

PSG Equity L.L.C.

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

This brochure provides information about the qualifications and business practices of PSG Equity L.L.C. If you have any questions about the contents of this brochure, please contact us at 617-544-8800. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

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

Item 2. Material Changes

This brochure, dated March 28, 2024, does not contain any material changes from the previous brochure dated June 1, 2023, though it does contain certain routine updates including, but not limited to: (i) updates to Item 5 to reflect new disclosure related to fees and compensation paid by certain investors and additional disclosures related to allocation of expenses, (ii) updates to Item 8 to reflect new and updated material risk factors related to the Adviser's investment strategy, including such risk factors related to risks of pandemics and diseases, valuation of assets, co-investments with third parties, artificial intelligence and regulatory developments for private funds and (iii) updates to Item 11 to reflect new disclosure regarding potential and/or actual conflicts of interest faced by the Adviser related to the allocation of investment and co-investment opportunities, the allocation of investment opportunities among Clients (as defined herein), conflicts related to side letter agreements, a general partner of a Fund's (as defined herein) ability to increase its commitment under certain circumstances and the Adviser's relationship with Providence (as defined herein). In addition, the Adviser (as defined in Item 4) routinely makes updates throughout the brochure to improve and clarify the description of its business practices and compliance policies and procedures, as well as to respond to evolving industry best practices.

Item 3. Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
Item 1.	Cover Page	1
Item 2.	Material Changes	2
Item 3.	Table of Contents	3
Item 4.	Advisory Business	4
Item 5.	Fees and Compensation	6
Item 6.	Performance-Based Fees and Side-By-Side Management	14
Item 7.	Types of Clients	15
Item 8.	Methods of Analysis, Investment Strategies and Risk of Loss.....	15
Item 9.	Disciplinary Information.....	55
Item 10.	Other Financial Industry Activities and Affiliations	55
Item 11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	56
Item 12.	Brokerage Practices	98
Item 13.	Review of Accounts.....	99
Item 14.	Client Referrals and Other Compensation	99
Item 15.	Custody	100
Item 16.	Investment Discretion	100
Item 17.	Voting Client Securities.....	100
Item 18.	Financial Information.....	101
Item 19.	Requirements for State-Registered Advisers	101

Item 4. Advisory Business

For purposes of this brochure, “Adviser” means PSG Equity L.L.C. (“PSG”), a Delaware limited liability company, together (where the context permits) with its affiliates that provide advisory services to and/or receive management fees or Carried Interest (as defined below) from the Funds (as defined below). These affiliates are formed for tax, regulatory or other purposes in connection with the organization of the Funds, or serve as general partners of the Funds.

Background

Established in 2014, PSG is a dedicated growth equity platform that focuses on investing in data, software or technology-enabled businesses in a variety of industries.

The Adviser’s team operates out of offices in Boston, Kansas City, London, Madrid, Paris and Tel Aviv. The Adviser partners with companies across different stages in their development, making controlling and minority investments via a variety of deal structures, including but not limited to, growth financings, recapitalizations and management led buyouts. The Adviser can employ a variety of financing structures and targets, in the case of (i) Providence Strategic Growth L.P., Providence Strategic Growth-A L.P., Providence Strategic Growth II L.P., Providence Strategic Growth II-A L.P., Providence Strategic Growth III L.P., Providence Strategic Growth III-A L.P., Providence Strategic Growth IV L.P. and Providence Strategic Growth IV-A L.P. (collectively, “PSG I-IV”), initial equity investments of \$5 million to \$75 million in lower-cap and mid-cap companies with EBITDA of up to \$10 million, (ii) PSG V L.P. and PSG V-A L.P. (“PSG V,” and together with PSG I-IV, “PSG I-V”), initial equity investments of \$10 million to \$100 million in lower-cap and mid-cap companies with EBITDA of up to \$10 million, (iii) PSG VI L.P. and PSG VI-A L.P. (“PSG VI,” and together with PSG I-V, the “PSG U.S. Funds”), initial equity investments of \$10 million to \$150 million in lower-cap and mid-cap companies with EBITDA of up to \$10 million, (iv) Providence Strategic Growth Europe L.P. and Providence Strategic Growth Europe (Lux) S.C.Sp. (“PSG Europe I”), initial equity investments of €5 million to €45 million in lower-cap and mid-cap companies with EBITDA of up to €10 million, (v) PSG Europe II L.P., PSG Europe (Lux-A) II S.C.Sp. and PSG Europe (Lux) II S.C.Sp. (“PSG Europe II,” and together with PSG Europe I, the “PSG Europe Funds” and collectively with the PSG U.S. Funds, the “Flagship Funds”), initial equity investments of €5 million to €100 million and (vi) PSG Encore L.P. and PSG Encore-A L.P. (the “Encore Fund” and together with the Flagship Funds, the “Main Funds”), initial equity investments of \$50 million to \$200 million in companies with EBITDA of \$35 million to \$75 million or greater. PSG I-V, PSG Europe I-II and the Encore Fund have held their final closings and PSG VI is expected to hold its final closing in 2024. With respect to the Flagship Funds, the Adviser generally prefers to lead its investments or have significant minority rights, serve on portfolio company boards, and work collaboratively with portfolio company management. In a variety of industries, the Adviser strives to bring extensive industry, financial and operational expertise to each of its portfolio companies.

The principal owners of PSG (indirectly) are Mark E. Hastings and Peter O. Wilde.

Services

The Adviser provides investment advisory services to investment vehicles that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”), and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”). The Adviser currently serves (or will serve) as the investment manager for the Main Funds and certain Co-Investment Vehicles (as defined below), and expects in the future to advise other funds in addition to those listed herein. Investors in the Funds are generally required to be “qualified purchasers” as defined in the 1940 Act.

The Adviser will, from time to time, establish Funds generally on a transaction-by-transaction basis to allow certain persons to invest alongside one or more Funds in a particular investment opportunity or, in certain cases, opportunities (each such vehicle, a “Co-Investment Vehicle”). Co-Investment Vehicles are typically limited to investing in securities relating to the transaction or a particular portfolio company with respect to which they were organized; however, certain Co-Investment Vehicles are permitted to invest in securities relating to multiple Funds, transactions or portfolio companies. As a general matter, any co-investment by a Co-Investment Vehicle will be on terms and conditions not more favorable than the terms and conditions of the investment by the applicable Main Fund.

Additionally, the Adviser also establishes affiliates which serve, and may itself serve, as general partner (or analogous entity) of alternative investment vehicles (each, an “Alternative Investment Vehicle”) organized to address, for example, specific tax, legal, business, accounting or regulatory-related matters that arise in connection with a transaction or transactions and the Adviser may also establish and serve as general partner (or analogous entity) of certain other Funds which are “feeder” vehicles (each, a “Feeder Fund”) organized to invest exclusively in another Fund.

The Main Funds, Co-Investment Vehicles, Feeder Funds and Alternative Investment Vehicles are collectively referred to, as the context permits, as the “Funds.”

The Funds make primarily long-term private equity and equity-related investments principally in growth-oriented companies, as well as, on occasion, investments in debt instruments. In accordance with the Main Funds’ respective investment objectives, the Main Funds focus on making investments in data, software or technology-enabled businesses in a variety of industries. The Adviser’s advisory services consist of investigating, identifying and evaluating investment opportunities, structuring, negotiating and making investments on behalf of the Funds, managing and monitoring the performance of such investments and disposing of such investments. The Adviser serves as the investment adviser or general partner to the Funds in order to provide such services.

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the limited partners of the Funds. Services are provided to the Funds in accordance with an advisory agreement with each of the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally set forth in the organizational documents of the applicable Fund.

Additionally, certain employees of the Adviser provide research, trust, administrative, reporting and similar services to certain senior employees of the Adviser and certain of their family members and estate planning vehicles, in each case with respect to personal investment activities.

As of December 31, 2023, the Adviser managed a total of \$26,646,386,717 of client assets, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Management Fees

In respect of the Main Funds, the Adviser is paid a quarterly management fee, payable in advance, by such applicable Main Fund. Management fees are paid by the Main Funds with either cash on hand (including cash drawn from credit facilities), disposition proceeds or from drawdowns of the investors' unfunded capital commitments. Management fees paid by each of the Main Funds are indirectly borne by investors in such Funds. With respect to the Main Funds, the management fee is typically calculated based on capital commitments or remaining invested capital. Management fees may be reduced or waived during the life of a Main Fund.

The general partner of each Fund generally is permitted to terminate the advisory agreement upon 60 days' notice, although the notice period for some Funds is shorter as set forth in each relevant Fund's organizational documents. Upon termination of a relevant advisory agreement, management fees that have been prepaid are returned on a prorated basis.

The precise amount of, and the manner and calculation of, the management fees for each Fund is disclosed in the organizational and offering documents of such Fund. The management fees are negotiated collectively with the investors of each Fund and are subject to waiver or reduction by the Adviser. For example, the Adviser and certain of its principals and employees, former employees or their family members and related vehicles typically invest (directly or indirectly) in the Funds, and management fees assessed on such investments are typically waived entirely. The applicable general partner may, but shall not be obligated to, receive a Carried Interest (as defined below) and the Adviser may, but will not be obligated to, receive a management fee in respect of any co-investment opportunities and, in certain cases, Co-Investment Vehicles pay administration fees, payable quarterly to the Adviser or on another basis.

Except as otherwise set forth in the organizational documents of a Fund, the management fees paid by a Fund will generally be reduced by a percentage of: (1) the amount of fees, if any, paid by such Fund to persons acting as placement agents in connection with the offer and sale of interests in such Fund to certain potential investors, (2) the fees incurred by the Adviser in connection with the organization of such Fund that exceed a limit specified in such Fund's organizational documents and/or (3) certain Other Fees (as defined below) received by the Adviser or its affiliates. The amount and manner of such reduction, if any, is set forth in the advisory agreement and/or organizational documents of the applicable Fund. To the extent such Other Fees are shared, such Other Fees and any resulting management fee reductions will generally be allocated among the applicable Fund(s) and any Co-Investment Vehicle or Co-Investment Vehicles on the basis of the relative ownership of each entity in the relevant investment or another method. Generally, once a Fund has been allocated its portion of such Other Fees, such portion is further allocated among all

of the investors in such Fund pro-rata in accordance with their capital commitments to such Fund. Generally, the portion of Other Fees allocable to a Fund, Co-Investment Vehicle or third-party investor that does not pay management fees will be retained by the Adviser and such amounts will not offset any management fees, administration fees or Carried Interest (as defined below).

Other Fees and Expenses

Generally, and except as otherwise set forth in the organizational documents of a Fund, the Adviser will ultimately bear all fees of any placement agent that solicits investors for the Funds either directly or via an offset to the management fee. The Funds will bear all legal and other expenses, including the out-of-pocket expenses of the applicable general partner, incurred in the formation of the Funds and their general partners and special limited partners up to an amount specified in the organizational documents of the applicable Fund. Organizational expenses in excess of this amount, if any, ultimately will be borne by the Adviser either directly or via an offset to the management fee.

