of law or policies or in the event the limited partner's commitment in a Fund would exceed a certain percentage of the Fund's aggregate Commitments; (vii) additional confidentiality protections; (viii) the right to disclose certain information to underlying limited partners, the public, regulators or certain other persons; (ix) structuring rights with respect to certain types of investments; (x) modification of default remedies; (xi) investment pacing restrictions; (xii) limits on indemnification; (xiii) rights relating to the appointment of a representative to serve as a member and/or observer of the Advisory Board, (xiv) rights with respect to legal, regulatory or policy requirements applicable to any such limited partner or its affiliates, (xv) rights to a share of certain fees and/or Carried Interest of the General Partner and/or its affiliates or (xvi) certain other terms whether economic, procedural or otherwise. In addition, STG will permit certain limited partners closely associated with the relevant General Partner, STG or any of their respective affiliates, any of their respective personnel, partners, members, equity holders or service providers (including members of the Operations Group), persons with whom STG has strategic relationships and any "friends and family" of the foregoing to invest directly or indirectly in the relevant Fund on terms that are more favorable than those offered to other investors, including with respect to the non-payment or reduction in payment of Management Fees and Carried Interest or different treatment with respect to fee offset. If the relevant Fund or the relevant General Partner or an affiliate thereof enters into a side letter entitling a limited partner to opt out of a particular investment (including one or more significant limited partners with geographic- or industry- specific opt outs) or withdraw from the relevant Fund, any election to opt out (including by one or more significant limited partners with geographic- or industry- specific opt outs) or withdraw by such limited partner would correspondingly increase the interest that other limited partners will have in that particular geography, industry or investment (in the case of an opt-out) or all future investments (in the case of a withdrawal). In addition, in the case of an opt-out election, depending upon the specific terms of the relevant Fund Agreement (which may call for future capital contributions to be based on unfunded Commitments rather than aggregate Commitments), the election may decrease the interest that other limited partners will have in subsequent investments. Furthermore, in the case of any side letter entitling a limited partner to opt out of a particular investment, the relevant General Partner may determine to prevent the relevant Fund from making such investment rather than allowing the limited partner to exercise its opt out right. For example, depending on the scope of any such opt out right, and the manner in which the relevant investments if made by the relevant Fund, would be held by the relevant Fund, it may not be practicable to exclude a limited partner from such investments. Accordingly, such excuse and/or exclusion rights could have the practical result of preventing the relevant Fund from making such investments and therefore preventing all limited partners from participating in what may be profitable investments. While the relevant General Partner will in good faith take such considerations into account when considering such opt out requests, it is possible that

the impact on the relevant Fund of any excuse and/or exclusion rights agreed to by the General Partner may be more material than anticipated by the General Partner at the time such opt out rights are granted.

Side letters subject the General Partner to potential conflicts of interest, including in circumstances where a limited partner's right to serve on a Fund's Advisory Board results in the limited partner receiving additional information relative to other limited partners. To the extent a limited partner is subject to statutory or other limitations on indemnification, or otherwise negotiates rights relating thereto, other limited partners may be subject to increased losses, or be required to bear an increased portion of indemnification amounts. A General Partner is likely to have its own economic and/or other business incentives to provide certain terms to certain Limited Partners (e.g., based on commitment amount to the relevant Fund or the timing thereof, the ability of a Limited Partner to provide sourcing or other services to the General Partner, its affiliates and personnel or the Fund), or the potential to establish, recognize, strengthen or cultivate relationships that have the potential to provide longer-term benefits to the General Partner, its affiliates and personnel, or the Fund. The other Limited Partners will generally have no recourse against the Funds, the General Partner and/or any of their affiliates in the event that certain Limited Partners receive additional and/or different rights and/or terms as a result of such side letters.

From time to time, Fund portfolio companies, their respective affiliates and personnel and/or persons selected by them are expected to receive the benefit of "friends and family" and similar discounts from portfolio companies owned by the Funds under which such portfolio companies make their goods and/or services available at reduced rates. Because such portfolio companies typically offer such discounts to customers other than STG and such persons as part of their standard commercial practices in an effort to expand their respective customer bases, STG believes that the potential for conflicts of interest relating to such discounts is mitigated. STG, its affiliates and personnel generally refrain from requesting or negotiating for such discounts in the ordinary course, but may do so from time to time.

