

Concord Management Services, LLC

Part 2A of Form ADV

The Brochure

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This brochure (“Brochure”) provides information about the qualifications and business practices of Concord Management Services, LLC (“Concord”). If you have any questions about the contents of this brochure, please contact Concord at (212) 508-7090.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Concord 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 about Concord is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This brochure dated March 28, 2024 serves as update to the brochure dated March 31, 2023. The Material Changes section of this brochure will be updated when material changes occur since the previous release of the brochure. Because this Item 2 discusses only those material changes to this brochure that have been made since the prior brochure, this document should be reviewed in its entirety. There have been no material changes to this brochure since the previous one dated March 31, 2023.

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Advisory Business

Concord is a healthcare private equity firm established in October 2017 under the laws of the State of Delaware as a Limited Liability Company. Headquartered in Summit, New Jersey, the firm is led by James T. Olsen (“Mr. Olsen”) who is the principal owner of Concord and controls the policies of Concord. Mr. Olsen has over 25 years of experience in healthcare private equity and investment banking and serves as the Managing Partner of Concord.

Concord serves as an investment manager and provides investment advisory services to private investment partnerships. Currently, this includes AHA Innovation Development Fund, L.P. (“Fund I”) and Concord Innovation Fund II, L.P. (“Fund II”), both Delaware limited partnerships as well as CHP Cedar SPV, LLC (“Cedar SPV”) and CHP Cedar SPV II, LLC (“Cedar SPV II”), both Delaware limited liability companies (hereinafter each a “Fund” and collectively the “Funds”). The Funds make primarily significant minority investments in growth stage healthcare companies. Concord’s investment strategy primarily focuses on healthcare information technology, healthcare services, healthcare tech-enabled services and medical technology. Within these sectors, the Funds generally target companies that offer innovative technologies, solutions and/or services that are

operational and/or strategically important to health providers and health insurers. Concord invests in companies with innovative technologies that lower the cost of care, improve quality and expand access to care. For further information about Concord's investment strategy, including a description of how Concord seeks to transform the Funds' portfolio companies, see "Methods of Analysis, Investment Strategies and Risk of Loss" below.

Concord VC GP, L.P., a Delaware limited partnership, serves as the general partner of Fund I. Concord GP II, L.P., a Delaware limited partnership, serves as the general partner of Fund II, while CHP Cedar SPV SM, L.P. serves as the special member to Cedar SPV and Cedar SPV II. This brochure describes the business practices of the general partners of Fund I and Fund II and the special member of Cedar SPV and Cedar SPV II, which operate as a single business together with Concord. Each general partner is subject to the Advisers Act pursuant to Concord's registration in accordance with SEC guidance. For further information regarding these entities, see "Other Financial Industry Activities and Affiliations" below.

As of the date of this filing, Concord has regulatory assets under management of \$262,429,211 which it manages on a discretionary basis.

In providing services to the Funds, Concord executes the investment objective for each Fund, directs and manages the investment of each Fund's assets, and provides periodic reports to investors in each Fund. Investment advice is provided directly to each Fund and not individually to the Funds' investors. Concord manages the assets of each Fund in accordance with the terms of the governing documents applicable to each Fund (the "Governing Documents"), which are generally established at the time of the formation of a Fund. The Fund investors may not direct investments by the Funds, and except in limited circumstances, investors are not permitted to withdraw from a Fund prior to completion of the Funds' winding up.

Investor interests in the Funds are not registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and the Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Accordingly, interests in the Funds are offered and sold exclusively to investors satisfying the applicable eligibility and suitability requirements either in private transactions within the United States or in offshore jurisdictions.

Fees and Compensation

Management Fees

Concord receives an investment management fee from Fund I and Fund II payable quarterly in advance. Such fees are pro-rated for any period that is less than a full quarter period. Fund I and Fund II are charged an annual management fee at the rates and for the periods set forth in the Governing Documents of the Fund I and Fund II, which typically provide for a fee of 2.0% of capital commitments during Fund I's and Fund II's investment periods.

Carried Interest Allocations

Carried interest is a share of the net profits derived from investments that is allocated to a Fund's general partner or special member as an incentive for Concord to maximize the performance of the Fund. Fund I and Fund II are subject to a carried interest of 20% of net profits from investments, as more fully described in the applicable Governing Documents. Cedar SPV and Cedar SPV II are subject to a carried interest of 17.5% of net profits from investments, as more fully described in the applicable Governing Documents.

Arrangements with Certain Investors

Concord may, in its sole discretion, permit investors who are employees or otherwise related to Concord personnel to invest in a Fund without being subject to the management fee or the carried interest. In addition, certain investors may be entitled to invest on a reduced or otherwise more favorable management fee and/or carried interest basis pursuant to certain Side Letters (as defined in "Types of Clients" below) entered into by Concord with such investors.

Other Fees

Concord and/or its affiliates may receive Other Fees (as defined below). A percentage of a Fund's allocable portion of Other Fees received by Concord and/or its affiliates, net of certain expenses, in each case as set forth in the Governing Documents of the relevant Fund, will be applied to reduce the future management fees payable by a Fund, where applicable. The term "Other Fees" means (i) any fees or amounts paid to Concord or any of its affiliates or a Fund by any party in connection with the acquisition, termination, cancellation or abandonment of any Fund investment or proposed Fund investment that is ultimately not consummated, including any transaction, closing, advisory, "break-up" or "topping" fees or (ii) any fees paid by a portfolio company or any affiliate of a portfolio company in connection with any Fund investment or proposed Fund investment that is ultimately not consummated, including any monitoring fees, advisory fees, director's fees or consultant fees; provided that, in each case, Other Fees will not include (A) amounts paid as reimbursement for out-of-pocket expenses incurred in connection with providing services in respect of which such Other Fees were paid, or any amounts paid to consultants (including Concord Advisors (as defined below)) and other third parties for consulting and advisory fees in connection with any Fund investment or potential Fund investment that is ultimately not consummated; and (B) any fee (including any management, administrative or other similar fee) paid to Concord or any of its affiliates by third parties or a Fund's investors in respect of a co-investment vehicle or an aggregator or other similar vehicle established to co-invest alongside the Fund in connection with any Fund investment.

Executives serving as consultants to Concord ("Concord Advisors") may receive Other Fees directly from portfolio companies, or share in Other Fees payable to Concord and/or its affiliates, but such amounts are not applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors. Similarly, from time to time, Concord may agree to pay a portion of Other Fees, such as a transaction fee, to another third party, such as a consultant, adviser, finder, broker, investment bank and/or co-investor involved in respect of a specific transaction. In such event, the portion of the Other Fees paid to such third parties is not applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors.

With respect to the implementation of certain arrangements described above, such as an advisory or monitoring agreement with a portfolio company, there may not be an independent third party involved in negotiating such arrangements on behalf of the portfolio company. Therefore, a conflict of interest exists in the determination of any such fees and other terms, such as the reimbursement of expenses incurred by Concord and its affiliates, in such arrangements with the portfolio company.

As noted above, Concord and its affiliates also engage and retain Concord Advisors, consultants, operating partners and other similar third party professionals, none of whom are employees of Concord and who receive payments from, and/or equity (or equity-like) grants, issuances, or allocations with respect to, portfolio companies, the Funds, and/or other entities. In such circumstances, the amounts of such fees or other compensation received by such persons may be retained by such persons and will not be deemed paid to or received by Concord and its affiliates, and such amounts will not be applied to reduce the management fees payable by the Funds or otherwise shared with the Funds or their investors.

The fee structures described herein may be modified from time to time. Detailed information regarding Other Fees and the amount of, and manner in which, Other Fees are applied to reduce management fees payable by a Fund is provided in such Fund's Governing Documents.