Generally, and except as set forth in the organizational documents of the applicable Fund, a Fund will pay all expenses, costs and liabilities incurred in connection with its operations and investments and the performance by the Adviser and the Fund of their respective obligations pursuant to the terms of the relevant Fund's partnership agreement and investment management agreement, including: (a) out-of-pocket expenses, costs and liabilities (including those incurred by subsidiaries used to hold, manage or administer investments) associated with or in connection with identifying, investigating, structuring, negotiating, acquiring, monitoring, financing, holding or disposing of investments (including warehoused investments and temporary investments), including due diligence costs, research and market data costs, environmental, social and governance ("ESG") assessment costs, publications, periodicals and database services, legal, accounting, auditing and tax preparation (including preparation of financial statements and estimates and expenses relating to preparing, printing and distributing investor reports physically or electronically (including software or hardware used to electronically distribute such reports)), consulting, appraisal, business development, travel, accommodation, entertainment, expenses incurred preparing, reviewing and negotiating placement agent agreements, and other expenses; (b) out-of-pocket expenses incurred as a result of a proposed transaction or investment that is not consummated, to the extent not reimbursed by a third party; (c) the organization of any alternative investment vehicle; (d) litigation expenses (including potential litigation and discovery requests), arbitration and mediation expenses, expenses of acquiring and maintaining liability insurance or bonds covering indemnified persons (including commissions, premiums and deductibles to obtain directors' and officers' liability and errors and omissions insurance, whether or not indemnifiable) and other insurance and indemnity expenses and the amount of any judgments or settlements paid in connection with any of the foregoing; (e) all taxes (including VAT), interest, fees and other governmental charges levied against a Fund or payable by such Fund and all expenses incurred in connection with any tax audit, investigation, settlement or review of a Fund or otherwise incurred by a general partner in its role as tax matters representative or a similar role under applicable foreign, state or local tax law; (f) expenses and costs, including without limitation, travel, meals, and accommodation expenses associated with communications to and meetings or conferences of the investors as well as those associated with any Fund advisory committee meetings (including printing and duplication expenses, and mailing expenses) as well as other advisory committee expenses (including legal counsel, accountants, auditors, financial advisors or any other advisors

or experts retained to assist the advisory committee and other expenses incurred in connection with advisory committee action); (g) all expenses incurred in connection with hedging transactions and currency conversions; (h) expenses and costs of liquidating such Fund, any alternative investment vehicles and any subsidiaries of the foregoing; (i) administrative expenses and costs, including expenses associated with information technology, the maintenance of books of account, distributions to Fund partners, the preparation of financial statements and any financial reports, tax returns and K-1s (including fees and expenses of auditors, accountants and counsel and the cost of any subscription fees and expenses and expenses relating to software tools, programs and other technology); (j) fees and expenses (including but not limited to their respective travel (including first class air travel), meals, accommodation, entertainment expenses and indemnification expenses) of senior advisors, operating partners, advisers, investment bankers, attorneys, accountants, consultants, ESG consultants and other similar professionals who are not employees or affiliates of the Adviser and who assist with the sourcing, identifying, investigating, evaluating, structuring, negotiating, making, acquiring, financing, holding, monitoring, sale, proposed sale, other disposition or valuation of potential investments or that provide financial, structuring, or strategic advice to, or perform other services for, a Fund or its portfolio companies and expenses (including compensation) of employees of certain of the Fund's subsidiaries used to hold, manage or administer investments and other overhead and operating expenses related to such subsidiaries; (k) expenses and costs incurred in connection with U.S. and non-U.S. government and regulatory filings and compliance (including initial registration fees, legal fees and ongoing registration fees charged by regulators and any fees, costs and expenses incurred in complying with the disclosure, reporting and other similar obligations under the Alternative Investment Fund Managers Directive (including any implementing national laws, rules or regulations) ("AIFMD") (including any similar law, rules or regulations in the United Kingdom ("UK") implementing or amending AIFMD post the UK's withdrawal from the European Union (the "EU")) or any other non-U.S. jurisdiction), and any secondary legislation, rules and/or associated guidance) but, excluding Form ADV and Form PF except as provided by a particular Fund's organizational documents); (l) fees, costs and expenses associated with the appointment (both initially and on an ongoing basis) of an alternative investment fund manager ("AIFM") pursuant to AIFMD where such AIFM is unaffiliated with the Adviser (including without limitation any and all management, hosting, advisory or other similar fees) and those expenses relating to a Fund's compliance with disclosure requirements of the European Union or other jurisdictions (e.g., pursuant to the Markets in Financial Instruments Directive (MIFID II), the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018 (UK MiFID II), Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector and any similar rules, regulations or legislation) and all fees relating to FATCA and the appointment and operation of anti-money laundering officers to a Fund as well as expenses related to compliance with other anti-money laundering rules and regulations; (m) repayment obligations incurred in connection with such Fund's credit arrangements (including interest, fees and expenses in connection with such credit arrangements and legal expenses), bridge financing expenses and guarantees (which may be payable to another Fund co-investing in the bridge transaction or to the Adviser or an affiliate, in each case being the entity providing the bridge financing to the applicable Fund), borrowing, financing, commitment, origination and similar fees and expenses, (including the costs and expenses incurred in obtaining, negotiating, entering into, effecting, maintaining, varying, refinancing or terminating such borrowings and commitments and interest arising therefrom), expenses incidental to the transfer, servicing and

accounts for the Fund's cash and securities and all other expenses of depositary services of any depositary, custodian, broker, transfer agency, cash management, and administrator services (including all legal, accounting, audit, consulting and appraisal expenses); (n) fees and expenses related to investments and potential investments; (o) due diligence costs and research and market data costs, publications, periodicals and database services that are directly related to research activities on behalf of such Fund; (p) fees and expenses relating to software tools, programs or other technology utilized in sourcing investments, identifying portfolio company level talent and managing certain Funds (including third party software licensing, subscription implementation, data management and recovery services and custom development costs); (q) expenses for business development, travel (including first class air travel), entertainment (solely in respect of prospective or current portfolio company employees) and lodging directly related to the development and management of the portfolio companies and prospective portfolio investments, to the extent not reimbursed by a third party; (r) all expenses relating to a defaulting limited partner; (s) expenses incurred in connection with any restructuring or amendments to the constituent documents of the Funds and related entities; (t) directors' fees; and (u) any fee due to a general partner and costs and expenses of the operation of the general partner pursuant to a Fund's organizational documents. Except as provided above or as set forth in the organizational documents of the applicable Fund, and to the extent not reimbursed by a portfolio company or other third party, the applicable general partner or the Adviser will pay all ordinary operating expenses incidental to the provision of the investment management and certain administrative services to the Funds, including rent, salaries and bonuses for the employees of the Adviser.

From time to time, the general partner of a Fund creates certain "special purpose vehicles" or similar structuring vehicles for purposes of accommodating certain tax, legal and regulatory considerations of investors ("SPVs"). Where the general partner of a Fund creates an SPV, consistent with the organizational documents of the Fund, the SPV, and indirectly, the investors in such SPV, typically bear all expenses related to its organization, formation and maintenance and other expenses incurred solely for the benefit of the SPV. Expenses of the types borne by a Fund but associated with any Feeder Fund or similar vehicle organized to facilitate the participation of certain investors in a Fund (including, without limitation, expenses of accounting and tax services) are generally permitted to be borne in whole or in part by a Fund and indirectly, the investors thereof (even if such investors do not participate in any such Feeder Fund or similar vehicle) unless otherwise set forth in the organizational documents of the applicable Fund.

From time to time the Adviser will be required to decide whether certain fees, costs and expenses should be borne by the Adviser, a Fund, a portfolio company, co-investors and/or a third party and if so, how such fees costs and expenses should be allocated among the relevant parties. Certain fees, costs and expenses may be the obligation of one particular party and may be borne by such party, or fees, costs and expenses may be allocated among multiple parties. The Adviser allocates fees, costs and expenses in accordance with a Fund's organizational documents. To the extent not addressed in the organizational documents of a Fund, the Adviser will make allocation determinations among parties in a fair and reasonable manner using its good faith judgment, notwithstanding its interest (if any) in the allocation (which such methodologies may include (i) pro rata allocation based on the respective capital commitments of a Fund, (ii) pro rata allocation based on the respective investment (or anticipated investment) of a party in an investment, (iii) relative benefit received by a party, (iv) assets under management or (v) such other fair and equitable method as determined by the Adviser in its sole discretion). The Adviser will make any

corrective allocations and take any mitigating steps if it determines in its sole discretion that such corrections are necessary or advisable to ensure allocations are equitable on an overall basis in its good faith judgment. Notwithstanding the foregoing, the portion of an expense allocated to a Fund for a particular service will not always reflect the relative benefit derived by such Fund from that service in any particular instance and the Adviser may determine an allocation of expenses to be fair and equitable even where a Fund is required to bear more than its proportional share of such fees or expenses relative to other parties receiving the same service or participating in the same transaction. In addition, a Fund will bear more or less of a particular expense based on the methodology used, and a Fund will bear more or less of a particular expense based on the number of parties the Adviser selects to bear the expense in its allocation determination. When making expense allocation determinations, the Adviser generally will allocate an expense to one or more parties that are in existence and identified as such at the time the expense allocation determination is made. Accordingly, it can be expected that in certain cases parties that were not in existence or otherwise identified as parties at the time an expense is allocated will ultimately benefit from a particular expense, without having borne any portion of such expense, and in such cases the Adviser will not re-allocate the expense to each such future party, and such future part(ies) will benefit at the expense of other parties, including the Funds.

There may be occasions when one party pays an expense common to multiple other parties (the (e.g., legal expenses for a transaction in which multiple funds and/or co-investors participate). On such occasions, each party will reimburse the paying party for its share of such expense, generally without interest, promptly after the payment is made by the paying party. In certain cases, a Fund will borrow under a subscription line to make an investment that is intended to be syndicated out to co-investors. Typically, the co-investors will reimburse the Fund for the cost of such borrowing, however, if the syndication of the co-investment is not successful, or such co-investor defaults on its commitment, the Fund will bear the entire cost of such borrowing.

A Co-Investment Vehicle generally bears expenses related to its organization and formation and other expenses incurred solely for its benefit. A Co-Investment Vehicle also generally bears its pro rata portion of expenses incurred in identifying, acquiring, holding and disposing of investments. To the extent such expenses or Other Fees are shared among one or more Funds and one or more Co-Investment Vehicles, such expenses and Other Fees will generally be allocated among the applicable Fund or Funds and any Co-Investment Vehicle or Co-Investment Vehicles on the basis of the relative ownership of each entity in the relevant investment or another method. However, as a general matter, no prospective co-investor will bear expenses until a Co-Investment Vehicle is both (i) formed and (ii) committed (along with admitted limited partners) to invest in the prospective investment. In cases where a proposed platform transaction is not consummated, either by a Fund or by both a Fund and a prospective co-investor, regardless of whether a Co-Investment Vehicle has been formed, all expenses incurred in making the proposed but not consummated investment (including marketing, organization, formation, investment-related and reverse termination fees) (“Dead Deal Expenses”) are generally borne, depending on the facts and circumstances, solely by the Fund or Funds (other than Co-Investment Vehicles) that were pursuing such proposed investment. Co-Investment Vehicles (and prospective co-investors) are not typically allocated any share of break-up fees received from a third party in connection with such unconsummated platform investment. Co-Investment Vehicles may also benefit from the use of a general partner whose organizational and maintenance expenses have been borne and will continue to be borne entirely by other Funds. The Adviser will evaluate the facts and

circumstances including, without limitation, timing of the transaction, benefit to the Fund to have co-investors participate in a particular transaction and relative negotiating power. The Adviser will have discretion in determining whether a particular allocation among a Fund or Funds and co-investors or Co-Investment Vehicles is fair and equitable. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result in a Fund bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Expenses).

Additionally, a general partner in its sole discretion may structure any co-investment opportunity such that co-investors will not bear other shared expenses, in addition to Dead Deal Expenses. Generally, the portion of any transaction or other fee income allocable to capital invested by a Co-Investment Vehicle or a third-party investor that does not pay management fees will be retained by the Adviser and such amounts will not offset any management fees, administration fees or Carried Interest and will not be shared with such Co-Investment Vehicle or third-party investor.

Dead Deal Expenses incurred by a Fund in connection with a transaction that is not consummated may include, among other things, legal, accounting, advisory, consulting or other third-party expenses (including amounts payable to Consultants (as defined below) and other third parties), any travel and travel-related expenses, all fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for a proposed investment (including commitment fees), any break-up fees, reverse termination fees, termination or other similar fees, costs of negotiating co-investment documentation (including non-disclosure agreements with counterparties), the costs from onboarding (*i.e.*, KYC) investment entities with a financial institution, expenses incurred in connection with any tax audit, investigation, settlement or review, extraordinary expenses such as litigation costs and judgments and other expenses, and any deposits or down payments of cash or other property which are forfeited in connection with a proposed investment that is not consummated.

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

In certain circumstances, the Adviser may be incentivized to agree to restrictions or other resolutions of conflicts for the benefit of one Fund (or one or more of its portfolio companies) to the detriment of another Fund (or one or more of its portfolio companies), in particular where it receives or expects to receive more fees or Carried Interest (as defined below) from such other Fund for the benefit of whom it is agreeing to such actual or potential restriction or limitation than it does from the Fund which will be subject to the resulting restriction or limitation.

There may be circumstances in which a Fund or Funds incur fees, costs and/or expenses that will not always be directly related to a specific potential investment and may be more general in nature or focused on industry sectors. All or a portion of such fees, costs and/or expenses are expected to be allocated to such Fund or Funds as a fund expense, notwithstanding the fact that such fees, costs and/or expenses or related services could directly or indirectly inure to the benefit of the Adviser,

its respective affiliates and personnel, other Funds (including Co-Investment Vehicles), in addition to or in lieu of such Fund or Funds.

When a broker is used in connection with an investment by a Fund, such Fund will incur brokerage and other transaction costs. Any brokerage and other transaction costs incurred by a Fund will be borne by such Fund.

For additional information regarding brokerage practices, please see Item 12 below.

In addition, please see Item 6 below for information regarding Carried Interest (as defined below) received by the Adviser with respect to the Funds.