STG has instituted, or expects to institute, a program under which portfolio companies owned by the Funds are given the option to participate in purchasing, vendor or similar arrangements with STG, its affiliates and other portfolio companies. Program participants expect to receive discounts negotiated with various vendors and service providers on a group-wide basis. Participants voluntarily participate in the program and, to the extent incurred, STG allocates fees and third-party administration costs for such program among, as applicable, the relevant Funds and/or portfolio companies. In certain cases, such arrangements will involve the sharing of risk, such as under group insurance arrangements where deductibles are shared or calculated with regard to the group rather than individual insured parties. Additionally, STG and its affiliates also have the option of participating in such program in exchange for an allocable portion of such fees and costs, and receive similar benefits and discounts as the portfolio companies participating therein. No such amounts will result in additional offsets to the Management Fee. STG believes the potential for conflicts relating to such arrangements is mitigated by the anticipated cost savings to portfolio companies (which is

expected to be to the benefit of the applicable Fund(s)) that will result if the negotiated discounts rates for goods and services are discounted due to scale or relative to those widely available in the market.

The relevant liability standards under insurance coverage procured by STG are expected to vary by carrier, and such standards are expected to vary from time to time depending on, for example, coverage features or limitations then-available from the carrier at the time of insurance contract renewal. As a result, insurance coverages from time to time are expected to vary from relevant liability and/or indemnity standards in the relevant Governing Documents. Limited partners generally will be responsible for insurance premiums, as set forth in the relevant Governing Documents, regardless of whether the liability and/or indemnity standards in STG's insurance coverage are higher or lower than that set forth in the relevant Governing Documents.

Any of these situations subjects STG and/or its affiliates to potential conflicts of interest. STG attempts to resolve such conflicts of interest in light of its obligations to limited partners in its Funds and the obligations owed by STG's advisory affiliates to limited partners in investment vehicles managed by them, and attempts to allocate investment opportunities among a Fund, other Funds and such investment vehicles in a fair and equitable manner. STG believes that the significant investment of the principals in each Fund, as well as the principals' interest in the Carried Interest, operate to align, to some extent, the interest of the principals with the interest of each Fund's limited partners, although the principals have economic interests in other Funds and investments and investment vehicles as well, and may receive Management Fees and Carried Interests relating to such interests. In the event a conflict of interest arises, STG will attempt to resolve such conflict of interest in light of their obligations to Fund limited partners, and will attempt to allocate investment opportunities in a fair and equitable manner. Where necessary, STG may consult with and receive consent to conflicts from an Advisory Board consisting of certain Fund limited partners. Certain investments may be allocated among a Fund, including any successor Fund, in a manner as set forth in the applicable Governing Documents.

Investment funds managed by Goldman Sachs Asset Management's Petershill investment platform (collectively, "GSAM") own a minority interest in STG not large enough to appear on STG's Form ADV Part 1, Schedule A or B. GSAM does not have authority over the day-to-day operations or investment decisions of STG as it relates to the Funds, although it has negotiated certain minority protection and consent rights in connection with its investment in STG. GSAM has also made a commitment to certain STG Funds. The existence of these minority economic interests could diminish the alignment of GSAM's interests with other Fund investors. Additionally, a conflict of interest could arise in that GSAM and/or its affiliates sponsor, advise, underwrite, manage or invest in other investment vehicles and accounts that pursue investment strategies similar to those of the Funds. Such activities have the potential to adversely affect the Funds; for example, GSAM and/or its affiliates could compete with the Funds for investment opportunities, and STG expects that GSAM would be under no obligation to share any investment opportunity, idea or strategy with the Funds or STG. Finally, in connection with their commitments to certain Funds and unrelated to their ownership stake, GSAM has been granted an observer seat on two STG fund advisory boards, which

may give GSAM access to information that investors not participating on the advisory board do not have.

Over time, some or all of the policies, procedures and practices described herein (“Current Procedures”) are expected to change, and there can be no assurance that STG will not vary from its Current Procedures with respect to the Funds in the future. In addition, from time to time, STG reserves the right to adopt, revise or rescind investment-related policies with respect to the Funds for the purposes of regulatory compliance, including for the purpose of establishing regulatory categorization or regulatory treatment of STG, the Funds or their respective affiliates. Such policies may limit or restrict activities of the Fund and shall be operative to the extent provided in such policies.