Expenses

In addition to the fees and carried interest described above, Fund investors will bear the expenses charged to the Funds. Those expenses will vary by Fund-by-Fund, but typically will include, without limitation:

- all out-of-pocket expenses incurred in connection with the sourcing, evaluation, making, holding, monitoring, maintaining, refinancing, pledging, sale or potential refinancing, pledging or sale of any Fund investment and all transactions and other costs and expenses related thereto including (A) expenses associated with the sourcing, investigating, researching, negotiating and structuring of investments including deal initiation expenses, investment banking, valuation, appraisal and custodial fees and expenses; fees and expenses of trustees, attorneys, administrators, advisors, consultants (including Concord Advisors) and other professionals; and travel, lodging and related expenses (including expenses for first class or business class travel or, under limited circumstances, chartered travel for Concord investment professionals and Concord Advisors and expenses for reasonable lodging, meals and related items); (B) any similar expenses associated with proposed investments that are ultimately not made by the Fund (it being understood that such similar expenses include expenses that would have been allocable to investors co-investing alongside the Fund or investors investing with the Fund in aggregator vehicles formed for the purpose of making such proposed investments had such proposed investments been consummated); and (C) fees and expenses of attending industry conferences (and any attendance or registration fees related with the same) or obtaining third-party research, data, analytics, modeling, structuring, pricing and execution services that are related to the Fund's investment activities;

- routine expenses of the Fund that are not reimbursed by portfolio companies including (A) legal, accounting, auditing, administrative, consulting (including Concord Advisors) fees and expenses; (B) financing fees; (C) the management fee payable by the Fund; (D) expenses associated with the preparation and distribution of the Fund's financial statements, reporting, tax returns, Schedules K-1 and any other tax compliance and reports to Fund investors; (E) fees and expenses related to registration, qualification, exemption under and/or legal and regulatory compliance with any applicable U.S. federal, state, local, non-U.S. or other law or regulation relating to the Fund's activities including, without limitation, expenses relating to the preparation and submission of filings with the SEC (such as Form PF), U.S. Commodity Futures Trading Commission, the National Futures Association, the U.S. Treasury, the U.S. Internal Revenue Service and other national, state, provincial or local regulatory authorities in any country or territory, expenses related to compliance with the Alternative Investment Fund Managers Directive, expenses related to compliance with the Foreign Account Tax Compliance Act, and expenses related to any associated or similar legislation, regulations or guidance; (F) fees and expenses related to the implementation and monitoring of anti-money laundering and cybersecurity policies and procedures; (G) fees and expenses related to legal inquiries and examinations, including regulatory "sweeps" solely with respect to the Fund; (H) fees and expenses of third-party information systems, software and technology; (I) fees and expenses of data feeds, subscriptions, reports and similar items that are not included in the paragraph above; and (J) other administrative or operational expenses of the Fund not otherwise specifically covered herein;
- all litigation-related and indemnification expenses, the amounts of any judgments or settlements paid in connection therewith;
- costs and expenses that are classified as extraordinary expenses under GAAP;
- all costs of organizing the Fund and all costs incurred in connection with the liquidation or winding-up of the Fund;
- costs and expenses incurred by with respect to Side Letters, including negotiation, compliance, any "most favored nations" process, reporting requirements or other obligations associated therewith;
- all costs of organizing any acquisition vehicles and any blocker entities through which the Fund, directly or indirectly, makes or holds investments;
- taxes and other governmental charges levied against the Fund or payable by or with respect to the Fund or its investments;
- expenses incurred in connection with distributions to, and communications with, the Fund investors, and with holding meetings with Fund investors, including the annual meeting;
- expenses relating to defaults of Fund investors in the making of capital contributions;
- expenses incurred in connection with obtaining consents or waivers or effecting amendments to the Fund's Governing Documents;
- reasonable out-of-pocket costs and expenses of the Fund related to meeting with one or more investors or representatives thereof, and limited partner advisory committee meetings;
- premiums and fees for insurance to benefit, directly or indirectly, the general partner or special member of the Fund, Concord or any of their respective affiliates or their respective

shareholders, partners, members, officers, directors, employees, and agents, with respect to liabilities to any person in connection with the affairs of such entities and for directors' and officers' liability insurance, errors and omissions insurance, cyber insurance or other insurance policies or fidelity bonds, in each case to the extent such insurance or fidelity bonds relate to activities on behalf of the Fund or a Fund investment;

- interest expenses and other costs of any borrowing or financing and the costs of any hedging transactions; and
- all placement fees and expenses payable by the Fund to any person serving as a placement agent of the Fund in connection with the offering of investor interests in the Fund.

With respect to the Funds all expenses will generally be allocated among each limited partner pro rata in accordance with the aggregate capital commitments of such limited partnerships. The general partner or special member of a Fund will also have the right in its discretion to allocate an expense in a different manner as set forth in the Fund's Governing Documents.

For more information regarding expenses related to Concord's Advisors, please see the description of Concord Advisor activities and related expenses under the heading of "Methods of Analysis, Investment Strategies and Risk of Loss."

Performance Based Fees and Side-by-Side Management

As described above, the general partners of Fund I and Fund II, which are an affiliate of Concord, receive a carried interest of 20% of net profits from Fund I and Fund II and the special member of Cedar SPV and Cedar SPV II, which are an affiliate of Concord, receive a carried interest of 17.5% of net profits from Cedar SPV and Cedar SPV II, which calculations are based on the profits derived from investments. The carried interest may create an incentive for the general partners of Fund I and Fund II or the special member of Cedar SPV and Cedar SPV II to make more speculative investments and make different decisions regarding the timing and manner of the realization of such investments than would be the case if such carried interest were not allocated to the general partner or special member.

Types of Clients

Concord provides investment advisory services to the Funds. The minimum commitment for an investor in a Fund is outlined in each Fund's Governing Documents; however, Concord maintains discretion to accept less than the minimum commitment threshold. In addition, the Funds may enter into letter agreements or other similar arrangements (collectively, "Side Letters") with one or more investors that have the effect of establishing rights under, or altering or supplementing the terms of the Governing Documents of the Funds as they apply to a particular Fund investor. As a result of such Side Letters, certain investors may receive additional benefits that other investors will not receive, including without limitation better economic terms such as a reduced or otherwise more favorable management fee and/or carried interest, co-investment rights, information rights and transfer rights. The other investors will have no recourse against the Funds or any of its affiliates in the event that certain investors receive additional or different rights or terms as a result of such Side Letters.

Investors will be required to make certain representations when investing in a Fund, including but not limited to: (i) they are acquiring an interest for their own account, (ii) they received or had access to all information they deem relevant to evaluate the merits and risks of the prospective investment, and (iii) they have the ability to bear the economic risk of an investment in the Fund. Each investor will be furnished with a copy of the Agreement of Limited Partnership and the other Agreements.

Methods of Analysis, Investment Strategies, and Risk of Loss

Concord has a growth-oriented and operationally intensive investment strategy focused on investing in companies that lower costs and improve quality of care for health systems and other health care providers. The Funds' investment objective is to make private equity and equity-related investments by purchasing, directly or indirectly, securities of one or more start-up, early-stage or development and expansion stage companies engaged, or to be engaged, in the innovative advancement of health care or meeting the transformational needs of not-for-profit health systems in the United States.

The investment activities of the Funds are directed by an investment committee comprised of Concord's partners - (the "Investment Committee"). The Investment Committee is supported by the investment professionals of Concord and, as described further below, Concord Advisors. Additionally, Concord has a disciplined investment approach, which includes targeted origination of platform investments, consistent underwriting, and a well-defined decision-making process designed to mitigate risk and properly align incentives with portfolio companies. After sourcing a potential investment, Concord follows a clearly defined, multi-step investment process. This process is designed to prioritize actionable opportunities, identify threshold issues early, and solicit Investment Committee feedback during multiple stages of due diligence. Once diligence has been completed and terms have been negotiated, the deal team presents the opportunity to the Investment Committee for final approval. The subsequent portfolio company monitoring processes, which are designed to ensure the timely and successful execution of each portfolio company's business plan, involve periodic reviews of valuation parameters, investment performance, and disposition opportunities.

Concord has assembled an accomplished team of Concord Advisors including seasoned healthcare executives and operators with complementary skill sets, extensive industry relationships and insights related to the needs of healthcare providers and related companies. The Funds will have access to and will receive advice from Concord Advisors. Concord Advisors are not currently partners or employees of Concord or its affiliates, but rather consultants engaged by Concord, the Funds, or their portfolio companies to provide advisory and key value-added services to, or with respect to potential and existing investments. For potential investments for the Funds, they may assist in identifying investment opportunities, providing industry-specific insights, conducting due diligence, facilitating financing, and providing resources through introductions to industry contacts. After a Fund investment is made, they may work closely with management of the portfolio company to provide industry expertise and experience to implement the value-creation plan constructed for the business and/or assist with exit transactions. In some cases, Concord Advisors may take on more extensive roles with portfolio companies such as serving in a senior

executive capacity or serving on the portfolio company's board of directors. To the extent they serve as directors, advisors or consultants of, or otherwise provide services to, a portfolio company or serve as consultants of, or otherwise provide services to, a Fund, expenses associated with engaging these individuals will generally be borne by such portfolio company or the Fund. These expenses may include the allocable portion of any cash compensation (including, retainer payments, consulting fees, directors' fees and/or, in some circumstances, bonuses), overhead allocation payments and expense reimbursement payments due to a Concord Advisor, as well as the costs of compensatory equity in portfolio companies awarded to a Concord Advisor. Any fees or other compensation received by such individuals will not be considered to be Other Fees that are applied to reduce the future management fees payable by a Fund.