Related Service Fees and Related Other Fees

The Adviser or its affiliates are permitted to receive fees in addition to the management fee, including commitment fees, break-up fees, directors' fees, consulting fees, closing fees, incentive fees or discounts from service providers and similar fees relating to the investments made by a Fund and/or to monitoring, structuring, transaction-related services, financial advisory services and other services ("Related Services") provided by the Adviser or its affiliates to an actual or prospective portfolio company, other investment vehicles of the Funds or the Funds themselves, including fees in connection with structuring investments in such portfolio companies, as well as mergers, acquisitions, add-on acquisitions, financings and refinancings, public offerings, sales or other dispositions and similar transactions with respect to such portfolio companies (collectively, "Other Fees"). The amount and timing of any Other Fees received by the Adviser or its affiliates are generally specified in agreements with the relevant portfolio companies.

Generally, under the terms of the applicable organizational documents, for purposes of calculating any management fee offset, these Other Fees are net of out-of-pocket costs and expenses incurred by the Adviser in connection with consummated and unconsummated transactions or in connection with generating any such fees. These Other Fees can be substantial and paid in cash, in securities of the portfolio companies or investment vehicles (or rights thereto) or otherwise. Although these fees are in addition to management fees paid by the Funds, the Adviser will in certain circumstances reduce management fees in connection with the receipt of these fees. The amount and manner of such reduction is set forth in the advisory agreement and/or organizational documents of the applicable Fund. Any such reduction of a Fund's management fees will be limited to the extent of such Fund's proportionate capital commitment to the portfolio company or investment vehicle to which such Other Fees relate relative to commitments by other Funds. For the avoidance of doubt, any fees paid to the Adviser or its personnel after a Fund has exited an investment, unless otherwise agreed are not considered "Other Fees" and do not reduce management fees, administration fees or Carried Interest. There may be certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of fees under the management agreement with a portfolio company. See "Accelerated Monitoring Fees" below for more information.

Since the agreements with the portfolio companies providing for such fees may have prolonged terms (often exceeding ten years and/or subject to automatic extensions and renewal), the effect of such acceleration may be substantial, particularly in the event such circumstances occur early in

the life of a Fund's investment in such portfolio company. Additionally, portfolio companies in certain cases reimburse the Adviser or a Fund for expenses (including without limitation travel expenses, which may include expenses for chartered or first class travel, premium accommodations, meals and entertaining expenses) incurred by the Adviser or a Fund in connection with its performance of services for such portfolio company; such reimbursed expenses are generally not included in the definition of "Other Fees" under the terms of the applicable organizational documents, and such reimbursements are not subject to the sharing or offset arrangements described above and are permitted to be retained by the Adviser. Such expenses are typically indirectly borne by the limited partners of a Fund. Fees that certain Funds are required to pay to their general partners are also not subject to the sharing or offset arrangements described above and are permitted to be retained by the general partners of such Funds. For a discussion of material conflicts of interest created by the receipt of such fees, please see Item 11 below.

The payment of Other Fees and reimbursements by portfolio companies creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these Other Fees and reimbursements can be substantial and the Funds and their investors generally do not have a direct interest in these fees and reimbursements. The Adviser determines the amount and timing of these fees for the services provided and reimbursements in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions, and the amount of such fees and reimbursements is generally not disclosed to investors in the Funds (except in connection with the reductions described herein).

The Adviser and its affiliates also engage and retain senior advisors, operating partners, advisers, consultants, and other similar professionals (together, "Consultants") who are not employees or affiliates of the Adviser (but maybe former employees or affiliates) and who, from time to time, receive compensation from, or allocations with respect to, portfolio companies and/or other entities (which may include, without limitation, salary, bonuses, director's fees, portfolio company equity, consulting fees and performance based fees and awards). In such circumstances, such amounts will not be deemed paid to or received by the Adviser and its affiliates and such amounts will not be subject to the sharing or offset arrangements described above and are permitted to be retained by the Consultants. Additionally, such compensation may be linked to the performance of an applicable portfolio investment or a Fund's performance. In addition, a Consultant's benefits described herein (including, for the avoidance of doubt, compensation arrangements) will, in certain circumstances, continue after termination of their status as a Consultant. Consultants, from time to time, may be offered the ability to invest in a Fund or in a particular investment as a co-investor on preferred economic terms (including on a no-fee/no-carry basis). A Fund's share of any such retainers, success fees, or other fees charged by such Consultants will be treated as a Fund expense. While the Adviser believes such fees are reasonable for the relevant services provided, such fees may not always be comparable to costs, fees, and expenses charged by other third parties. In the event a Consultant is paid a fixed fee over a time period, the value provided to the relevant Fund and/or portfolio company by such Consultant may vary over such period, or from period to period, and there can be no assurance that the aggregate fees paid will be commensurate with the value provided by the Consultant. In certain cases, a Fund may bear the fees and expenses of a Consultant from whom it does not receive any benefit, while another Fund receives such benefit. In addition, a Fund or applicable investment will bear any travel costs or other out of pocket costs incurred by Consultants in connection with the services.

Any fees that accrue to the benefit of former Adviser personnel or other persons who are or become unaffiliated with the Adviser (even if any such fee is earned during their tenure with the Adviser) are not considered “Other Fees” and do not reduce the management fees, administration fees or Carried Interest or otherwise benefit the Funds or their investors. Similarly, any fees that accrue to the benefit of Adviser personnel or other persons who are affiliated with the Adviser prior to their association with the Adviser (even if any fee received in kind is realized or otherwise converted to cash during their tenure with the Adviser) are not considered “Other Fees” and do not reduce the management fees, administration fees or Carried Interest or otherwise benefit the Funds or their investors.

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

In respect of each Main Fund, the applicable general partner (and therefore indirectly employees, principals and other persons) are also generally entitled to receive a portion of distributions of net Fund profits (the “Carried Interest”) that would otherwise be distributed to such Fund’s investors. The Carried Interest received by such persons conforms with the requirements set forth in Section 205 of the Investment Advisers Act of 1940, as amended (the “Advisers Act”). To the extent there are any Feeder Funds, the Carried Interest paid by the Main Funds would be indirectly borne by the investors in such Funds. Co-Investment Vehicles and any Feeder Funds pay or bear performance-based fees on a case-by-case basis as set forth in the applicable organizational documents.

The precise amount of, and the manner and calculation of, the Carried Interest for each Fund is disclosed in the organizational and offering documents of each Fund. The Carried Interest provisions are negotiated collectively with the investors of each Fund and are also subject to waiver or reduction by the applicable general partner. For example, the Adviser and certain of its principals and employees and their family members and related vehicles typically invest (directly or indirectly) in the Funds, and the Carried Interest assessed on such investments is typically substantially reduced or waived entirely.

The payment of Carried Interest or the payment of Carried Interest in varying amounts by some, but not all, Funds creates an incentive for the Adviser to disproportionately allocate time, services, functions or investment opportunities to Funds paying Carried Interest or Funds paying Carried Interest at a higher rate than another Fund. Generally, and except as may be otherwise set forth in the organizational documents of the Funds, this conflict is mitigated, at least in part, by policies and procedures regarding allocation of investment opportunities among clients and time-devotion requirements. With respect to the Main Funds, generally, and except as may be otherwise set forth in the organizational documents of the Main Funds, this conflict is mitigated, at least in part, by provisions restricting the Adviser and its principals, unless consented to by limited partners holding interests representing at least two-thirds of the aggregate commitments to the applicable Main Funds, from closing a new pooled multiple investment fund with investment objectives and policies substantially similar to those of the applicable Main Fund until the earlier of (i) the end of the applicable Main Fund’s investment period or (ii) such time as the applicable Main Fund is at least 75% invested or committed (including amounts reserved for follow-on investments and reasonably anticipated expenses of the applicable Main Fund). With respect to Co-Investment Vehicles, this conflict is further mitigated because Co-Investment Vehicles initially invest in portfolio companies alongside one or more Main Funds in pre-set amounts. The governing

documents of any Alternative Investment Vehicle will generally contain terms and conditions substantially similar to those of the Main Fund with respect to which it is formed, and profits and losses of an Alternative Investment Vehicle generally will be aggregated with those of such Main Fund for purposes of determining distributions by the Main Fund and the Alternative Investment Vehicle (except as may be advisable because of legal, regulatory or tax constraints). Please also see Item 12 below regarding trade aggregation and Item 11 below for additional information relating to how conflicts of interests are generally addressed by the Adviser.

Item 7. Types of Clients

The Adviser provides investment advisory services to the Funds (other than with respect to certain Co-Investment Vehicles as set forth in their organizational documents). Investment advice is provided directly to the Funds and not individually to the investors in the Funds. Investors in the Funds are generally “qualified purchasers” as defined in the 1940 Act, and may include, among others, high net worth individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, university endowments, corporations, sovereign wealth funds, limited partnerships and limited liability companies.

The Funds do not have a minimum size, but minimum investment commitments are generally established for investors in the Main Funds. The general partner of each Main Fund has sole discretion to permit investments below the minimum amounts set forth in the offering documents of such Fund.

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

Methods of Analysis and Investment Strategies

The Adviser’s investment professionals and senior advisors seek to generate attractive deal flow, often developing investment opportunities before they come to the attention of other investors. Once a potential investment is identified, it typically is reviewed and analyzed by a team of investment professionals assigned to the deal and, where appropriate, one or more senior advisors. Prospective investments that pass the initial review then proceed to an intensive due diligence review. This process typically involves extensive analysis of the company’s strategy, products, historical and projected operating results, regulatory and technology issues, as well as an assessment of key market dynamics. The Adviser typically receives information directly from the entity (or its agents and/or representatives) it is investigating as a potential investment opportunity for a Fund.

The Adviser pursues private equity investments principally in growth-oriented companies, primarily in North America, Europe and Israel. With respect to such investments, the Adviser seeks to enhance the value of portfolio companies through improved operations, strategic restructuring and successful exit strategies.

Any determinations or actions with respect to the acquisition or disposition of investments by a Fund are made by the investment committee of the general partner for such Fund. The investment committee reviews and is responsible for approving all investments, monitors due diligence

practices and provides advice in connection with key commercial and legal terms of potential investments.

The investment committee of the general partner of the PSG U.S. Funds for viable investment opportunities headquartered in North America currently consists of Mr. Hastings, Mr. Wilde, Marco Ferrari and Tom Reardon. The investment committee of the general partner of the PSG U.S. Funds for viable investment opportunities headquartered in Israel currently consists of Mr. Hastings, Mr. Wilde, Adam Marcus and Ronen Nir. The investment committee of the general partner of the PSG Europe Funds currently consists of Mr. Hastings, Mr. Wilde and Dany Rammal. The investment committee of the general partner of the Encore Fund currently consists of Mr. Hastings, Mr. Wilde, Bogdan Cenanovic and John Clancy. The composition of the membership of any investment committee may be changed by the general partner of the appropriate Main Fund at any time.

The Flagship Funds' private equity investments have historically had an investment time horizon of 2-5 years. The Funds' investments are typically acquired in privately-negotiated transactions in which the applicable Fund acquires a controlling or influential equity position. Where such Fund acquires a controlling or influential equity position, the Adviser is often able to exercise influence and add value to such investments. The Encore Fund investments are expected to be primarily in select current, former and future Flagship Fund portfolio companies across North America, Europe and Israel. These investments are expected to be typically made alongside third-party buyers in connection with the sale or recapitalization of such Flagship Fund portfolio companies. The Encore Fund may also make other opportunistic investments in companies that are not portfolio companies of any Flagship Fund.

The Funds are also permitted to make debt investments in portfolio companies. Such debt investments will generally be acquired in privately-negotiated transactions in software or technology-enabled businesses in a variety of industries. In certain instances, the Funds are permitted to purchase debt securities in a company in which another Fund holds an equity interest. The Funds are permitted to make investments in both publicly-listed and privately-held companies. The details of each Fund's investment strategies and investment restrictions are disclosed in the offering and organizational documents provided to prospective investors in such Fund.

The Adviser provides investment advice with respect to a wide range of securities and other investments, including, but not limited to, bank loans and participations, private placements and other securities not registered or exempt from registration under the Securities Act, bonds, convertible securities and equity securities issued by foreign issuers, futures contracts, forward contracts, swaps, swaptions, commodities, hybrid securities, other "synthetic" or derivative instruments, trades executed on margin, credit-linked notes, credit default notes and credit swaps.