ITEM 9 – DISCIPLINARY INFORMATION

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

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

STG is affiliated with each of the General Partners, which are subject to the Advisers Act pursuant to and in reliance upon STG’s registration in accordance with SEC guidance. These affiliated entities operate as a single advisory business and serve as investment managers and/or general partners of Funds and other pooled vehicles and generally share common owners, officers, partners, employees, consultants, or persons occupying similar positions. These General Partners do not have employees of their own.

As mentioned in Item 4 and throughout this Brochure, STG is affiliated with Symphony. Although STG and Symphony have different ownership, they have significant overlap with regard to advisory personnel, investment strategy and processes. Under an investment management agreement, members of STG provide services to Symphony, the Symphony Funds and portfolio companies of the Symphony Funds.

Investment funds managed by Goldman Sachs Asset Management’s Petershill investment platform (collectively, “GSAM”) have made a minority investment in STG. GSAM does not have authority over the day-to-day operations or investment decisions of STG as it relates to the Funds, although GSAM has negotiated certain minority protection and consent rights in connection with its investment in STG. Although STG intends to maintain operations, strategy and investment decisions separate from GSAM, it generally will have incentives to conduct operations in a manner that benefits GSAM.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics and Personal Trading

STG has adopted a Code of Ethics and Securities Trading Policy and Procedures (the “Code”), which sets forth standards of conduct that are expected of supervised persons and addresses conflicts that arise from personal trading. Personal securities transactions are required to be conducted in a manner that prioritizes the Funds’ interests in eligible investments.

STG’s supervised persons and their covered family members are prohibited from trading, either personally or on behalf of others, in securities while in possession of material nonpublic information regarding publicly traded securities or communicating material nonpublic information about such securities to others. Because STG’s business focuses primarily on private market investments, STG expects that instances of supervised persons having access to material nonpublic information regarding publicly traded securities will be relatively infrequent. Subject to limited exceptions set forth in the Code, the Code requires all supervised persons and their covered family members to report periodically their personal securities transactions and holdings to the Chief Compliance Officer and to obtain approval from the Chief Compliance Officer prior to acquiring or disposing of, directly or indirectly, beneficial ownership of certain restricted securities or acquiring, directly or indirectly, beneficial ownership of securities in an initial public offering or in a limited offering. In addition, the Code requires supervised persons to comply with procedures designed to prevent the misuse of, or trading upon, material non-public information. A copy of the Code will be provided to any client or prospective client upon request to STG’s Chief Compliance Officer at (650) 935-9500.

Each Fund’s Governing Documents generally limits the extent to which supervised persons may invest in investments that are held, suitable for or being pursued by a Fund. However, as discussed in Item 8, STG and its principals and employees carry on investment activities for their own account and for family members, friends or others who do not invest in the Funds, and may give advice and recommend securities to vehicles which may differ from advice given to, or securities recommended or bought for, the Funds, even though their investment objectives may be the same or similar. In addition, consistent with the Governing Documents, principals and employees are permitted to buy securities in transactions offered to, but rejected by, the Funds or that are outside the investment mandate of the Funds. All such employee private investments are subject to pre-approval and/or review by the Chief Compliance Officer.

Participation or Interest in Client Transactions

Certain STG employees and their family members have invested in the Funds either through the General Partner and/or as Fund limited partners. As mentioned in Item 5 and Item 6 above, STG generally reduces all or a portion of the Management Fee and Carried Interest related to investments

held by such persons. STG does not believe this arrangement presents any material conflict of interest since the General Partners' interests are aligned with the interests of limited partners in such Funds.

Section 206(3) of the Advisers Act generally prohibits investment advisers from engaging in principal, cross and agency cross transactions without the appropriate disclosure and consent. STG will only enter into a principal, cross or agency cross transaction with the appropriate disclosure and consent.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, knowingly buys from or sells a security to an advisory client. This applies to any affiliates or controlling persons of the adviser (i.e., an owner, employee or affiliate of the adviser, such as a Fund General Partner). Cross trades between funds can also be deemed to be principal transactions if the adviser (and/or its affiliates, owners, or controlling persons) own, in the aggregate, 25% or more of either fund. In the context of STG's business, a principal transaction would most likely refer to the practice of warehousing an investment for the formation of a future fund or STG or a Fund General Partner purchasing the interest of an existing limited partner. Cross transactions occur when an adviser or an affiliate arranges a transaction (i.e., acts as broker) between two or more funds or accounts that are managed by that same adviser or an affiliate. An adviser is not "acting as a broker" if the adviser receives no compensation (other than the advisory fee earned in the ordinary course of managing the assets) for effecting the transaction and therefore is not considered to be conducting a cross transaction under Section 206(3) of the Advisers Act. In the context of STG's business, a cross transaction would occur when selling a portfolio company, investment or other asset from one Fund to another. Agency cross transactions occur when an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, which is not applicable to STG.