All investing involves a risk of loss and the investment strategy offered by Concord could lose money over short or long periods. An investment in the Funds may be deemed a speculative investment and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of an investment in the Funds. No guarantee or representation is made that a Fund will achieve its investment objective or that investors will receive a return of their capital. The descriptions contained below are a brief overview of different market risks related to Concord's investment strategy and potential conflicts of interest that may arise in connection with the activities of Concord and its affiliates, on the one hand, and the Funds on the other hand; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise.

General

Due to the specialized nature of the Funds, an investment in a Fund may not be suitable for certain investors and should constitute only a limited part of any investor's total investment portfolio. The Fund's task of identifying and negotiating investment opportunities, managing such investments and realizing a significant return for investors is typically a long, time-consuming process with no certainty of return on investment. There will likely be little if any near-term cash flow available to the investors. There is no assurance that a Fund will be able to invest its capital on attractive terms, generate returns for its investors or return the capital contributed by them. There can be no assurance that the actual rates of return achieved by a Fund will equal or exceed the targeted returns. Any given investment made by a Fund may prove to be worthless, and investors may lose all or a portion of the capital they contribute to the Fund. An investment in a Fund should only be considered by persons who can afford a loss of their entire investment.

No Prior History; No Assurance of Profit or Distributions

Each Fund will begin operation upon its initial closing and, as a result, the Funds have no operating history. The Funds will make investments based upon analyses of current returns and estimates and projections of internal rates of return that may be available in potential investments. There can be no assurance that a Fund will make investments that will realize its return objectives. The Funds may not be successful in identifying suitable investments that meet its investment criteria or in consummating acquisitions or investments on satisfactory terms or at all. Failures in identifying investments on satisfactory terms or poor performance of any one investment could adversely affect a Fund's performance. There can be no assurance that a Fund will make a profit

on its investments or even be able to recover its invested capital during any anticipated period of time and in any event, the Funds will be subject to the management fee and returns (if any) will be subject to carried interest.

Dilution

Investors subscribing for Interests after the Initial Closing will participate in then-existing investments of the Fund, thereby diluting the interest of existing investors in such investments. Although these investors will contribute their pro rata share of previously made capital contributions, there can be no assurance that this payment will reflect the fair value of a Fund's existing investments at the time the additional investors subscribe for Interests.

Reliance on the Principals of Concord

The successful investment of a Fund's assets will depend upon, among other things, the skill and expertise of the Concord professionals. There can be no assurance the Concord professionals will continue to be associated with the Funds throughout the life of the Funds. The loss of the services of Concord principals could have a material adverse effect on the performance and operation of the Funds. In addition, there can be no assurance that Concord Advisors will continue to be associated with the Funds throughout the life of the Funds. The loss of such relationships could also have an adverse effect on the Funds. Investors will have no right or power to participate in the management or control of the business of the Funds, and thus must depend solely upon the ability of Concord with respect to the Fund's operations.

Availability of Suitable Investments

While Concord believes that many attractive investments of the type in which the Funds invest are currently available, there can be no assurance that such investments will continue to be available or that available investments will continue to meet the Funds' investment criteria. Furthermore, the Funds may be unable to find a sufficient number of attractive investment opportunities to meet its investment objectives. Past performance is not necessarily indicative of future performance.

Highly Competitive Market for Investment Opportunities

The business of identifying and structuring private equity investments is highly competitive and involves a significant degree of uncertainty. The Funds will be competing for investments with other private equity investment vehicles, as well as individuals, financial institutions and other institutional investors. Moreover, an ever-increasing number of private equity funds have been formed (and many existing private equity and other similar investment funds have grown in size). Various hedge funds have also created "side pockets" to participate in private equity or other more illiquid investment opportunities. Additional funds with similar investment objectives may be formed in the future by other unrelated parties. Beyond the activities of competitors, the availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory or political climate. There can be no assurance that the Funds will be able to locate, complete and exit investments that satisfy the Funds' rate of return objectives, or realize upon their values, or that they will be able to invest fully their committed capital.

Limited Number of Investments

The Funds may make only a limited number of investments and, as a consequence, the aggregate returns realized by the investors could be adversely affected in a material manner by the unfavorable performance of even one such investment. Moreover, since all of the Funds' investments cannot reasonably be expected to return capital, for the Funds to achieve above average returns most of its investments must perform reasonably well. There can be no assurance that this will be the case.

Nature and Illiquidity of Fund Investments

The Fund's portfolios will primarily consist of investments for which no liquid market exists or may be subject to legal or other restrictions on transfer. As a consequence, a Fund may not be able to sell its investments when it desires to do so or to realize what it perceives to be their fair value in the event of a sale. A significant portion of Fund I's investments are in venture or venture-related investments and a significant portion of Fund II's investments are in growth-stage companies which, by their nature, involve business, financial, market and/or legal risks. While such investments offer the opportunity for significant capital gains, they also involve a high degree of risk that can result in substantial loss of principal. There can be no assurance that Concord's key investment professionals will correctly evaluate the nature and magnitude of the various factors that could affect the value of such investments. A variety of other factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of a Fund's activities. As a result, a Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

Exclusion from Investments

Certain investors' participation in Fund investments may also be limited by virtue of a Fund's general partner's or special member's right to exclude an investor from participating in any Fund investment if the general partner or special member determines in its reasonable discretion that such participation might have certain materially adverse effects on a portfolio company, the Fund or the general partner or special member, including if such participation would be likely to result in violations of law or the imposition of materially burdensome regulatory or other legal requirements, or as a result of certain circumstances relating to the investor.

Financial and Business Risk

Investments made by the Funds will generally involve a significant degree of financial and/or business risk. Portfolio companies may be highly leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Portfolio companies may face intense competition, changing business or economic conditions or other developments that may adversely affect their performance. If for any of these reasons a portfolio company is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of a Fund's investments in such portfolio company could be significantly reduced or even eliminated.

General fluctuations in the market prices of securities may affect the value of the investments held by the Funds. Instability in the securities markets may also increase the risks inherent in a Fund's investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield market or otherwise.

Long-Term Investments

A significant portion of a Fund's portfolio will typically consist of investments that will not be liquidated for a number of years after the initial investment. While a general partner or special member may intend to achieve the Fund's target returns within a specified time horizon, other factors such as overall economic conditions, the competitive environment and the availability of potential acquirers may shorten or lengthen the Fund's holding period. The return of capital and the realization of gains, if any, will occur only upon the partial or complete disposition of a Fund investment. Therefore, it is unlikely that a Fund will realize substantial capital gains during its early years.

Investments Longer than Term

A Fund may make investments which may not be advantageously disposed of prior to the date the Fund will be dissolved, either by expiration of the Fund's term or otherwise. Although Concord expects that investments will be disposed of during a reasonable wind-up period following the dissolution of a Fund or be suitable for in-kind distribution during such wind-up period, the Fund may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as the Fund seeks to wind up its affairs.

Risk of Realization of Investments

Fund investments will typically be in private illiquid securities, which are normally subject to restrictions on resale. In most cases, there will be no public market for the securities held by the Funds at the time of their acquisition. A Fund will generally not be able to sell its securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. In addition, there can be no assurances that a Fund's investments can be sold on a private basis. In some cases, a Fund may be prohibited from selling such securities for a period of time or otherwise restricted from disposing of such securities. In addition, investments in which a Fund holds minority interests may be subject to restrictions on the realization of such investments. Furthermore, the types of investments made by a Fund may require a substantial length of time to realize a return or fully liquidate. A Fund may exit some investments through distributions in kind to its partners, after which partners will bear the risk of holding the securities and must make their own disposition decisions.