Risks

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

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

Risks Related to the Nature of the Funds' Investments

Many of a Fund's investments will be highly illiquid, and there can be no assurance that a Fund will be able to realize a return on such investments in a timely manner. Consequently, dispositions of such investments may require a lengthy time period or may result in distributions of securities in kind to investors that may or may not be marketable. Certain securities in which a Fund will invest will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. Certain of the Fund's investments are in businesses with little or no operating history. Certain of a Fund's investments may be in portfolio companies with high levels of debt or may be in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Such investments are inherently more sensitive to declines in revenues and increases in expenses. To the extent a Fund makes debt investments, such Fund will be subject to additional risks, including those related to credit and market risks and special risks associated with investing in bank loans and participations, unsecured loans, second-lien loans, non-investment grade debt and other loans and debt instruments. Since the Funds will only make a limited number of investments, and because a Fund's investments generally will involve a high degree of risk, poor performance by a small number of investments could severely affect total returns to a Fund and its investors.

Projections

A Fund relies upon projections developed by the Adviser or a portfolio company concerning the portfolio company's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of the Adviser and the portfolio company. The inaccuracy of certain assumptions, the failure to satisfy certain financial requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash-flows.

Pay-to-Play Laws, Regulations and Policies

Several states and municipal pension plans have adopted so-called pay-to-play laws, regulations or policies which prohibit, restrict or require disclosure of payments to (and/or certain contacts with) state or municipal officials by individuals or entities seeking to do business with state or municipal entities, including investments by public retirement funds. The SEC has also adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation with respect to a government plan investor for two years after the adviser or certain of its executives or employees contribute to certain elected officials or candidates for office. If a general partner, the Adviser or their respective employees or affiliates fails to comply with such pay-to-play laws, regulations or policies, such non-compliance could have an adverse effect on a Fund by, for example, providing the basis for the withdrawal of the affected government plan investor as a limited partner.

Expedited Transactions

Investment analyses and decisions by the Adviser are frequently required to be undertaken on an expedited basis to take advantage of investment opportunities, in particular, in light of current market conditions. In such cases, the information available to the Adviser at the time an investment decision is made may be limited, and the Adviser may not have access to detailed information regarding an investment opportunity. Therefore, no assurance can be made that the Adviser will have knowledge of all circumstances that may adversely affect such investment.

Highly Competitive Market for Investment Opportunities

The business of a Fund is highly competitive and the success of a Fund as a whole depends upon the identification and availability of suitable investment opportunities. The activity of identifying, completing and realizing attractive investment opportunities is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The availability of investment opportunities will be subject to market conditions, the prevailing regulatory conditions and/or the political climate in industries and regions in which a Fund may invest and other factors outside the control of a Fund. Although the Adviser has been successful in identifying suitable investments in the past, the Adviser and the general partners will be competing for investments against other sources of capital, including other private investment firms, including Providence Equity Partners L.L.C. (“Providence”) a former affiliate of the Adviser, direct investment firms, special purpose acquisition companies, merchant banks and strategic investors, and the Adviser and the general partners may be unable to identify a sufficient number of attractive investment opportunities for a Fund to meet its investment objectives. Other investors may make competing offers for investment opportunities that the Adviser has identified, and even after an agreement in principle has been reached with the board of directors or owners of an acquisition target, consummating the transaction is subject to a myriad of uncertainties, only some of which are foreseeable or within the control of the Adviser or the general partners. As a result, although the Adviser believes that significant opportunities currently exist and that a Fund should have sufficient deal flow to access such opportunities, there can be no assurance that a Fund will be able to identify and complete investments that satisfy its investment objectives, or realize the value of such investments, or that it will be able to invest fully all of its capital commitments. To the extent that any portion of a Fund’s committed capital is not invested, a Fund’s potential returns may be diminished.

Risks Arising from General Economic Conditions

General and specific fluctuations in the market prices of securities and economic conditions generally may reduce the availability of attractive investment opportunities for the Funds and may affect the Funds’ ability to make investments and the value of the investments held by the Funds. Instability in the securities markets and economic conditions generally may also increase the risks inherent in the Funds’ investments. The ability to realize investments depends not only on portfolio companies and their historical results and prospects, but also on political, market and economic conditions at the time of such realizations. Volatility in the financial sector and global and regional political conditions may have an adverse material effect on the ability of the Funds to buy, manage, sell and partially dispose of their investments. Political instability resulting in war or the construction of trade and economic barriers could increase transaction costs and/or impact the ongoing operations of existing investments, which would materially adversely impact the value of

a Fund's portfolio investments. The Funds may be adversely affected to the extent that they seek to dispose of any of their investments into an illiquid or volatile market, and a Fund may find itself unable to dispose of investments at prices that the Adviser believes reflect the fair value of such investments.

Changes in general economic conditions may affect a Fund's activities. Interest rates, general levels of economic activity, the price of securities, the price of commodities, the rate of inflation and participation by other investors in the financial markets may affect the value and number of portfolio investments made by a Fund or considered for prospective investment. In addition, certain recent bank failures could be a sign of systemic economic weakness that could be revealed over time, and the effect on inflation of the related remedies by the U.S. federal government could cause further adverse economic implications. Such failures have also caused volatility in markets generally. A Fund's investment strategy and the availability of opportunities satisfying a Fund's risk-adjusted return parameters rely, in part, on the continuation of certain trends and conditions observed in the market for various financial instruments and the larger financial markets and in some cases the improvement of such conditions. Consequently, a Fund may not be capable of, or successful at, preserving the value of its assets, generating positive investment returns or effectively managing risks. No assurance can be given that such conditions, trends or opportunities will arise or continue as applicable.

Custody and Banking Risks

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

The United Kingdom's Exit from the European Union

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

From January 1, 2021, EU laws ceased to apply in the UK. However, many EU laws have been transposed into English law and these transposed laws will continue to apply until such time that they are repealed, replaced or amended. Depending on the terms of any future agreement between the EU and the UK on financial services, substantial amendments to English law may occur. The UK government has enacted legislation that will repeal, replace or otherwise make substantial amendments to the EU laws that currently apply in the UK. It is impossible to predict the consequences on a Fund and its investments. Such changes could be materially detrimental to a Fund and its investors.

Although one cannot predict the full effect of Brexit, it could have a significant adverse impact on the UK, and European and global macroeconomic conditions and could lead to prolonged political, legal, regulatory, tax and economic uncertainty. This uncertainty is likely to continue to impact the global economic climate and may impact opportunities, pricing, availability and cost of bank financing, regulation, values or exit opportunities of companies or assets based, doing business, or having service or other significant relationships in, the UK or the EU, including companies or assets held or considered for prospective investment by a Fund.

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

The UK's withdrawal from the EU has caused uncertainty in a number of areas including, but not limited to, trade within Europe, foreign direct investment in Europe, the scope and functioning of European regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), industrial policy pursued within European countries, immigration policy pursued within EU countries, the regulation of the provision of financial services within and to persons in Europe and trade policy within European countries and internationally. The volatility and uncertainty caused

by the withdrawal may adversely affect the value of a Fund's investments and the ability to achieve the investment objective of a Fund.

Risks Related to the Sustainable Finance Disclosure Regulation

The European Union's Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (as amended from time to time, the "SFDR") sets out certain environmental, social, governance ("ESG") and sustainability disclosure requirements for alternative investment fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area ("EEA").

The SFDR, along with other sustainability and ESG requirements that may, in the future, be imposed by other jurisdictions or regions in which the Adviser does business and/or in which the Funds are marketed, may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Funds or for the Adviser, including the requirement to capture information or data about each Fund or its investments and undertake a periodic assessment of the principal adverse impacts of each Fund's impact on sustainability factors. Additionally, the Adviser may be required to classify itself or a Fund against certain ESG criteria, some of which can be open to subjective interpretation. The Adviser's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures by the Adviser or a Fund or it may require new processes to be set up to capture data about a Fund or its investments, which may lead to additional cost to be borne by the Fund. Additionally, the classification of a Fund into a certain ESG category may make it more difficult for such Fund to raise its targeted amount of capital commitments as such classification may not reflect the beliefs or values of a particular investor in the manner of which another classification otherwise would.

Risks Relating to EU Foreign Direct Investment Rules

In March 2019, the EU adopted a regulation establishing a framework for the screening of investments from non-EU countries (foreign direct investment or "FDI") that may affect security or public order (Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union) (the "FDI Regulation"). Further, since the FDI Regulation came into force, (i) several EU Member States have adopted national foreign investment regimes, (ii) the scope of the national regimes in certain EU Member States has expanded in light of global developments and (iii) the EU is also working towards broadening and harmonizing foreign direct investment regimes in EU Member States. There can be no assurance that more restrictive regulations, e.g., outbound investment restrictions, will not be adopted in the future.

Risks Related to Pandemics and Other Diseases

The international transmission of COVID-19 fundamentally changed the way humans experience life worldwide. From an economic perspective, efforts to contain the spread of COVID-19 resulted in border closings and travel restrictions, significant disruptions to business operations, supply chains and customer activity, lower consumer demand for certain goods and services, in person event cancellations and restrictions, school closures, service cancellations, reductions and other

changes, significant challenges in healthcare service, preparation and delivery, as well as general concern and uncertainty. Additionally, COVID-19 weakened certain industries and specific businesses. New variants and low rates of vaccination in certain areas of the world could create further uncertainty. Health crises caused by the outbreak of COVID-19 and the disproportionate impact of the pandemic on certain communities, groups of individuals, such as school aged children, and industries has exacerbated pre-existing political, social, economic, market and financial risks. The long term impact of the outbreak is difficult to predict, and could negatively impact certain of a Fund's portfolio companies or the broader economy.

All of the foregoing may have an adverse impact on the performance of certain of the Funds' investments, and the Funds' ability to raise capital, source and consummate new investments or to realize its investments. In addition, disruptions in the global supply chain continue, with dislocations occurring in shipping routes, ports, air cargo, trucking lines, railways, warehouses and other areas of the supply chain. This has led to shortages of manufacturing components, order backlogs, delivery delays and rising costs for transportation and consumer prices.

The full long-term effects, duration and ultimate costs of the COVID-19 pandemic are impossible to predict, and the circumstances surrounding the COVID-19 pandemic will continue to evolve. All risks applicable to COVID-19 would also apply to any future pandemics or similar public health emergencies.

Inflation Risk

Inflation is a sustained rise in overall price levels. Moderate inflation is associated with economic growth, while high inflation can signal an overheated economy. Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money (*i.e.*, as inflation increases, the values of a Fund's assets can decline). Inflation poses a "stealth" threat to limited partners because it reduces savings and investment returns. Central banks, such as the U.S. Federal Reserve, generally attempt to control inflation by regulating the pace of economic activity. They typically attempt to affect economic activity by raising and lowering short-term interest rates. At times, governments also may attempt to manage inflation through fiscal policy, such as by raising taxes or reducing spending, thereby reducing economic activity; conversely, governments can attempt to combat deflation with tax cuts and increased spending designed to stimulate economic activity. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and a Fund's investments may not keep pace with inflation, which may result in losses to limited partners.

In addition, if a portfolio company is unable to increase its revenue in times of higher inflation, its profitability might be adversely affected. One or more portfolio companies could have long-term rights to income linked to some extent to inflation including, without limitation, by government regulations and contractual arrangements. As inflation rises, typically a business will earn more revenue but also will incur higher expenses; as inflation declines, a business might be unable to reduce expenses in line with any resulting reduction in revenue. A rise in real interest rates may also result in higher financing costs for portfolio companies and for the Funds, including with respect to subscription-based credit facilities, and could therefore result in a reduction in the amount of cash available for distribution to a Fund's limited partners.

Valuation of Assets

There is no actively traded market for most of the securities owned by the Funds. When estimating fair value, the Adviser will apply a methodology based on its best judgment (including, for instance, determination of when an investment should be written down or written off) that is appropriate in light of the nature, facts and circumstance of the investments. The Adviser has broad discretion in determining the value of a Fund's investments. This discretion is particularly impactful in determining the value of privately held securities, which comprise most of the securities held by the Funds.

In valuing such securities, the Adviser adheres to the principles-based framework of Accounting Standards Codification 820 (ASC 820) of United States Generally Accepted Accounting Principles (US GAAP) and takes into account relevant factors, which include, without limitation, one or more of the following: purchase cost; sales prices of recent public or private transactions in the same or similar securities; valuations of comparable companies; discounted cash flow analysis; significant recent events affecting the issuer, including pending mergers and acquisitions; and restrictions as to salability or transferability not otherwise taken into account in the valuation methodology. The Adviser is permitted to determine that even extremely distressed investments should not be written down to zero.