In the event STG were to recommend a principal transaction or cross transaction, it would only be after: (i) the Firm has determined the transaction to be in the best interest of participating clients; (ii) the transaction is permitted by the relevant Governing Documents; (iii) proper disclosure is given to the relevant General Partner, advisory board or limited partners, as appropriate; (iv) consent is obtained from the appropriate parties; and (v) the Firm ensures that best execution is achieved for the transaction.

Conflicts of Interest

If any matter arises that STG determines in its good faith constitutes an actual conflict of interest, STG will take such actions as are necessary or appropriate, and as permitted by any applicable Fund's Governing Documents, to address the conflict. The Governing Documents of each Fund include a description of what STG believes to be the most significant conflicts of interest associated with an investment in that Fund. Some of these conflicts are summarized in Item 8 above.

ITEM 12 – BROKERAGE PRACTICES

While STG generally focuses on securities transactions of private companies and purchases and sells such companies through privately-negotiated transactions, the Funds are permitted to engage the services of a broker-dealer or investment banker to perform various services to for the Funds and the portfolio companies, which as assisting in the purchase or sale of a private portfolio company, assisting in the purchase or sale of shares of a public portfolio company or purchasing or selling publicly traded securities. STG has sole discretion over the purchase and sale of investments (including the size of such transactions) and the broker-dealer or investment banker, if any, to be used to effect transactions for the Funds. In executing transactions, STG will seek best execution of the transaction. Best execution is a qualitative assessment that takes into account the full range and quality of a broker-dealer or investment banker's services and is satisfied by obtaining the most advantageous overall terms for the Fund(s) when weighing all factors relevant to the transaction. Best execution is therefore not necessarily determined by lowest possible commission rates.

Whether for private or public securities transactions, STG selects a broker-dealer or investment banker based on STG's judgment regarding a variety of factors, including but not limited to: STG's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to the Firm; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; the type and size of the transaction involved; the value of any research services providers; and the commission rates, among other factors.

Although STG generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer or investment banker that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions, or their equivalents, than would be the case with other transactions requiring more routine services.

ITEM 13 – REVIEW OF ACCOUNTS

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities. STG's investment professionals closely monitor companies in which each Fund invests and maintain an ongoing oversight position in such portfolio companies. STG holds board seats for most of the investments it makes or otherwise acts to influence control of the management of the investments. Moreover, a team of investment professionals assigned to the portfolio company monitor performance through regular management meetings, as well as detailed reviews of that occur as needed. The team includes principals and other investment professionals of STG at differing levels of seniority. In addition, STG's Chief Compliance Officer periodically checks to confirm that each

Fund is maintained in accordance with its stated objectives as set forth in the applicable Governing Documents.

Each Fund generally provides to its limited partners the following written reports (i) on a quarterly basis (for the first three quarters of the fiscal year) unaudited financial statements and information regarding net Management Fee reductions and (ii) on an annual basis (A) audited financial statements, (B) tax information necessary for each limited partner's tax return, and (C) valuations of such Fund's investments.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As described in Item 5, STG provides certain business or consulting services to a Fund's portfolio companies and receives compensation from these companies in connection with such services, which are in addition to the Management Fee. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that STG believes will ultimately enhance the value of the companies and benefit the Funds and their limited partners. The receipt of such fees, expenses, reimbursements and any conflicts of interest associated with the receipt of such fees are detailed in each Fund's Governing Documents and are described in this Brochure, in each case as presented to limited partners prior to investment in a Fund.

When raising capital for a new fund, STG enters into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. Any fees payable to any such placement agents generally will be borne by STG directly or indirectly through an offset against the Management Fee, although related expenses incurred pursuant to the relevant placement agent or similar agreement, including but not limited to placement agent travel, meal and entertainment expenses, are typically borne by the relevant Funds.