As a result, there is a significant risk that a Fund may be unable to realize its investment objectives by sale or other disposition at attractive prices, or will otherwise be unable to complete any exit strategy, of its investments. In particular, these risks could arise from changes in the financial condition or prospects of the portfolio company in which the investment is made, changes in national or international economic or political conditions, changes in debt and equity capital markets and changes in laws, regulations, fiscal policies or political conditions.

In connection with the disposition of an investment in a portfolio company, a Fund may be required to make representations about the business and financial affairs of the portfolio company or may be responsible for the contents of disclosure documents under applicable securities laws. A Fund may also be required to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents turn out to be incorrect, inaccurate or misleading. These arrangements may result in contingent liabilities, which might ultimately have to be funded by proceeds, including return of capital, from a Fund's other investments or by the investors.

Risk of Bridge Financing

If a Fund uses bridge financing in a single transaction with the intent of refinancing such bridge financing, there is a risk that the Fund will be unable to complete the refinancing. This could lead to the Fund having a long-term investment in a junior or illiquid debt security.

Follow-On Investments

A Fund may be called upon to provide follow-on funding for its portfolio companies or may have the opportunity to increase its investment in such portfolio companies. There can be no assurance that a Fund will wish to make follow-on investments or that it will have sufficient funds to do so. Any decision by a Fund not to make follow-on investments or its inability to make them may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Fund's ability to influence the portfolio company's future development.

Investments in the same Portfolio Company

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. 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 work-out or restructuring, may raise conflicts of interest, particularly with respect to Funds that 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, Funds may or may not provide such additional capital, and if provided, each Fund generally will supply such additional capital in such amounts, if any, as determined by Concord in its sole discretion.

Potential conflicts are expected to arise when and to the extent a Fund makes investments in conjunction with an investment being made by another Fund, or if it were to invest in the securities of a company in which another Fund has already made an investment. A Fund may not, for example, be able to invest through the same investment vehicles, have the same access to credit or employ the same hedging or investment strategies as other Funds. This likely will result in differences in price, terms, leverage and associated costs. Where multiple Funds invest in the same company at different times, the first Fund to invest typically will bear a higher level of diligence and transaction fees, costs and expenses than later Funds. There can be no assurance that the return

on one Fund's investments will be the same as the returns obtained by other Funds participating in a given transaction. Given the nature of the relevant conflicts there can be no assurance that any such conflict can be resolved in a manner that is beneficial to both Funds. In that regard, actions taken for one or more Funds may adversely affect other Funds.

Investments in Partnerships, Joint Ventures and Other Entities

The Funds may make investments through partnerships, joint ventures or other entities. Such investments would involve risks not present in direct investments, including, for example, the possibility that a joint venture partner of a Fund might have financial difficulties or become bankrupt, or may at any time have economic or business interests or goals which are inconsistent with those of the Fund, or that such joint venture partner may be in a position to take action contrary to the Fund's objectives. In addition, a Fund may in certain circumstances be liable for actions of its joint venture partners. Furthermore, if a joint venture partner defaults on its funding obligations, the Funds may be required to make up the shortfall. While a Fund's general partner or special member will review the qualifications and previous experience of joint venture partners, it does not expect to obtain financial information from, or to undertake private investigations with respect to, prospective joint venture partners.

Leverage

A significant amount of leverage may be used in connection with investments. This leverage will increase the exposure of such investments to adverse economic factors such as significantly rising interest rates, severe economic downturns or deteriorations in the condition of the portfolio company or its industry. The percentage of leverage will vary depending on the ability to obtain credit facilities and the lender's and rating agencies' estimate of the stability of the particular portfolio company's cash flow. The portfolio company will be required to comply with certain financial covenants under a credit facility. Lenders or other holders of senior positions will be entitled to a preferred cash flow prior to a Fund receiving a return on leveraged investments. In the event a portfolio company is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of the investment in the portfolio company could be reduced significantly or even eliminated. The return on investments may be reduced to the extent that changes in market conditions increase the cost of financing relative to the income that can be derived from the assets acquired.

A Fund's general partner or special member may obtain one or more revolving credit facilities that may be secured by, among other things, the aggregate capital commitments of the investors of the Fund, the investors' obligations to make capital contributions and a collateral account of the Fund into which the payment by the investors of their available capital commitments are to be made. Any inability of the Fund to repay such borrowings could enable a lender to take action against an investor to the extent of its then available capital commitment to the Fund.

Risks in Effecting Operating Improvements

The success of a Fund's investment strategy may depend, in part, on the ability of Concord to transform the operations of a portfolio company. The activity of identifying and implementing 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 improvements.

Reliance on Management of Portfolio Companies

A Fund's general partner or special member will monitor the performance of investments in portfolio companies either through interaction with the board of directors of the company and/or by maintaining an ongoing dialogue with the company's management team. However, management will be primarily responsible for the operations of the company on a day-to-day basis. Although it is the intent of the Funds to invest in companies with strong operating management, there can be no assurance that the existing management team, or any new one, will be able to operate the company successfully. In addition, portfolio companies may seek to attract and retain executives to their management teams. The market for executive talent can be extremely competitive. There can be no assurance that portfolio companies will be able to attract and retain suitable personnel to their management teams.

Risk Arising from Provision of Managerial Assistance

Concord expects to obtain rights to participate substantially in the conduct of the management of many of the Funds' portfolio companies. A Fund's general partner or special member typically will designate directors to serve on the boards of directors of portfolio companies. The designation of representatives and other measures contemplated could expose the assets of a Fund to claims by a portfolio company, its security holders, and its creditors, including claims that the Fund is a controlling person and thus is liable for securities laws violations of a portfolio company. These measures also could result in certain liabilities in the event of the bankruptcy or reorganization of a portfolio company, could result in claims against the Fund if the designated directors violate their fiduciary or other duties to a portfolio company or fail to exercise appropriate levels of care under applicable corporate or securities laws, environmental laws or other legal principles, and could expose the Fund to claims that it has interfered in management to the detriment of a portfolio company. While Concord intends to operate the Funds in a way that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Investment in Restructurings

The Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties, which may never be overcome. Such investments could, in certain circumstances, subject the Funds to certain additional potential liabilities, which may exceed the value of the Funds' original investments therein. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated, or disallowed, or may be found liable for damage suffered by parties as a result of such actions. In addition, under certain circumstances, payments to a Fund and distributions by a Fund to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment. Investments in restructurings involving non-U.S. portfolio companies may be subject to various laws enacted in the countries of their issuance for the protection of creditors. These considerations will differ depending on the country in which each portfolio company is located or domiciled.

Control Person Liability

The Funds may have controlling interests in some of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, failure to supervise management, violation of governmental regulations (including securities laws), pension plan liability, or other types of liability in which the limited liability generally characteristic of business ownership may be ignored. If these liabilities were to arise, a Fund might suffer a significant loss.

Minority Investments

The Funds may make minority equity investments in entities where the Funds do not effectively control or influence the business or affairs of such entities. Under such circumstances, there is the possibility that the entity in which a Fund's investments are made may have economic or business interests or goals that are inconsistent with those of the Funds, and the Funds may not be in a position to limit or otherwise protect the value of the Fund's investments in the entity. In addition, although the Funds may seek board representation in connection with their investments, there is no assurance that such representation, if sought, will be obtained. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representation of other financial investors with whom the Funds is not affiliated and whose interests may conflict with the interests of the Funds.

Investments in Less Established Companies

The Funds may invest a portion of their assets in the securities of less established companies or early stage companies. Investments in such early stage companies may involve greater risks than generally are associated with investments in more established companies. To the extent there is any public market for the securities held by the Funds, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. Less established companies tend to have lower capitalizations and fewer resources and, therefore, often are more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in many cases, if operating, will have negative cash flow. Start-up enterprises may not have significant or any operating revenues and any such investment should be considered highly speculative and may result in the loss of a Fund's entire investment therein. There can be no assurance that any such losses will be offset by gains (if any) realized on a Fund's other investments.

Certain potential portfolio companies may not have audited financial statements at the time a Fund is considering making an investment in such a company, and a Fund's valuation of such an investment will generally be determined based upon limited, if any, financial and other information provided by such portfolio company. Concord may not have sufficient information in order to be able (and expressly disclaims any obligation) to confirm or review the accuracy of the information provided by such portfolio companies. Accordingly, the valuation of investments in such portfolio companies is expected to be difficult and not without uncertainty, and may not necessarily reflect the actual value of these investments.