There are circumstances where the Adviser is incentivized to determine valuations that are higher or lower than the actual fair value of investments. For example, under certain circumstances, the valuation of investments will affect the amount and timing of the Carried Interest payable by the limited partners and the amount of management fees. Specifically, when Management Fees are based on invested capital, the determination to write down to zero or, in certain cases, reduce the value of, an investment, reduces the amount of management fees paid to the Adviser. That construct incentivizes the Adviser to determine that investments should not be written down to zero or reduced in value.

The Adviser could also determine to increase the value of an investment, which could increase the amount of management fees it receives, which is an incentive for the Adviser to increase valuations. Because of the Adviser's broad discretion in determining such valuations, including broad discretion to determine whether or not to write down an investment to zero and over which securities comprise an investment for this purpose, it faces an inherent conflict of interest between determining fair valuations and increasing its own revenues, and there is no guarantee that such conflict will be resolved in the favor of a Fund's limited partners.

The valuation of investments may also affect the ability of the Adviser to raise a successor fund to a Fund because prospective investors are likely to consider performance of a Fund in making any investment decisions with respect to a successor fund. The Adviser could also be incentivized to determine a lower or higher valuation in the case of a continuation fund or cross trade.

The price of publicly-traded portfolio investments of a Fund may be impacted by certain investment decisions made by another Fund, including, but not limited to, decisions to hold, trade, dilute, hedge, short or change its ownership interest in such publicly- traded portfolio investments

or in other investments in such Fund that otherwise impact the price of publicly-traded portfolio investments of a Fund.

The value of the Fund's portfolio is calculated as of the end of each quarter, and that calculation is based in part on financial data for investments as of the prior quarter end. For example, a Fund's funded commitment as of June 30 of a particular year is calculated based on the financials of such Fund's investments as of March 31 of such year. As a result, the funded commitment of the Fund as of the end of any given quarter will necessarily, by virtue of valuation timing, not reflect all portfolio company level information or events that occurred between the prior quarter end and the current quarter end (in the example, between March 31 and June 30). Therefore, to the extent that such information or events materially impair or increase the value of any investment, a Fund's funded commitment will not be adjusted. To the extent that this difference in funded commitment would have caused more or less management fees to be paid as of a given payment date, such management fees will not be refunded to, or deducted from, any limited partner.

Valuations for the Funds are subject to multiple levels of review for approval and ensuring that portfolio investments are fairly valued is an important focus of the Adviser. However, the process of valuing securities for which reliable market quotations are not available is based on inherent uncertainties; as a result, the fair values may differ from (i) values that would have been determined had an active market existed for such securities and (ii) the prices at which such securities may ultimately be sold. Additionally, the Funds follow GAAP accounting fair value guidance (ASC 820) which may prohibit the Adviser from considering facts and circumstances it may deem relevant such as blockage factors and buyer-specific synergies.

Lack of Diversification Risk

A Fund may not be highly diversified. Lack of diversification would expose a Fund to losses disproportionate to market declines in general if there were disproportionately greater adverse price movements in the particular investments held by a Fund. To the extent a Fund invests a relatively high percentage of its assets in a limited number of portfolio companies, countries, regions, markets, industries or sectors, a Fund will be more susceptible than a more widely diversified investment partnership to the negative consequences of a single corporate, economic, political or regulatory event.

Follow-On Investments

A Fund may be called upon to provide follow-on funding for its portfolio companies or 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 a Fund's ability to influence the portfolio company's future development. If a portfolio company is held by more than one Fund, then such a decision not to make an additional investment by a Fund will result in follow-on opportunities not being allocated pro rata among such Funds, which could also dilute the non-participating Fund's position in the portfolio company. Conversely, in certain circumstances the decision by a Fund to make follow-on investments may

present conflicts of interest, including with respect to the determination of the structure and other terms of such follow-on investment. In addition, there is no guarantee that any follow-on opportunity would be allocated pro rata among the Funds holding the existing investment which could result in conflicts between such Funds with respect to management of the investment, in particular, with respect to each Fund's views on timing of exit.

No Operating History

The Funds generally have no operating history upon which investors can evaluate their likely performance prior to investing. Accordingly, there can be no assurance that such Fund will achieve its investment objectives. Past investment performance is not necessarily indicative of the future results of an investment in a Fund. A Fund's investment program should be evaluated on the basis that there can be no assurance that the Adviser's assessments of the short-term or long-term prospects of investments will prove accurate.

Investing in Growth Businesses

The Funds invest in growth companies. These companies may be characterized by short operating histories, evolving markets, intense competition and management teams that have limited experience working together. A portfolio company may need to implement appropriate sales and marketing, inventory, finance, personnel and other operational strategies in order to become and remain successful. A Fund's returns will depend upon the Adviser's ability to find and invest in companies that can successfully combine these strategies where products and markets are constantly evolving. There can be no assurance that the Adviser will be able to find and invest in a sufficient number of these companies to meet investor return expectations.

Significant Positions in Public Securities; Regulatory Requirements

In the event the Funds acquire a significant stake in certain public securities (including by virtue of conducting an IPO of an existing portfolio company) and such stake exceeds certain percentage or value limits, the Funds may be subject to regulation and regulatory oversight that may impose trading restrictions, notification and filing requirements or other administrative burdens on the Adviser. Any such requirements may impose additional costs on the investors and may delay the acquisition or disposition of the securities or the Funds' abilities to respond in a timely manner to changes in the markets with respect to such securities.

In certain cases where the Funds acquire beneficial ownership of more than 10% of a certain class of securities of a public company, place a director on the board of directors of such a company, or are otherwise deemed to be an "insider," under Section 16 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Funds may be subject to certain additional reporting requirements and may be subject to certain restrictions on their ability to buy and sell such securities within certain time periods. Furthermore, in such circumstances the Funds will be restricted from entering into a short position in such issuer's securities, and therefore limited in their ability to hedge such investments. Similar restrictions and requirements may apply in non-U.S. jurisdictions. These restrictions could limit the Funds' ability to liquidate positions when they would otherwise prefer to do so, which could reduce returns to investors.

E.U. Data Privacy and Security Laws

On May 25, 2018, Regulation (EU) 2016/679 (“GDPR”) came into effect. The GDPR, which following the United Kingdom’s withdrawal from the EU is incorporated into the law of England and Wales, Scotland and Northern Ireland by virtue of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019/419) and took effect on January 1, 2021 (“UK GDPR”) aimed to modernize the legal framework of data protection and privacy for entities within the scope of GDPR and UK GDPR to ensure the consistent protection of personal data by making businesses more accountable for compliance with applicable requirements. Accordingly, onerous penalties of up to the greater of 4% of an organization’s annual worldwide turnover or EUR 20 million/GBP 17.5 million respectively could be imposed for breaches of the GDPR and UK GDPR, including a failure to report personal data breaches, to inform individuals about how their personal data will be collected and used or to implement or maintain appropriate security systems and protocols. While a Fund and the Adviser will endeavor to maintain processes, procedures and systems to avoid such breaches and penalties, there can be no assurance that these will always be effective in doing so. The UK’s data protection authority, the Information Commissioner’s Office, has indicated that it will continue to enforce the UK GDPR in line with the enforcement of the GDPR in the EU. However, in March 2023 the UK government introduced legislation to repeal the UK GDPR which, if passed in its current form, would result in a more flexible approach to the regulation of data in the UK and therefore create divergence between the EU and UK data protection regimes. In addition, the GDPR and UK GDPR, along with recent legal developments in Europe, impose restrictions and have created complexity regarding transfers of personal data from the EU and the UK to the U.S. For example, the European Commission introduced updated Standard Contractual Clauses in 2021 for international transfers of personal data, and the UK has introduced an international data transfer agreement to be used for restricted transfers from the UK, as well as a UK addendum to the Standard Contractual Clauses, both of which came into effect on March 21, 2022. This changing landscape and the process of ensuring that such restricted transfers continue to comply with the GDPR and the UK GDPR may lead to additional costs and increase overall risk exposure for the Funds and the Adviser.

On January 17, 2025, the Digital Operational Resilience Act (“DORA”) will come into effect. DORA is an EU regulation that prescribes requirements for the security of network and information systems of organizations in the financial sector – as well as for critical third parties that provide information communication technologies (“ICT”) to such organizations. DORA imposes stringent operational requirements on in-scope entities, which include: (i) maintaining an information technology risk management compliance program comprised of technical and organizational measures that aligns with and reflects the organization’s risk profile; (ii) reporting of ICT security incidents to competent regulatory authorities and, in certain cases, to clients and customers; and (iii) ensuring that current and new contractual arrangements with third-party ICT service providers contain prescriptive outsourcing terms. Compliance with DORA could increase the cost of compliance for the Funds (and their portfolio companies) and the Adviser. Moreover, if DORA is implemented, interpreted or applied in a manner inconsistent with the Funds’ or the Adviser’s expectations, it may adversely impact the business practices of the Funds or the Adviser, could result in costs associated with litigation, settlements, fines, sanctions or other regulatory

penalties, and impede the ability of the Fund's portfolio companies to perform under or refinance their existing obligations.

In-Kind Distributions

In connection with distributions from Funds, limited partners may receive in-kind distributions of securities or other assets from such Funds (including upon the liquidation of the Fund). Securities or other investments so distributed may not be readily marketable or saleable or may be subject to significant transfer restrictions and may have to be held for an indefinite period of time. A limited partner who receives a distribution in-kind will bear the risk of a direct investment in the securities or other assets so distributed until they can be sold, as well as the brokerage costs and potential price impact resulting from the disposal of such securities or assets.

Small and Medium Capitalization Companies

A Fund may invest its assets in companies with small, mid and "small" large capitalizations and/or less established companies. While the Adviser believes these assets often provide significant potential for appreciation, such investments involve higher risks in some respects than do investments in stocks of larger and/or more established companies. For example, such companies tend to have fewer resources and, therefore, are often more vulnerable to financial failure. Such companies also may have shorter operating histories on which to judge future performance and in certain cases, if operating, will have negative cash flow. To the extent there is any public market for the securities held by the Funds in any such companies, such securities may be subject to more abrupt and erratic market price movements than those of larger, more established companies. In addition, the management teams of smaller and/or less established companies may be less experienced and less capable in some cases than is typical of larger companies. As such, these investments should be considered highly speculative and may result in the loss of a Fund's entire investment.

Education Industry Considerations

The Funds may make portfolio investments in the education sector. The education sector is highly regulated and, as a result, portfolio investments in education companies may be affected by changes in U.S. and non-U.S. laws and regulations. Any changes in laws or regulations, or changes in the interpretation of existing laws or regulations or in the persons charged with oversight of such laws or regulations, may adversely impact a Fund's portfolio investments or limit the attractiveness of investment opportunities in the education sector.

Technology Industry Considerations

Certain Funds' portfolio investments will be concentrated in the technology sector. Technology companies, including information technology companies, face intense competition, both domestically and internationally, which may have an adverse effect on a company's profit margins. Technology companies may have limited product lines, markets, financial resources or personnel. The products of technology companies may face obsolescence due to rapid technological developments, frequent new product introduction, unpredictable changes in growth rates and competition for the services of qualified personnel. Companies in the technology sector are heavily

dependent on patent and other intellectual property rights. A technology company's loss or impairment of these rights may adversely affect the company's profitability.

New Issues

Certain Funds may also purchase "new issue" securities. The risk of loss associated with securities purchased in an initial public offering (an "IPO") is greater than those in connection with general securities trading. While the Adviser believes that "new issues" offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. If the Adviser is not correct in its assessment of which new issues will appreciate, a Fund will suffer losses. If the Adviser is unable to liquidate such positions in a timely manner, a Fund will be exposed to further losses which could be considerable.

Investments in Levered Companies

The Funds' investments may be in businesses with high levels of debt or may be investments in leveraged buyouts. Leveraged buyouts by their nature require companies to undertake a high ratio of fixed charges to available income. Although the Adviser will seek to use leverage in a manner it believes is prudent, the leveraged capital structure of such investments will increase the exposure of a portfolio company to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. Leveraging the capital structure of a portfolio company will mean that third parties, such as banks, may be entitled to the cash flow generated by such investments prior to a Fund receiving a return. The securities in which a Fund may invest generally will be the most junior in what typically will be a complex capital structure, and thus subject to the greatest risk of loss. In addition, there can be no guarantee that debt facilities will be available at commercially attractive rates throughout the term of a Fund or when due for refinancing such that such Fund or the applicable portfolio company will be exposed to less favorable terms or rates upon a refinancing, or that any facilities negotiated will be fully utilized.

Risks Related to Reliance on Management of Portfolio Companies

While it is generally the intent of the Adviser to invest in companies with proven operating management in place, there can be no assurance that such management will continue to operate the company successfully, or that changes to portfolio company management teams will be successful. Although the Adviser will monitor the performance of each investment, a Fund will rely upon management to operate the portfolio companies on a day-to-day basis.