ITEM 15 – CUSTODY

STG is deemed to have custody of the Funds' assets because the General Partners are not operationally independent from STG: each Fund's General Partner generally has full discretion and control over Fund investments and cash, including the ability to deduct fees from Fund accounts. To comply with Advisers Act Rule 206(4)-2 (the "Custody Rule"), STG has elected to undergo an annual GAAP financial statement audit by an independent public accountant registered with and subject to examination by the Public Company Accounting Oversight Board for each of the Funds over which it is deemed to have custody, copies of which are (or will be, for newly closed Funds) delivered to the Funds and their respective limited partners within 120 days of fiscal year end (or earlier as agreed to in the relevant Governing Documents). In addition, upon the final liquidation of a Fund, STG will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP with respect to such Fund to all underlying limited partners promptly upon completion of the audit. Limited partners are encouraged to carefully review such financial statements.

STG does not accept physical custody of Fund assets (other than certain privately offered securities to the extent permitted by the Advisers Act). Called capital is directly deposited or wired into the relevant Fund's bank account maintained with a qualified custodian and public securities are held with broker-dealers or transfer agents who act as custodians for such securities. STG receives monthly statements from each of its qualified custodians on behalf of the Funds. For more information about the Funds' qualified custodians, please see Form ADV Part 1, Schedule D, Section 7.B.(1).

ITEM 16 – INVESTMENT DISCRETION

STG is retained on a fully discretionary basis and is authorized to determine and direct the execution of portfolio transactions pursuant to the terms of each Fund's Governing Fund Documents. To become a limited partner in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement (or similar agreement) with a Fund. Such documents generally contain a power of attorney that grants STG or the applicable Fund's General Partner certain powers related to the orderly administration of the affairs of the Fund. Once a limited partner executes these documents, with limited exceptions discussed elsewhere in this Brochure, STG is not required to contact such limited partner prior to transacting business in a Fund. Pursuant to the terms of the applicable Governing Documents, however, a Fund or STG have entered into side letters with certain limited partners whereby the terms applicable to such limited partner's investment in such Fund are altered or varied, including, in some cases, the right to opt-out of certain investments for legal, tax, regulatory or other similar reasons.

ITEM 17 – VOTING CLIENT SECURITIES

By virtue of the applicable Governing Documents, the General Partners have the authority to vote proxy statements on behalf of the Funds. However, given the nature of STG's advisory business, the Funds seldom hold public securities; the majority of "proxies" received by the Funds are written shareholder consents or similar instruments for private companies owned by the Funds. Specifically, from time to time, portfolio companies request STG (usually through the General Partner of the applicable Fund) to consent to certain issues pertaining to the portfolio company's business and requiring equity owner approval. In these cases, the General Partners consider factors that could affect the value of the investment and will act in the manner that they believe maximizes the value of its long-term investment in portfolio companies.

STG has adopted Proxy Voting Policies and Procedures (the "Proxy Policy") to address how it will vote proxies, as applicable, for the Funds' portfolio investments. The Proxy Policy seeks to ensure that STG votes proxies (or similar instruments) in the best interest of the Funds, including where there may be material conflicts of interest in voting proxies. STG generally believe its interests are aligned with those of each Fund's limited partners, for example, through the principals' beneficial ownership interests in such Fund and therefore will not seek limited partner approval or direction when voting proxies. However, in the event that there is or may be a conflict of interest in voting proxies, the Proxy Policy provides that STG may address the conflict using several alternatives set

forth in the Proxy Policy, including by seeking the approval or concurrence of an advisory board on the proposed proxy vote, or through other alternatives as set forth in the Proxy Policy. Limited partners in the Funds cannot direct how the General Partners vote proxies or shareholder consents, nor is STG required to seek limited partner approval or direction when voting proxies or when giving consent on any matter requiring the consent of shareholders.

Firm principals and affiliated or unaffiliated third parties appointed by STG sit on the boards of portfolio companies to which STG provides operational, management and consulting services and, as such, exercise authority with respect to various issues faced by the portfolio companies. STG does not consider service on portfolio company boards by the aforementioned persons or their receipt of management or other fees from portfolio companies, if any, to create a material conflict of interest in voting proxies with respect to such companies.

Clients or prospective clients that would like a copy of the Proxy Policy or information regarding how STG voted proxies for particular portfolio companies should contact the Firm's Chief Compliance Officer, at (650) 935-9500, and such information will be provided free of charge.

ITEM 18 – FINANCIAL INFORMATION

STG does require or solicit prepayment of more than \$1,200 in fees per Fund more than six months in advance, has financial no condition reasonably likely to impair its ability to meet contractual commitments to Funds or limited partners and has not been the subject of a bankruptcy proceeding.