Non-U.S. Investments

Concord targets investments in the United States, but may invest, on a selective basis, in other geographic areas. The Funds may therefore make investments outside the United States and such investments involve certain additional risks. In addition, the Funds' portfolio companies may have substantial business activities in certain other countries, and may therefore be subject to certain risks associated with such other countries, such as a higher degree of government regulations, adverse political developments and/or unfavorable overall economies.

Recourse to Fund Assets

A Fund's assets, including any investments made by the Fund and any capital held by the Fund, are available to satisfy all liabilities and other obligations of the Fund. If a Fund becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Fund's assets generally and may not be limited to any particular asset, such as the investment giving rise to the liability. Accordingly, investors could find their interests in a Fund's assets adversely affected by a liability arising out of an investment in which they did not participate because, for example, they were excluded or excused by the Fund's general partner or special member.

Restrictions on Transfer or Withdrawal

The interests in the Funds represent highly illiquid investments and should only be acquired by investors able to commit their funds for an indefinite period of time. Fund investors will not be permitted to transfer their interests without the consent of the applicable Fund's general partner or special member. Furthermore, the transferability of the interests will be subject to certain restrictions contained in the Governing Documents of a Fund and may be affected by restrictions on resale imposed under federal and state securities laws.

Portfolio Concentration

Although, in general, no more than 20% of the aggregate commitments will be invested in any one portfolio company (including follow-on acquisitions), a Fund's portfolio may include a small number of large positions. If any large position has a material loss, then returns to the investors may be lower than if they had invested in a more diversified portfolio. Except as expressly provided in the Fund's Governing Documents, investors have no assurance as to the degree of diversification of a Fund's investments.

Valuation of Investments

Virtually all Fund investments will be illiquid and there will be no readily available market for a substantial number of a Fund's investments. Therefore, most Fund investments will be difficult to value. Concord will determine the value of all Fund investments that are not readily marketable in accordance with the valuation policies described in the Fund's Governing Documents. There can be no assurance that Concord will have all of the information necessary to make valuation decisions in respect of these investments, or that any information provided by third parties on which such decisions are based will be correct. There can be no assurance that the valuation decision of Concord with respect to an investment will represent the value realized by a 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 Concord may cause it to ineffectively manage a Fund's investment portfolio and risks and may also affect the diversification and management of a Fund's investment portfolio.

Absence of Regulatory Oversight

The Funds are not registered as an investment company under the Investment Company Act, and, accordingly, the protections of the Investment Company Act are not applicable to the Funds. In addition, the interests have not been registered under the laws of any jurisdiction (including the Securities Act, the laws of any state of the United States, or the laws of any non-U.S. jurisdiction), and were offered in reliance upon an exemption from such laws. The interests have not been recommended by any U.S. federal or state, or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of any Fund's confidential private placement memorandum.

Uncertainty of Financial Projections

A Fund's general partner or special member will generally establish the pricing of transactions and the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimations of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

Litigation Risks

Concord and its affiliates are subject to substantial litigation risks and may face significant liabilities and damage to their professional reputation as a result of litigation allegations and negative publicity. Such risks include potential regulatory and enforcement actions, litigation against the members of the board of directors of a portfolio company (which may include Concord investment professionals and the Concord Advisor), litigation by shareholders or debt holders of portfolio companies and litigation with counterparties to transactions entered into by portfolio companies, the Funds, Concord, or its affiliates. Concord and its affiliates are also exposed to risks of litigation or investigation in the event of any transactions that presented conflicts of interest that were not properly addressed. If any lawsuit resulted in a finding of substantial legal liability, the lawsuit could materially adversely affect the business, financial condition or results of operations of Concord, its affiliates and the Funds or cause significant reputational harm, which could seriously impact their business.

Indemnification

Each Fund has agreed to indemnify its general partner or special member, Concord, any other affiliate of the general partner or special member, all officers, directors, members, employees, stockholders, partners, agents, or representatives of the general partner or special member, Concord or any other affiliate of the general partner or special member, the members of the limited partner advisory committee (or the investors such members represent), and the Concord Advisors

for liabilities which may be incurred in connection with the Fund's Governing Documents or the affairs of the Funds. Such liabilities may be material and have an adverse effect on the returns to the investors. For example, in their capacity as directors of portfolio companies, Concord investment professionals or the Concord Advisors may be subject to derivative or other similar claims brought by shareholders of such companies. Any indemnification obligations of a Fund will be payable from the assets of the Fund, including the unpaid capital commitments of the investors. If the assets of a Fund are insufficient, the general partner or special member may recall certain distributions previously made to the investors of the Fund. The Funds maintain insurance to cover their indemnification obligations.

Defaulting Partners

Upon the failure of an investor to fund required capital contributions, the investor will be in default. The amount of such default will accrue interest. In addition, a Fund's general partner or special member may exercise a number of remedies including (i) causing the defaulting investor to forfeit all or any portion of future distributions made by such Fund, (ii) causing the defaulting investor to be excluded from participating in future investments or (iii) causing a forced sale of the defaulting investor's interest. A Fund's general partner or special member may also require the non-defaulting Fund investors to fund amounts to cover shortfall amounts arising from such a default. Unless a Fund's general partner or special member elects to terminate a defaulting investor's unused commitment, the defaulting investor will continue to remain obligated to make capital contributions to such Fund up to the full amount of its available commitment.

Conflicts of Interest

There will be occasions when the general partner or special member may encounter conflicts of interest in connection with a Fund and other investment vehicles managed by Concord and/or their affiliates. Any actual conflicts of interest that arise in relation to a Fund will be resolved in accordance with Concord's conflicts management procedures, the Governing Documents for the applicable Fund, including, in certain situations, consulting with or seeking approval of a limited partner advisory committee with respect to conflicts of interest. Any such approval will be binding on all limited partners in the applicable Fund. However, the limited partner advisory committee will not necessarily represent the interests of all the limited partners and the members of the limited partner advisory committee may themselves be subject to various conflicts of interest (including as investors in other entities related to affiliates of Concord). In general, the limited partners of a Fund will not be entitled to control the selection of limited partner advisory committee members or to review the actions or deliberations of the limited partner advisory committee.

If any matter arises that the general partner or special member determines in its good faith judgment constitutes an actual conflict of interest, the general partner or special member may take such actions as it determines in good faith may be necessary or appropriate to mitigate the conflict. Upon taking such actions, the general partner or special member will be relieved of any liability for such conflict to the fullest extent permitted by law and will be deemed to have satisfied its fiduciary duties (if any) related thereto to the fullest extent permitted by law.

There is no assurance that Concord will identify or resolve all conflicts of interest in a manner that is favorable to a Fund or its limited partners.

Management Fees and Expenses

Fund I and Fund II will pay the management fee and the Funds' its proportionate share of certain costs and expenses as described in the Fund's Governing Documents. These fees and expenses are expected to reduce actual returns to investors. These fees and expenses will be paid regardless of whether a Fund produces positive investment returns. If a Fund does not realize sufficient positive returns on its investments, the payment of these fees and expenses could result in an investor receiving distributions in an amount less than it invested in the Fund.

Carried Interest

The generation of carried interest may create an incentive for a general partner or special member to cause a Fund to make riskier or more speculative investments than would be the case in the absence of this arrangement. In addition, the existence of carried interest may create conflicts of interest with respect to the management and disposition of investments, including the timing of dispositions.

Other Fees

As described above, Concord or its affiliates will or may receive Other Fees. Except as otherwise set forth in a Fund's Governing Documents, Fund investors will receive no benefit from such Other Fees. The payment of such Other Fees by a portfolio company may also be viewed as reducing the value of such portfolio company and accordingly the value of the Fund's investment in such portfolio company.

When a fee is paid to Concord or its affiliates arising from a transaction where the Fund has invested, or proposes to invest, alongside other co-investors and/or co-investment vehicles, aggregators and/or other similar vehicles established to co-invest alongside the Fund in connection with such Fund investment, only the portion that is allocable to the Fund's investment (based on the Fund's investment percentage of the transaction) will reduce the obligations of the investors of the Fund to make capital contributions in respect of the management fee payable by the Fund to Concord. Accordingly, Concord or such affiliates will receive fees that are allocable to the investments made by such other co-investors and/or co-investment vehicles, aggregators and/or other similar vehicles alongside a Fund, and the amount of such fees will not reduce the obligations of the Fund investors to make capital contributions in respect of such management fee.