Material Non-Public Information

As part of its investment advisory activities, the Adviser may come into possession of material non-public information of an issuer that it will be prohibited from using for the benefit of one or more Funds. In such circumstances, the Adviser could be restricted in its ability to buy and sell the public securities of such issuer on behalf of the Funds. This may occur, for example, if the Adviser is contemplating a transaction on behalf of one Fund (but not all Funds), and, as part of that process, obtains material non-public information of an issuer or is required to sign a non-disclosure

agreement, even where such Fund will not participate in such transaction and even if the Fund is not made aware of such material non-public information. The Adviser may also obtain such material non-public information as a result of the Adviser's participation in the management of portfolio companies and/or participation with creditors' committees in bankruptcy proceedings on behalf of a Fund. If another Fund has an existing holding that is affected by the obtained material non-public information or the non-disclosure agreement, the Adviser may not be able to sell or otherwise dispose of that position for a period of time and the Fund may experience a loss in value, including a total loss, of the position during this period.

In certain limited instances, the Adviser and its personnel may possess material non-public information obtained as a result of the Adviser's activities on behalf of one Fund that it may use to benefit another Fund. Any such use may be considered in light of relevant disclosures to the Funds, fiduciary obligations, and applicable rules and regulations.

Additionally, the Adviser may be subject to restrictions on trading in certain securities as a result of its historical relationship with Providence. As a result, the Adviser may not be able to buy or sell a particular security on behalf of its Funds because Providence possesses material non-public information concerning such issuer or the market for such issuer's securities or has otherwise imposed trading restrictions on such securities. Similarly, in such circumstances, the Adviser may not be able to dispose of a security owned by a Fund, even in a declining market, until the information becomes publicly available or immaterial and the trading in such issuer's securities is no longer restricted. The Adviser and its personnel may also be restricted in their ability to use material non-public information it receives from Providence to the benefit of the Funds.

Risks Arising from Provision of Managerial Assistance

If the Adviser structures a Fund's investments so that the Fund will qualify as a "venture capital operating company" within the meaning of regulations promulgated under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Fund will be required to obtain rights to participate substantially in and to influence substantially the conduct of the management of the majority (valued at cost) of a Fund's portfolio companies. Regardless of whether a Fund seeks to qualify as a "venture capital operating company," a Fund 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 a 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 a 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 a Fund to claims that it has interfered with management to the detriment of a portfolio company. While the Adviser intends to manage each Fund in a manner that will minimize the exposure to these risks, the possibility of successful claims cannot be precluded.

Risk of Third-Party Litigation

A Fund's investment activities subject it to the risk of becoming involved in litigation by third parties. This risk is somewhat greater where a Fund exercises control of, or significant influence over, a company's direction, including to the extent it appoints representatives to a company's board of directors. The expense of defending against claims by, and producing or evaluating discovery sought by, third parties and paying any amounts pursuant to settlements or judgments would, absent certain conduct by the Adviser or such affiliated board members, be borne by a Fund, would reduce net assets and could require investors to return distributions to a Fund. The Adviser and such board members are entitled to be indemnified by a Fund (and in certain cases by the portfolio company) in connection with such litigation, subject to certain limitations as set forth in the organizational documents for such Fund.

Indemnification

A Fund generally agrees to indemnify the Adviser, Consultants and other service providers (including placement agents, other agents, any director or officer of any portfolio company who serves or has served in such capacity at the request of such Fund's general partner or the Adviser, and in certain circumstances Providence and its employees) for liabilities incurred in connection with the affairs of the Fund. Such liabilities may be material and have an adverse effect on the returns to the investors and will not be subject to any management fee offset. For example, a Fund may be required (i) in connection with a potential portfolio investment, to retain and indemnify (directly or indirectly) financial advisors, providers of debt financing and service providers prior to the consummation of the investment, including taking such actions in cases where a Fund may ultimately acquire only a portion of the investment available, (ii) to indemnify the purchasers of such investment or underwriters to the extent that any such representations or disclosure documents in connection with a transaction turn out to be incorrect, inaccurate or misleading and (iii) to indemnify the Adviser for losses incurred in connection with a guarantee. The indemnification obligations of a Fund would be payable from the assets of such Fund, including the unfunded capital commitments of the investors. If the assets of a Fund are insufficient to cover such indemnification obligations, investors could be required to return distributions to a Fund (subject to certain limitations).

Risks Upon Disposition of Investments

Most of a Fund's investments will involve private securities, which are generally more difficult to sell than publicly traded securities, as there is often no liquid market, which may result in selling interests at a discount. In connection with the disposition of an investment in private securities, a Fund may agree to purchase price adjustments, may be obligated to fund such purchase price adjustments and may be required to make representations about the business and financial affairs of the portfolio company typical of those made in connection with the sale of a business. Although the Adviser will attempt to structure transactions so that it does not have to do so, 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 the incurrence of contingent liabilities that may ultimately yield funding obligations that must be satisfied by the limited partners to the extent of their unfunded

commitments or prior distributions made to such limited partners. The organizational documents of a Fund typically contain provisions to the effect that if there is any such claim in respect of a portfolio company, it will be funded by the investors in the Fund, including, subject to certain limitations, by returning distributions received from the Fund.

Risks of Bankruptcy of Portfolio Companies

A Fund may make investments in portfolio companies that experience financial difficulties and become insolvent or file for bankruptcy protection. Various U.S. and non-U.S. laws in connection with such bankruptcy proceedings could operate to the detriment of a Fund. There is also a risk that a court may subordinate a Fund's investment to other creditors or require a Fund to return amounts previously paid to it by a portfolio company that became insolvent or files for bankruptcy, a risk that could increase if a Fund has management rights in such portfolio company.

Certain Effects of Default and Bankruptcy

Each of a Fund's portfolio companies or its assets may be pledged to third parties, including senior lenders, and could be foreclosed upon or otherwise acquired by such parties under certain circumstances, including an incipient and/or unremedied default. In the event of the bankruptcy of a portfolio company, prior distributions to a Fund may be reclaimed if such prior payments are determined to have been "preference" payments under applicable bankruptcy and related laws and regulations.

Defined Benefit Pension Liabilities

As a result of its equity ownership, representation on the board of directors and/or contractual rights, a Fund may be deemed to control, participate in the management of or influence the conduct of one or more of its portfolio companies. This could expose the assets of a Fund to claims by a portfolio company, its other security holders, its creditors or governmental agencies. In addition, if a Fund holds 80% or more of the interests in a portfolio company and a Fund is found to be a "trade or business" under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a court could find that a Fund is jointly and severally liable with the portfolio company for any withdrawal liability with respect to a multiemployer pension plan from which the portfolio company withdraws or is deemed to have withdrawn. There is also a risk that a Fund could be deemed to be part of a "partnership-in-fact," with certain co-investors based on joint investment and other activities. This is currently an unsettled area of law and significant questions remain regarding the potential application of these theories to similar factual situations. If a Fund were to be deemed a "trade or business" with the requisite level of ownership of an investment, either alone or in concert with other investors, a Fund could face liability with respect to the pension plans of its portfolio companies. In addition, it is possible that a court could expand this theory to cause multiple portfolio companies to be treated as a controlled group or under common control, and thereby be liable for these funding obligations.

Minority Investments

A Fund also may make minority equity investments in portfolio companies or roll over a portion of its holdings in connection with a portfolio company sale where it may have more limited

influence. There can be no assurance that a Fund will be able to negotiate control provisions or otherwise exercise control in such situations. Certain of the portfolio investments may be made through jointly owned partnerships, joint ventures or other structures alongside one or more funds sponsored by other private equity firms, including Providence, as well as the Adviser. Such portfolio companies and other private equity firms may have economic or business interests or goals that are inconsistent with those of a Fund, and a Fund may not be in a position to protect the value of its investment in such portfolio companies. A Fund's control over the investment policies of such portfolio companies may also be limited. This could result in a Fund's investments being frozen in minority positions that incur substantial losses. In addition, if a Fund takes a minority position in publicly-traded securities as a "toehold" investment, such publicly-traded securities may fluctuate in value over the limited duration of a Fund's investment in such securities, which could potentially reduce returns to the limited partners. Therefore, there can be no assurance that a Fund will be able to realize the value of any such investments and distribute proceeds in a timely manner. In addition, although a Fund may generally seek board representation in connection with its minority investments, there is no assurance that such representation, if sought, will be obtained. Disagreements with management or other shareholders (including other private equity firms) may limit a Fund's ability to bring about operating, strategic or other changes at such companies and may limit exit opportunities.

Digital Assets

A Fund may invest in portfolio companies that invest in, engage in transactions related to, or offer for sale or exchange cryptocurrencies, decentralized application tokens and protocol tokens, blockchain-based assets and other crypto-finance and digital assets, or instruments for the purchase of such ("Digital Assets"), which represent a speculative investment and involve a high degree of risk. As relatively new products and technologies, Digital Assets have not been widely adopted as a means of payment for goods and services by major retail and commercial outlets. Conversely, a significant portion of the demand for Digital Assets is generated by speculators and investors seeking to profit from the short or long-term holding of Digital Assets.

In their short history, Digital Assets have experienced extreme price volatility that may continue in the future. Historical price increases in Digital Assets provide no assurance of future results. The value of Digital Assets also will be affected by the worldwide acceptance or rejection of Digital Assets. In particular, problems with the supply of Digital Assets, security flaws (or perceived security flaws), supply and demand, investors' expectations with respect to the rate of inflation, interest rates, currency exchange rates or future regulatory measures, difficulties with converting Digital Assets to fiat currencies, and concerns that Digital Assets may disproportionately facilitate criminal activities may negatively affect the acceptance, growth and development of Digital Assets. Further, it is not uncommon for businesses in the digital asset space, including exchanges and other centralized platforms on which portfolio companies may execute trades, to experience large losses due to fraud and breaches of their security systems, which losses may have a potentially material, adverse impact on one or more Funds or the digital assets markets and broader financial markets, generally. To the extent a Fund invests in portfolio companies that hold Digital Assets, the value of those assets also may be volatile and subject to impairment, and such assets may lose their entire value.

The theft, loss or destruction of a private key required to access Digital Assets may be irreversible, and any such private key would not be capable of being restored by the portfolio company or a Fund. Any loss of private keys relating to digital wallets used to store Digital Assets could result in the loss of such Digital Assets, which could have a material adverse effect on the portfolio companies in which a Fund invests and an investor could incur substantial, or even total, loss of capital.

Digital Assets have attracted the attention of U.S. regulatory agencies, and future regulation is likely. Various jurisdictions have or may, in the near future, adopt laws, regulations or directives that affect Digital Assets and parties that come into contact with such assets. Such laws, regulations or directives may negatively impact the Funds and their investments in a variety of ways, including increasing the compliance burden of the portfolio companies in which it invests, diminishing the value of its indirect investments in Digital Assets, or increasing the tax rate on Digital Assets. To the extent that new regulations are imposed, or regulatory authorities find ways to apply existing regulations to Digital Assets in unanticipated ways, the Funds' investments may be materially adversely affected. Further, the taxation of Digital Assets is uncertain in many jurisdictions, and those jurisdictions that have formulated a position have reached varying (and continuously evolving) conclusions.

Non-U.S. Investments Risks

In addition to the preceding discussion of risks in "Risks Arising from General Economic Conditions," certain of the Funds invest in businesses operating and/or organized outside of the U.S. There are additional risks associated with such non-U.S. investments, including the following: (i) the unpredictability of international trade patterns; (ii) the possibility of governmental actions adverse to business generally or to non-U.S. investors; (iii) changes in taxation, fiscal and monetary policies or imposition or modification of controls on non-U.S. currency exchange, repatriation of proceeds, or non-U.S. investment; (iv) the imposition or increase of withholding taxes on income and gains; (v) price volatility; (vi) absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation which may result in lower quality information being available and less developed corporate laws regarding fiduciary duties and the protection of investors; (vii) governmental influence on the national and local economies; and (viii) fluctuations in currency exchange rates. In addition, collateral that is located outside of the U.S. may be subject to various creditor-protection laws, depending on the country and the obligor, which laws may differ substantially from those applicable in the U.S. Repatriation of investment income, capital and the proceeds from sales of investments may require governmental registration and approval in some countries. A Fund could be adversely affected by delays in or a refusal to grant required governmental registration or approval for any such proposed repatriation.

Certain non-U.S. countries have experienced substantial, and in some periods extremely high, rates of inflation for many years. Inflation and rapid fluctuations in inflation rates have had and may continue to have very negative effects on the economies and financing markets (both public and private) of certain countries in which a Fund may invest. There can be no assurance that high rates of inflation outside the United States will not have a material adverse effect on the investments of a Fund.