Side Letters

In accordance with common industry practice and pursuant to the Fund's Governing Documents, Concord on behalf of a Fund may, without the approval of any other person, enter into one or more "side letters" or similar agreements with certain investors which would have the effect of establishing rights under, altering or supplementing the terms of the Fund's Governing Documents or the subscription agreement related thereto with respect to such investor in a manner more favorable to such investor than those applicable to other investors. Such agreements will be disclosed to all other investors after the final closing.

Co-Investment Opportunities

As described herein, Concord may in its discretion make available certain opportunities to co-invest with a Fund to one or more investors of the Fund. The allocation of any such co-investment opportunities may or may not be in proportion to the commitments of such investors and are likely to involve different terms and fee structures. In these cases, while Concord will seek to act in the best interest of the Fund, a party could argue that the Fund received a smaller allocation in the particular investment than it otherwise would have received if Concord had not provided such investors with the co-investment opportunity. Any expenses attributable to a particular investment held by a Fund and any co-investment vehicle and/or committed co-investment fund, in each case established and managed by Concord or its affiliates, will generally be allocated among the Fund and such co-investment vehicle and/or committed co-investment fund pro rata in accordance with their respective aggregate invested capital in such investment. Any expenses associated with any proposed Fund investment that is ultimately not consummated (including any expenses that would have been allocable to co-investors had such proposed investments been consummated) will generally be borne by the Fund.

Limited Partner Advisory Committee

A Fund's general partner or special member may in certain situations choose to seek the approval of a majority of the members of the Fund's limited partner advisory committee to address potential conflicts of interest. The general partner or special member may also choose to seek the approval of the investors with respect to such situations. Such approval may be sought from investors having a majority of the aggregate investor commitments, or from those having a majority of the capital invested in a particular investment, depending upon the circumstances. Any such approval by the limited partner advisory committee or Fund investors will be binding upon the Fund and all the Fund investors. A Fund's Governing Documents may provide that to the fullest extent permitted by applicable law, none of the limited partner advisory committee members shall owe any fiduciary duties to the Fund or any other limited partner. Limited partner advisory committee members may have interests different from other limited partners. In addition, representatives of the limited partner advisory committee may have various business and other relationships with Concord and its partners, employees, and affiliates. These relationships may influence their decisions as members of the limited partner advisory committee.

Funds

Conflicts of interest may arise in connection with management services rendered to the Funds, and the activities of the principals of Concord and other Concord professionals on behalf of any successor fund (if applicable), including, without limitation, in connection with follow-on investments by such successor fund in portfolio companies of the Funds (including in respect of timing, structuring and terms of such investments and the disposition thereof).

Management of the Funds

Except as otherwise described in the Governing Documents of the Funds, employees, officers, directors, principals, members, and affiliates of a Fund's general partner or special member are not obligated to devote their full time to such Fund, but will devote such time as a Fund's general

partner or Fund's special member in its sole discretion deems necessary to effectively carry out the operations of such Fund.

Conflicts with Portfolio Companies

Concord investment professionals and the Concord Advisors may serve as directors of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of the portfolio company. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of the portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of a Fund with the investment in such portfolio company, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as a Concord investment professional or a Concord Advisor and such individual's duties as a director of the portfolio company.

Material Non-Public Information

By reason of their responsibilities in connection with their other activities, certain Concord personnel may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Funds will not be free to act upon any such information. Due to these restrictions, the Funds may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Privacy Policy

Concord has established policies with respect to nonpublic personal information provided to it with respect to individuals who are investors in a Fund.

Concord recognizes the importance of maintaining the privacy of any nonpublic personal information it receives with respect to each Fund investor. In the course of providing management services to the Funds, Concord collects nonpublic personal information about investors from the subscription agreements and the certificates and exhibits thereto that each investor submits to Concord. Concord may also collect nonpublic personal information about each investor from conversations and correspondence between each investor and Concord, both prior to and during the course of each investor's investment in a Fund.

Concord treats all of the nonpublic personal information it receives with respect to each Fund investor as confidential. Concord restricts access to such information to those Concord personnel, affiliates, and agents who need to know the information in order for Concord to determine whether each investor meets the regulatory requirements for an investment in a Fund and to provide ongoing management services to a Fund. Concord maintains physical, electronic, and procedural safeguards to guard each investor's nonpublic personal information.

Cybersecurity Threats

Concord, the Funds and any portfolio companies may face cybersecurity threats to gain unauthorized access to sensitive information, including, without limitation, information regarding Fund investors and Concord's investment activities, or to render data or systems unusable, any of

which could result in significant losses. Any cybersecurity attacks against Concord, the Funds, or any portfolio companies could lead to the loss of sensitive information essential to such entity's operations and could have a material adverse effect on such entity's reputations, financial positions, or cash flows, and could lead to financial losses from remedial actions or loss of business, or could lead to potential liability.

Cybersecurity attacks are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cybersecurity attacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on systems or web sites rendering them unavailable. The controls and procedures, business continuity systems, and data security systems of Concord, the Funds, the portfolio companies and each of their respective service providers could prove to be inadequate. These problems may arise in the internally developed systems of Concord, a Fund, or a portfolio company or in the systems of third-party service providers.

Business, Terrorism and Catastrophe Risks.

Funds will be subject to the risk of loss arising from exposure that it may incur, indirectly, due to the occurrence of various events, including tornadoes, hurricanes, earthquakes, and other natural disasters, terrorism and other catastrophic events such as a pandemic. These catastrophic risks of loss can be substantial and could have a material adverse effect on Concord's business and Funds' portfolios including investments made by Concord.

Service Providers

Certain advisors and other service providers (or their affiliates, including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) to the Funds may also provide goods or services to, or have business, personal, financial, or other relationships with Concord and its affiliates. Such advisors and service providers may be investors in a Fund, affiliates of Concord, sources of investment opportunities, co-investors, or commercial counterparties. Additionally, certain supervised persons of Concord may have family members or relatives employed by such advisors and service providers. These relationships may influence Concord in deciding whether to select or recommend such a service provider to perform services for a Fund. Notwithstanding the foregoing, transactions relating to a Fund that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which will take into account various considerations. In certain circumstances, advisors and service providers, or their affiliates, may charge different rates or have different arrangements for services provided to Concord or their affiliates as compared to services provided to a Fund, which in certain circumstances may result in more favorable rates or arrangements than those payable by a Fund.

Regulatory Risks Associated with Investments in Healthcare Technology Companies

The success of certain portfolio companies may be dependent upon obtaining certain government approvals, such as licenses, permits, program enrollment, certificates of need, and/or

agency clearances. In the case of digital health products, there is significant debate and in some cases uncertainty in relation to whether a product, such as a scanner or wearable, is or will be determined to be a regulated medical device. Research, development, preclinical and clinical trials, manufacturing, labeling, and marketing related to pharmaceuticals, biotechnology and certain medical technology are subject to an extensive regulatory approval process by the FDA and other regulatory agencies in the U.S. and abroad. The process for obtaining required regulatory approvals is very lengthy, costly, and uncertain. There can be no guarantee that, even after such time and expenditures, a portfolio company will be able to obtain the necessary regulatory approvals. If a portfolio company is unable to obtain these approvals in a timely fashion or, in the case of pharmaceuticals, biotechnology or regulated medical technology, if after approval for marketing, a product is later shown to be ineffective or to have unacceptable side effects not discovered during testing, the portfolio company may experience significant adverse effects, which in turn, could negatively affect the performance of a Fund.

Risk of Technological and Scientific Innovations

Recent technological and scientific innovations have disrupted numerous established industries and those with incumbent power in them. As technological and scientific innovation continues to advance rapidly, it could impact one or more of a Fund's investments. Moreover, the impact on a particular investment may not be foreseeable at the time a Fund makes such Investment and may adversely impact a Fund and/or its portfolio companies. Furthermore, investment decisions could be based on views about the direction or degree of innovation that prove inaccurate and lead to losses.

Healthcare Portfolio Product Risks

The ability of healthcare-focused companies to maintain the value of products is subject to numerous risks. For example, if generic products that compete with pharmaceutical products are approved, sales of the related products and the value of the applicable company would likely be adversely affected. In addition, product liability claims and product recalls could potentially harm the value of the portfolio companies. The length of any product's commercial life cannot be predicted. There can be no assurance that any product on which a portfolio company depends will not be rendered obsolete or non-competitive by new products or improvements made to existing products, either by the current marketer of the product or by another marketer, which would decrease the value of, or render worthless, the product and any expected royalty streams. Furthermore, products are often manufactured in specialized facilities that are subject to FDA or other regulatory oversight and that rely on third party suppliers, manufacturers and packagers. Any interruptions in the production process in respect of a product could have an adverse effect on the applicable company.

Dependence on Single Products

Certain portfolio companies may only have one product under development. There can be no assurance that the product will be approved for marketing by the FDA or any foreign regulatory agency. Further, competition to the product may develop from other new and existing products. In either case, if a portfolio company is dependent on that one product, the consequences of such

failure could be devastating to the prospects of such portfolio company, which in turn could negatively affect the performance of a Fund.

Risk of Technology Becoming Outdated or Obsolete

The success of certain portfolio companies may depend on their ability to adapt to evolving technologies and industry standards. If they cannot adapt to changing technologies and standards, their solutions may become obsolete, and their business could suffer. Because the healthcare market is characterized by rapid technological change and the potential for changes in regulations or interpretations of regulations, regulatory oversight, reimbursement, and political priorities, portfolio companies may be unable to anticipate changes in requirements that could make their existing services and technology obsolete. Portfolio companies may not be successful in implementing new or evolving business models or using new technologies effectively and, as a result, their business, financial condition and results of operations could be materially adversely affected.

Risk of Intellectual Property and other Claims

Third parties may allege that the products or services of portfolio companies infringe upon such parties' patents, copyrights or other intellectual property rights. Portfolio companies may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the future. In addition, some portfolio company employees may have been previously employed at other companies. To the extent employees have been involved in development activities at a portfolio company that are similar to development activities in which they have been involved at their former employers, such portfolio company may become subject to claims that such employees or it may have used or disclosed trade secrets or other proprietary information of the former employers. In addition, competitors may file lawsuits against portfolio companies in order to gain a competitive advantage. Litigation or other dispute resolution proceedings may be necessary, which could result in substantial costs and diversion of a portfolio company's financial and management resources.

Reliance on Spending by the Healthcare Industry

The success of a Fund's investments, and as a result, the success of an investment in a Fund, depends on the success of the portfolio companies. Revenue of portfolio companies could be affected by changes in healthcare spending. General reductions in expenditures by healthcare industry participants could result from, among other things:

- government regulations or private initiatives that affect the manner in which healthcare providers interact with patients, payors or other healthcare industry participants, including changes in pricing or means of delivery of healthcare products and services;
- consolidation of healthcare industry participants;
- reductions in government funding for healthcare; and
- adverse changes in business or economic conditions affecting healthcare payors or providers or other healthcare industry participants.

The healthcare industry has changed significantly in recent years and we expect that significant changes will continue to occur. However, the timing and impact of developments in the healthcare industry are difficult to predict. There are no assurances that any portfolio companies will have adequate technical, financial, and marketing resources to react to changes in the industry.

Risk of Application of Healthcare Related Regulations

A number of federal and state laws, including anti-kickback restrictions and laws prohibiting the submission of false or fraudulent claims and The Privacy Standards and Security Standards under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), may apply to healthcare providers and others that healthcare industry participants who provide technology solutions or services. These laws are complex and may change rapidly. Their application to the business and relationships or portfolio companies may not be clear, and they may be applied in ways that a Fund or the portfolio companies anticipate. There is no assurance that portfolio companies will adequately address the risks created by these requirements, and if they fail to do so such portfolio companies could potentially be subject to criminal and civil penalties.

Uncertainty Related to Health Care Reimbursement and Reform Measures

Sales of a healthcare company’s products and services and its success will depend in part on the availability of reimbursement from third-party payors such as government health administration authorities, private health insurers, and other organizations. The levels of revenues and profitability of healthcare service companies generally may be affected by the continuing efforts of governmental and third-party payors to contain or reduce the costs of healthcare. Significant uncertainty exists as to the reimbursement status of newly approved healthcare products. There can be no assurance that a portfolio company’s proposed products or services will be considered cost-effective or that adequate third-party reimbursement will be available to enable a portfolio company to maintain price levels sufficient to realize an appropriate return on its investment in product development.

Future Legal, Tax and Regulatory Risks for Private Equity Funds

Future legal, tax and regulatory changes could occur that may adversely affect the Funds or Concord. The regulatory environment for private equity funds is evolving, and changes in regulations that impact private equity funds may adversely affect the value of investments held by the Funds and the ability of the Funds to pursue its investment strategy. In light of the heightened regulatory environment in which the Funds and Concord operate and the ever-increasing regulations applicable to private investment funds and their investment advisors, it has become increasingly expensive and time-consuming for the Funds, Concord and their affiliates to comply with applicable regulatory obligations. The Funds may also be adversely affected by changes in the enforcement or interpretation of existing laws, rules and regulations, including tax laws, by federal, state and non-U.S. agencies, courts, authorities or regulators. The effect of any future regulatory changes on the Funds or Concord could be substantial and potentially adverse.

Regulatory Changes Related to Private Equity

There has been, and continues to be, significant discussion regarding enhanced governmental scrutiny and/or increased regulation of the private equity industry and its practices. There can be

no assurance that any such scrutiny or regulation will not have an adverse impact on a Fund's activities, including its ability to implement operating improvements or otherwise execute its investment strategy or achieve its investment objectives. Specific and general regulations addressing the private equity industry, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of enterprises, and the costs of operating a Fund. Additional regulation could also increase the risk of third-party litigation.

As registered investment advisers under the Advisers Act, Concord and its affiliates are required to comply with a variety of periodic reporting and compliance-related obligations under applicable federal and state securities laws (including, without limitation, the obligation of the Adviser and its affiliates to make regulatory filings with respect to the Funds and their activities under the Advisers Act (including, without limitation, Form PF and Form ADV)). In addition, the Adviser is required to comply with a variety of regulatory reporting and compliance-related obligations under applicable federal, state and foreign securities laws. In light of the heightened regulatory environment in which the Funds and the Adviser operate and the ever-increasing regulations applicable to private investment funds and their investment advisers, it has become increasingly expensive and time-consuming for the Funds, Concord and its affiliates to comply with such regulatory reporting and compliance-related obligations. Additionally, the Funds may in the future engage additional third-party service providers to perform some or a significant portion of the reporting and compliance-related matters and functions under the Funds' supervision, which could result in increased compliance costs and expenses. Any further increases in the regulations applicable to private investment funds generally or the Funds and/or Concord in particular may result in increased expenses associated with the Funds' activities and additional resources of Concord being devoted to such regulatory reporting and compliance-related obligations, which may reduce overall returns for the Limited Partners and/or have an adverse effect on the ability of the Funds to effectively achieve their investment objectives. Increased reporting, registration and compliance requirements may divert the attention of personnel and the management teams of Concord and/or the portfolio companies and may furthermore place the Funds at a competitive disadvantage to the extent that Concord or the portfolio companies are required to disclose sensitive business information.

Uncertain Economic and Political Environment

The current global economic and political climate is one of uncertainty. Prior acts of terrorism in multiple countries across the world, the threat of additional terrorist strikes and the fear of a prolonged global conflict have exacerbated volatility in the financial markets and can cause consumer, corporate and financial confidence to weaken, increasing the risk of a "self-reinforcing" economic downturn. As such, the availability of credit for consumers, homeowners and businesses, including credit used to acquire businesses, may be restricted. This 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 their businesses. A climate of uncertainty may also reduce the availability of potential investment opportunities, and increases the difficulty of modeling market conditions, potentially reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon portfolio companies in which a Fund makes investments.