In addition, non-U.S. investments may be denominated in currencies other than the U.S. dollar, and hence the value of such investments will depend in part on the relative strength of such currency to the U.S. dollar. A Fund may be affected favorably or unfavorably by currency control regulations or changes in the exchange rate between non-U.S. currencies and the U.S. dollar. In addition, a Fund will incur costs in connection with conversions between various currencies. A Fund may, but is not obligated to, engage in currency hedging operations. There can be no assurance as to the success of any hedging operations that a Fund may implement. See “Hedging Risks” below.

Non-U.S. Currency and Exchange Risks

To the extent that a Fund directly or indirectly holds assets in local currencies in countries outside the United States, the Fund will be exposed to a degree of currency risk that may adversely affect performance. Changes in non-U.S. currency exchange rates may affect the value of assets in a Fund’s portfolio. In addition, such a Fund will incur costs in connection with conversions between various currencies. Where applicable, a Fund will conduct its non-U.S. currency exchange transactions in anticipation of funding investment commitments or receiving proceeds upon dispositions, and may also hedge currency risks over the long term. Funds denominated in Euro will experience such risks vis-à-vis investments made directly or indirectly in non-Euro currencies.

Hedging Risks

The Adviser may utilize instruments such as forward contracts, currency options and interest rate swaps, caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates and market interest rates. A hedge position may not be effective in reducing the risks inherent in any particular position. Such hedging transactions also limit the opportunity for gain. The success of hedging transactions will be subject to the ability of the Adviser to correctly predict movements in and the direction of currencies and interest rates. Unanticipated changes in currency exchange rates or interest rates may negatively impact the overall performance of a Fund. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to hedge, the desired protection may not be obtained and a Fund may be exposed to additional risk of loss. It is not possible to hedge fully or perfectly against currency fluctuations affecting the value of investments denominated in non-U.S. currencies because the value of those investments is likely to fluctuate as a result of independent factors not related to currency fluctuations. The Adviser may determine in its sole discretion not to hedge against certain risks, and certain risks may exist that cannot be hedged. There can be no guarantee that instruments suitable for hedging market shifts will be available at the time when a Fund wishes to use them. A Fund’s hedging arrangements that are undertaken through brokers, banks or other organizations will subject such Fund to the risk of default or insolvency of such organizations. In such event, there can be no assurance that any money advanced to such organizations would be repaid or that a Fund would have any recourse in the event of non-payment. The Adviser may utilize hedges, or choose not to hedge, based on judgments about economic or other factors that prove to be incorrect. There can be no assurance as to the success of any hedging operations that a Fund may implement. Certain Funds’ hedging activities will be subject to any limitations imposed by the de minimis exemption under CFTC rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable with respect to such Funds at the applicable time.

Counterparty Risk

A Fund is subject to the risk that counterparties and custodians may be unable or unwilling to perform with respect to transactions or to safeguard assets, whether due to insolvency, bankruptcy or other causes, which could cause a Fund to incur substantial losses. A Fund will deliver collateral to its trading counterparties under the terms of trading master agreements on a daily mark-to-market basis, and may be required to post initial margin as well. Circumstances may arise where a counterparty may be over-collateralized and/or a Fund may from time to time have uncollateralized mark-to-market exposure to a counterparty in relation to its rights to receive securities and cash. In both circumstances, a Fund will be exposed to the creditworthiness of any such counterparty and, in the event of the insolvency of a trading counterparty, such Fund will rank as an unsecured creditor in relation to amounts equivalent to any such over-collateralization and any uncollateralized exposure to such trading counterparty. In such circumstances it is likely that such Fund will not be able to recover any such amount in full, or at all.

Some derivatives transactions are required to be centrally cleared. A party to a cleared derivatives transaction is subject to the credit risk of the clearing house and the clearing member through which it holds its cleared position. In such cases, a Fund's counterparty is a clearing house, rather than a bank or broker. Since a Fund is not a member of a clearing house and only members of a clearing house ("Clearing Members") can participate directly in the clearing house, a Fund would hold cleared derivatives through accounts at a Clearing Member. In cleared derivatives transactions, a Fund would make payments (including margin payments) to and receive payments from a clearing house through its accounts at a Clearing Member. A Fund might not be fully protected in the event of the bankruptcy of a Fund's Clearing Member. Clearing houses (and in many cases Clearing Members) have broad rights to increase margin requirements for existing transactions or to terminate those transactions at any time. Such increase or termination could interfere with the ability of a Fund to pursue its investment strategy. Also, a Fund is subject to risk if it enters into a derivatives transaction that is required to be cleared (or that the Adviser expects to be cleared), and no Clearing Member is willing or able to clear the transaction on a Fund's behalf. Such transactions might have to be terminated, and a Fund could lose some or all of the benefit of the transaction, including loss of an increase in the value of the transaction and/or loss of hedging protection.

Credit risk of market participants with respect to derivatives that are centrally cleared is concentrated in a few clearing houses, and it is not clear how an insolvency proceeding of a clearing house would be conducted and what impact an insolvency of a clearing house would have on the financial system. In the event of the insolvency of a clearing house, a Fund might experience a loss of funds deposited through its Clearing Members as margin with the clearing house, a loss of unrealized profits on its open positions, and the loss of funds owed to it as realized profits on closed positions. Such an insolvency might also cause a substantial delay before a Fund could obtain the return of funds owed to it by a Clearing Member who was a member of such clearing house.

Counterparty risk with respect to derivatives and certain other transactions has been impacted by rules and regulations affecting such markets. For example, a Fund's ability to exercise remedies, such as the termination of transactions, netting of obligations and realization on collateral, in the event of an insolvency of its counterparties (or their affiliates) could be stayed or eliminated under new special resolution regimes adopted in the United States, the EU, the UK and various other jurisdictions. Such regimes provide government authorities with broad authority to conduct a resolution of a financial institution that is in danger of default. With respect to counterparties who are subject to such proceedings in the EU and the UK, the liabilities of such counterparties to a Fund could be reduced, eliminated or converted to equity (sometimes referred to as a "bail in").

Swap Transactions Risk

Certain Funds are permitted to engage in all types of swap transactions, including, but not limited to, equity, currency, interest rate and credit default swaps. An equity swap is an agreement to exchange streams of payments computed by reference to a notional amount based on the performance of a basket of stocks or a single stock. Currency swaps involve the exchange of cash flows on a notional amount of two or more currencies based on their relative future values. Interest rate swaps involve an exchange of interest payments on a specific notional principal amount and often involve exchanging a fixed amount per payment period for a payment that is not fixed (the floating side of the swap would usually be linked to another interest rate such as LIBOR). A credit default swap is a specific kind of counterparty agreement which allows the transfer of third-party credit risk from one party to the other whereby if certain prescribed events occur, the counterparty agrees to make certain payments to the other party based on the market value of such third party's security and/or debt obligations in exchange for regular periodic payments from the other party. Certain Funds may use these transactions for speculative purposes, such as to obtain the price performance of a security without actually purchasing the security in circumstances where, for example, the subject security is illiquid, or is unavailable for direct investment or available only on less attractive terms.

Since swaps do not generally involve the delivery of underlying assets or principal, any loss would likely be limited to the net amount of payments required by contract. In some swap transactions, the counterparty may require a Fund to deposit collateral to support its obligation under the swap agreement. If the counterparty to the swap defaults, such Fund would lose the net amount of payments that it is contractually entitled to receive, as well as any collateral deposits made with the counterparty.

Cash and Forward Trading

Certain Funds are permitted to trade cash commodities and forward contracts. These transactions are not exchange-traded, so no clearinghouse or exchange stands ready to meet the obligations of the contract. Thus, such Funds face the risk that their counterparties may not perform their obligations. This risk may cause some or all of such Fund's gains to be lost. At times, certain market makers have refused to quote prices for cash commodities or forward contracts, or have quoted prices with an unusually wide spread between the price they are prepared to buy and sell. If this occurs, the Adviser may be unable to effectively use its cash and forward trading programs, and certain Funds could experience significant losses.

Derivative Instruments in General

Certain Funds are permitted to use various derivative instruments, including options, futures, forward contracts, swaps and other derivatives, which may be volatile and speculative. Certain positions may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. Use of derivative instruments presents various risks, including the following:

- **Tracking Risk** — When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent a Fund from achieving the intended hedging effect or expose such Fund to the risk of loss.
- **Liquidity Risk** — Derivative instruments, especially when traded in large amounts by a small number of counterparties, may not be liquid in all circumstances, so that in volatile markets a Fund may not be able to close out a position without incurring a loss.
- **Leverage Risk** — Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by a Fund and could cause such Fund's net asset value to be subject to wider fluctuations than would be the case if such Fund did not use the leverage feature in derivative instruments.
- **Hedging Risk** — When a derivative is used as a hedge against an opposite position that a Fund also holds, any loss generated by the derivative should be substantially offset by gains on the hedged investment, and vice versa. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains.
- **Investment Risk** — When a Fund uses derivatives as an investment vehicle to gain market exposure, rather than for hedging purposes, any loss on the derivative investment will not be offset by gains on another hedged investment. Such Fund is therefore directly exposed to the risks of that derivative. Gains or losses from derivative investments may be substantially greater than the derivative's original cost.
- **Availability Risk** — Derivatives may not be available to a Fund upon acceptable terms. As a result, such Fund may be unable to use derivatives for hedging or other purposes.
- **Credit Risk** — When a Fund uses derivatives, it is subject to the risk that the other party to the agreement will not be able to perform.

Co-Investments with Third Parties

Certain Funds invest alongside strategic, financial or other third party co-investors and in certain cases the Adviser offers one or more co-investment opportunities to one or more investors in the Funds, certain Co-Investment Vehicles set up for certain limited partners (including vehicles that have committed capital to invest alongside one or more Funds in multiple co-investments), Funds or third parties in the sole discretion of the applicable general partner. Decisions regarding whether and to whom to offer co-investment opportunities or enter into arrangements to offer co-investment opportunities, as well as the applicable terms on which a co-investment is offered or such co-investment arrangements are made, are made in the sole discretion of the applicable general partner.

or its affiliates based on factors it considers relevant. Certain persons other than investors in a Fund (e.g., third parties) may be offered co-investment opportunities in the sole discretion of the applicable general partner and its affiliates. In many circumstances, co-investors may acquire an interest in an investment after a Fund has made such investment. With respect to such post-closing sell downs, co-investors typically agree to purchase their interests from a Fund at a purchase price equal to the Fund's cost of such investment. In certain cases, co-investors may agree to other pricing mechanisms, such as fair value. Co-investors also typically agree to bear their pro rata portion of any fees and expenses that the Adviser determines in its sole discretion are related to such investments (including borrowing costs and any investment expenses). In such circumstances, a Fund may (or may not) charge the applicable co-investors interest for the time period the investment was held by such Fund. A Fund's ability to achieve certain co-investment objectives assumes that such Fund will be able to negotiate and execute mutually acceptable terms and conditions in respect thereof. In such situations, a Fund's ability to control its equity investments will depend upon the nature of the joint investment arrangements with such partners and such Fund's relative ownership stake in such investments. A Fund may be a minority investor in these circumstances and the other co-investors could take a majority stake or have other control rights. In addition, such co-investment arrangements may restrict a Fund's ability to dispose of its investments for potentially significant periods of time. Moreover, such investments will involve additional risks that may not be present in investments that do not involve a co-investor, including the possibility that a co-investor may at any time have economic or business interests or goals that are contrary to such Fund's investment objectives or may default on its obligations. While each Fund intends to mitigate these risks contractually, there can be no assurance that it will be successful in doing so. In addition, under certain circumstances a Fund may be liable for actions of its co-investors. To reduce the possibility of liability, each Fund will seek to hold its assets through limited liability entities. The performance of co-investments will not be aggregated with that of a Fund for purposes of determining a general partner's Carried Interest under a partnership agreement or other organizational document. The Adviser does not generally charge management fees or Carried Interest in respect of co-investments however, in certain cases, the Adviser charges an administration fee.