Pandemics, Epidemics and other Large Scale Human Health Crises

The extent of delays, increased costs (including potential financing penalties as a result of delays), losses in operating income and defaults by borrowers in connection with a global pandemic, an epidemic affecting a geographic region and other large-scale human health crises will be a function of the severity of the event, the nature and scope of governmental responses to such event, the impact of the event on the workforce employed by a Fund's portfolio companies, and the total amount of exposure in the affected area. To the extent a Fund's portfolio companies are geographically concentrated, a regional epidemic particularly affecting this geographic region may have a materially adverse effect on a Fund's financial condition and business operations. Further, to the extent a Fund's portfolio companies are specifically affected by or exposed to (or perceived to be affected by or exposed to) the occurrence of a contagious disease or illness, this may adversely impact sales and operations for the affected portfolio company. In addition, pandemics, epidemics and other human health crises could have negative impacts on a Fund's investments outside of the areas directly affected. To the extent that a disruptive health event adversely impacts global manufacturing and supply chains for components and systems integrated into the operations of a Fund's portfolio companies or the operations of the customers or business partners of a portfolio company, such an event could have a significant adverse effect on a Fund in other jurisdictions not otherwise directly affected. Any decrease in business activity at any portfolio company could have a material negative impact on overall returns to investors.

Russia-Ukraine Conflict

There is currently an ongoing military conflict between Russia and Ukraine which has caused disruption to global financial systems, trade and transport, among other things. In response, multiple other countries have put in place global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. However, the ultimate impact of the Russia-Ukraine conflict, its length, other countries' involvement, and the effect on global economic and commercial activity and conditions, and on the operations, financial condition and performance of the Funds or any particular industry, business or investee country and the duration and severity of those effects, is impossible to predict. The conflict and similar future conflicts may have a significant adverse impact and result in significant losses to the Funds.

General Economic Conditions

While the financial markets have generally experienced a period of recovery since the beginning of 2009, market volatility remains high compared to historic standards. Volatility and disruption in the equity and credit markets could adversely affect the value of the Funds' portfolio companies. For example, the lack of available credit and/or the increased cost of credit may materially adversely affect the performance of a Fund that may rely heavily on leverage in connection with its investments. Disruptions in the debt and equity markets may make it more difficult for the Funds to exit and realize value from its investments because potential buyers of portfolio companies may not be able to finance acquisitions and the equity markets have become less favorable for initial public offerings. The volatility will also directly affect the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the valuation of the Funds' investments. Any or all of these factors may adversely affect investment returns for the Funds.

Disciplinary Information

Concord and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

Concord is affiliated with the general partners and special member. These affiliates provide investment management services to the Funds and are included in Concord's investment adviser registration application with the SEC.

Concord or its general partners and special member will be responsible for all decisions regarding portfolio transactions of the Funds and have full discretion over the management of each Fund's investment activities. Upon registration, all of the general partners' and special member investment advisory activities will be subject to the Advisers Act and the rules thereunder. In addition, employees and persons acting on behalf of the general partners and special member are subject to the supervision and control of Concord. Thus, the general partners and special member, all of its employees and the persons acting on its behalf would be "persons associated with" the registered investment adviser so that the SEC could enforce the requirements of the Advisers Act against the general partners and special member.

In addition, supervised persons of Concord may serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that consider the best interests of such portfolio companies and their respective shareholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that may be in the best interests of the portfolio company may not be in the best interests of the respective Fund, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individuals' duties as a supervised person of Concord and such individuals' duties as a director or officer of such portfolio company.

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

Concord has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act that is predicated on the principal that Concord owes a fiduciary duty to the Funds. Accordingly, supervised persons of Concord must disclose or avoid activities, interests, and relationships that run contrary (or appear to run contrary) to the best interest of the Funds. Concord will provide a copy of its Code of Ethics to clients and prospective clients upon request.

Concord's supervised persons, as defined by Rule 204A-1, must have written clearance for all transactions involving initial public offerings, private placements, and certain publicly traded securities before completing the transactions. Concord may disapprove any proposed transaction, particularly if the transaction appears to pose a conflict of interest or otherwise appears improper. Concord also endeavors to maintain current and accurate records of all personal securities accounts of its supervised persons in an effort to monitor all such activity.

Concord, its supervised persons, or a related entity will have an investment in each Fund. For example, the general partner or special member of each Fund is solely owned by Concord's managing partner. In addition, Concord and its general partners and special member will participate in the Funds' investment program by agreeing to commit a certain percentage of the Fund's total capital commitments or a certain amount as defined in the Funds' Governing Documents. Therefore, Concord, its supervised persons, or a related entity indirectly participate in transactions effected for the Funds.

Brokerage Practices

Concord focuses on making investments in private securities, thus it does ordinarily deal with any financial intermediary such as a broker-dealer, and commissions are not ordinarily payable in connection with such investments. To the limited extent Concord transacts in public securities it intends to select brokers based upon the broker's ability to provide best execution for the Funds. Concord is generally authorized to make the following determinations, subject to the Funds' investment objectives and restrictions, without obtaining prior consent from the relevant Fund or any of their investors: (i) which securities or other instruments to buy or sell; (ii) the total amount of securities or other instruments to buy or sell; (iii) the executing broker or dealer for any transaction; and (iv) the commission rates or commission equivalents charged for transactions.

In making its decisions regarding the allocation of brokerage transactions for Funds, Concord will consider a variety of factors including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices; (ii) the operational efficiency with which transactions are effected (such as prompt and accurate confirmation and delivery), taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, and stability of the broker-dealer or counter party; and (iv) the competitiveness of commission rates in comparison with other broker-dealers. Although Concord will generally seek competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Concord does not participate in any soft dollar arrangements outside of receiving research available to other institutional investors. Research services received from brokers and dealers are supplemental to Concord's own research effort.

Review of Accounts

Concord focuses on making private equity investments in lower middle market healthcare companies. All investments are carefully reviewed and approved by the Investment Committee which is comprised of Concord's principals. The portfolio companies are reviewed on a regular basis and Concord investment professionals meet regularly to discuss investment ideas, economic developments, industry outlook and other issues related to current portfolio holdings and potential investment opportunities.

Concord provides Fund investors with quarterly written reports and capital account statements, capital call/distribution notices, periodic press releases and annual tax information necessary to complete any applicable tax returns. Fund investors also receive annual audited financial statements. In addition, Concord holds annual meetings with the investors of the Funds.

Client Referrals and Other Compensation

Concord does not offer or receive sales awards or prizes for providing investment advice to fund investors, however, during a fundraising cycle, Concord may compensate placement agents who introduce new investors that commit capital to a Fund. Any fees and expense reimbursements payable to any such placement agents are generally borne by the applicable Fund.

Please see the description of Other Fees in “Fees and Compensation” above.

Custody

All Fund assets are held in custody by unaffiliated broker-dealers or banks, however Concord has access to client accounts since it or an affiliate serves as the general partner or special member of each Fund. Fund investors will not receive statements from the custodian. Instead the Funds are subject to an annual audit and the audited financial statements are distributed to each investor. The audited financial statements will be prepared in accordance with U.S. generally accepted accounting principles and distributed within 120 days of each Fund’s fiscal year end.

Investment Discretion

The general partner and special member of each Fund has discretionary authority to determine, without obtaining specific consent from the Fund or its investors, the securities and amount to be bought or sold. Any limitations on authority are included in the Fund’s Governing Documents, including Side Letters with particular Fund investors.

Voting Client Securities

Most of the portfolio companies in which the Funds invest are private companies which typically do not issue proxies. However, in the event proxies have to be voted, Concord has adopted proxy voting policies and procedures, and will be responsible for voting proxies on behalf of the Funds. Concord will vote client proxies in a way that it believes will maximize shareholder value. Concord investment professionals are generally responsible for making voting decisions with respect to proxies received.

In exercising its voting discretion, Concord will seek to avoid any direct or indirect conflict of interest raised by such voting decision. All conflicts of interest will be resolved in the interests of Concord’s Funds. Resolutions are reached after such conflicts are presented by the Chief Compliance Officer (“CCO”) to a group consisting of at least a majority of Concord’s principals. In situations where the group perceives a material conflict of interest, the vote under consideration and the perceived conflict of interest may be reviewed with the respective Fund’s limited partner advisory committee. The committee will reach a consensus and make a recommendation regarding

the proxy vote. The CCO will record the recommendation and vote the proxy according to the committee's recommendation.

Certain supervised persons of Concord may serve as board members for the Funds' portfolio companies. In situations where Concord votes the proxy for a company in which a supervised person of Concord serves on the board of directors, Concord has determined that it does not inherently present a conflict of interest as the purpose for serving on the board is to maximize the return on the Funds' investment and to ensure that the Funds' interests are protected.

A record of all proxy votes cast on behalf of the Funds will be maintained and available for review. Fund investors should contact the CCO for a copy of the proxy voting policy or information with respect to a specific proxy vote.

Financial Information

Concord has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.