A Co-Investment Vehicle generally bears expenses related to its organization and formation and other expenses incurred solely for its benefit. A Co-Investment Vehicle also generally bears its pro rata portion of expenses incurred in identifying, acquiring, holding and disposing of investments. To the extent such expenses or Other Fees are shared among one or more Funds and one or more Co-Investment Vehicles, such expenses and Other Fees will generally be allocated among the applicable Fund or Funds and any Co-Investment Vehicle or Co-Investment Vehicles on the basis of the relative ownership of each entity in the relevant investment or another method. However, as a general matter, no prospective co-investor will bear expenses until a Co-Investment Vehicle is both (i) formed and (ii) committed (along with admitted limited partners) to invest in the prospective investment. In cases where a proposed platform transaction is not consummated, either by a Fund or by both a Fund and a prospective co-investor, regardless of whether a Co-Investment Vehicle has been formed, all Dead Deal Expenses are generally borne, depending on the facts and circumstances, solely by the Fund or Funds (other than Co-Investment Vehicles) that were pursuing such proposed investment. Co-Investment Vehicles (and prospective co-investors) are not typically allocated any share of break-up fees received from a third party in connection with such unconsummated platform investment. Co-Investment Vehicles may also benefit from

the use of a general partner whose organizational and maintenance expenses have been borne and will continue to be borne entirely by other Funds. The Adviser will evaluate the facts and circumstances including, without limitation, timing of the transaction, benefit to the Fund to have co-investors participate in a particular transaction and relative negotiating power. The Adviser will have discretion in determining whether a particular allocation among a Fund or Funds and co-investors or Co-Investment Vehicles is fair and equitable. This discretion creates a potential conflict of interest as it may have incentive to allocate expenses to a particular Fund over another Fund and it may result in a Fund bearing more than its pro rata portion of certain fees, costs and expenses (including Dead Deal Expenses).

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

Syndication of Co-Investments

From time to time, a Fund may make an investment with the expectation of offering a portion of its interests therein as a co-investment opportunity to Fund limited partners, other third-party investors, clients and affiliates of the Adviser and/or to certain Co-Investment Vehicles set up for certain Fund limited partners (including vehicles that have committed capital to invest alongside one or more Funds in more than one co-investment). Such investments may involve risks not present in investments where a third party is not involved. There can be no assurance (1) that a Fund will be successful in syndicating such co-investment opportunity, in whole or in part, to one or more potential co-investors, (2) that the closing of such co-investment will be consummated in a timely manner, (3) that the co-investment will take place on the terms and conditions that will be preferable for a Fund or (4) that expenses incurred by a Fund with respect to the syndication of the co-investment will not be substantial. Furthermore, because syndicated co-investments are typically sold to co-investors at the Fund's cost, the selling Fund is exposed to the risk that the co-investment has increased in value and thus the Fund is receiving less than fair market value in exchange for the investment. The risk is typically mitigated by the fact that co-investments are usually syndicated within a relatively short period of time following the acquisition by the Fund. If a Fund is not successful in syndicating such co-investment, in whole or in part, such Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity and bear more costs and expenses than initially was intended, which could make such Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. In cases where a proposed transaction is not syndicated by a Fund to a prospective co-investor, regardless of whether a Co-Investment Vehicle has been formed, all expenses incurred in making the proposed but not consummated syndication are generally borne, depending on the facts and circumstances, solely by the Fund or Funds (other than Co-Investment Vehicles) that were pursuing such proposed syndication. Moreover, an investment by a Fund which is not syndicated to co-investors as originally anticipated could significantly reduce such Fund's overall investment returns.

Warehoused Investments

Certain Funds from time to time acquire one or more portfolio investments that were acquired by the Adviser or its affiliates, including with substantial participation by third-party investors (who may also be limited partners in the relevant Funds that acquire the warehoused investments or in other Funds), prior to the first closing date of such Fund. In certain instances, the Adviser or its affiliates receive certain fees in connection with such investments. Any fees received by the Adviser or its affiliates with respect to such investments prior to the date of transfer of such warehoused investments to the relevant Fund generally will be retained by the Adviser or its affiliates and will not be shared with a Fund or otherwise reduce management fees, administration fees or Carried Interest payable by such Fund to the Adviser. The decision of the relevant general partner or the Adviser regarding the timing of the first closing date of a Fund therefore generally affects the portion of fees received by the Adviser and its affiliates with respect to the warehoused investments. In addition, a Fund will generally pay an additional amount on the acquisition cost of any warehoused investment equal to a certain percentage per annum from the date of closing of such warehoused investment until the date of transfer of such warehoused investment to such Fund. The decision of a general partner or the Adviser regarding the timing of the transfer of the warehoused investment to a Fund will therefore affect the quantum of the foregoing additional amount that is paid by such Fund to the Adviser, its affiliates, and the relevant third-party investors who capitalized the warehouse. Such third-party investors also often retain a portion of the portfolio investment and hold the investment alongside the relevant Fund as co-investors. See above under “Co-Investments with Third Parties.”

Investments Longer than Term

A Fund may make portfolio investments that, due to various reasons, may not be capable of an advantageous disposition prior to the date such Fund is required to be dissolved, either by expiration of such Fund’s term or otherwise. In certain instances, a Fund may be required to sell, distribute in kind or otherwise dispose of portfolio investments, including to another Fund (see “Continuation Transactions” in Item 11), at a disadvantageous time in order to carry out a timely or required dissolution.

Control Position

As part of its strategy, a Fund may seek certain portfolio investment opportunities that allow the Fund to either acquire control or exercise significant influence over the management, operation and strategic direction of certain portfolio companies in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for regulatory non-compliance, environmental damage, product defects, failure to supervise management and other types of liability in which the limited liability of business operations may be ignored. The exercise of control and/or significant influence over a portfolio company could expose a Fund to claims by such portfolio company, its security holders, its creditors and its regulators. While the general partners of the Funds intend to manage the Funds in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

Guarantees of Portfolio Companies

Certain Funds may guarantee the obligations of their portfolio companies. As a result, if any such portfolio company defaults on its obligations, the applicable Fund will be required to satisfy such obligation. In order to do so, the applicable Fund may call capital, recall distributions or liquidate some or all of its investments prematurely at potentially significant discounts to fair value.

Bridge Financings

From time to time, certain of the Funds may lend to portfolio companies on a short-term, unsecured basis, or otherwise invest on an interim basis in portfolio companies in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans may be convertible into a more permanent, long-term security; however, for reasons not always in a Fund's control, such long-term securities may not be issued and such bridge loans and interim investments may remain outstanding. Any such loan made by a Fund involves the risk of loss of the entire amount of such loan. In addition, by making such loans, a Fund may be subject to various laws and regulations applicable to lenders and the holding of such loans could potentially subject a Fund to various "lender liability" risks. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the position taken by a Fund. Certain Funds are permitted to make short-term bridge financings with the intent to sell a portion of an investment to co-investors following the consummation of such investment. To the extent a bridge financing is not repaid, refinanced or otherwise disposed of, subject to the applicable governing documents of a Fund, the bridge financing will be treated as a permanent portfolio investment of such Fund from the date of the original investment. In the event of any such failure to dispose of a bridge investment, such Fund's exposure to such permanent portfolio investment may exceed the exposure the Adviser would otherwise deem appropriate for such Fund's portfolio construction or diversification.

Business and Regulatory Risks of Private Investment Funds

Legal, tax and/or regulatory changes could occur during the term of a Fund that would adversely affect such Fund. The regulatory environment for private investment funds and their investment advisers is evolving, and changes in the regulation of private investment funds or their investment advisers may adversely affect the value of investments held by a Fund and the ability of a Fund to obtain the leverage it might otherwise obtain or to pursue its trading strategies. There is a possibility that, in the future, certain Funds may be subject to new or revised legislation or regulations, which may be enforced by entirely new governmental agencies. Certain Funds or some or all of the limited partners of such Funds also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could be more difficult and expensive, and may affect the manner in which certain Funds conduct business. New laws or regulations may also subject certain Funds or some or all of the limited partners of such Funds to increased taxes or other costs. In addition, the SEC, other regulators and self-regulatory organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

Benchmark Rate Risk

Prior to June 30, 2023, certain credit instruments or facilities held or used by the Funds may have had floating interest rates based on the London Inter Bank Offered Rate (“LIBOR”). LIBOR is an estimate of the interest rates to borrow U.S. dollars, sterling, euros and certain other currencies in the London unsecured interbank market, and was widely used as a reference for setting the interest rate on loans, bonds and derivatives globally. Consistent with prior announcements by the United Kingdom’s Financial Conduct Authority (“FCA”), the representative settings for all Swiss franc, euro, British pound sterling, Japanese yen and U.S. dollar LIBORs are no longer available as of June 30, 2023, while synthetic 3-month British pound sterling LIBOR and one-, three- and six-month U.S. dollar LIBOR settings are expected to cease at the end of March 2024 and September 2024, respectively.

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

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

SOFR Risk

SOFR is a relatively new index rate calculated based on short-term repurchase agreements backed by U.S. Treasury Instruments. While LIBOR is an unsecured rate, SOFR is a secured rate. SOFR, unlike LIBOR, reflects actual market transactions. Accordingly, SOFR is not the economic equivalent of LIBOR. Consequently, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, monetary policy, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events.

Additionally, because SOFR is published by the Federal Reserve Bank of New York (the “New York Fed”) based on data received from other sources, the Adviser has no control over its determination, calculation or publication. There can be no assurance that SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Funds. If the manner in which SOFR is calculated is changed, that change may result in (i) a reduction of the amount of interest payable on any SOFR-linked floating rate instruments held by the Funds and the trading prices of such instruments or (ii) an increase in the amount of interest

payable on SOFR-linked floating rate credit facilities. Additionally, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although occasional, increased daily volatility in SOFR would not necessarily lead to more volatile interest payments, (i) the return on and value of any SOFR-linked floating rate instruments held by the Funds and (ii) the interest rate payable on SOFR-linked floating rate facilities, in each case may fluctuate more than floating rate instruments or facilities that are linked to less volatile rates. All of the foregoing risks may affect (i) the performance of the applicable instruments in which the Funds invest and (ii) the interest rates payable by the Funds under their credit facilities, which in turn may adversely affect the performance of the Funds.

Alternative Benchmark Rate Risk

As stated above, certain instruments or facilities held or used by the Funds may have floating interest rates based on alternative benchmark rates other than SOFR. Such alternative benchmark rates, like SOFR, may not have been widely used by market participants until relatively recently, and they may not perform exactly the same as LIBOR because they are calculated and administered differently. Generally, the use of alternative benchmark rates (including SOFR) may (i) cause the value of the interest rate on such instruments or facilities to be uncertain or to be lower or higher or more volatile than it would otherwise be, (ii) result in uncertainty as to the functioning, liquidity or value of such instruments or facilities and/or (iii) involve actions of regulators or rate administrators that may adversely affect certain markets or contracts underlying such instruments or facilities. All of the foregoing risks may affect (i) the performance of the applicable instruments in which the Funds invest and (ii) the interest rates payable by the Funds under their credit facilities, which in turn may adversely affect the performance of the Funds.

The Alternative Investment Fund Managers Directive and the UK Alternative Investment Fund Managers Regulations

The Alternative Investment Fund Managers Directive 2011/61/EU, including all national, implementing or supplementary measures, laws and regulations (“AIFMD”) and the UK Alternative Investment Fund Managers Regulations, as amended, including by the European Union (Withdrawal) Act 2018 and Alternative Investment Fund Managers (Amendment etc.) (EU Exit) Regulations 2019 (“AIFM Law”) regulates the activities of fund managers undertaking fund management activities in the EEA or the UK or marketing fund interests to investors in the EEA or the UK. The Adviser is not a UK or EEA authorized alternative investment fund manager under AIFMD or AIFM Law but may be required to comply with certain provisions of AIFMD or AIFM Law if it markets interests or shares in certain Funds in the EEA or the UK under the national private placement regimes. Compliance with the provisions of AIFMD or AIFM Law by the Adviser may impose additional costs and other restrictions on the investment or other opportunities of such Funds. As a non-EEA or non-UK alternative investment fund manager, the Adviser is typically not required to comply with all of the requirements set out in AIFMD or the AIFM Law. Accordingly, and subject to the below, investors in a Fund typically will not receive the full protections or benefits available under AIFMD or the AIFM Law, which would otherwise be available to investors in an alternative investment fund managed by an EEA or UK alternative investment fund manager. AIFMD or AIFM Law does not apply where an investor approaches the Adviser to invest in, or request information on, a Fund at its own initiative (known as reverse solicitation). There is a risk that an EEA member state or UK regulatory authority or government

may reach a different conclusion to the Adviser as to whether reverse solicitation applies and find that AIFMD or AIFM Law did apply to the Adviser or the Funds. Such a finding may result in a regulatory or governmental authority or court in the relevant EEA member state or the UK requiring the Adviser or the Fund to return any capital or other funds to investors or otherwise seeking to take other enforcement or remedial action against the Adviser and/or the Funds. This may result in a reduction in the overall amount of capital available to the Funds, which limits, in turn, the range of investment strategies and investments that the Funds are able to pursue and make or otherwise result in a loss to the Funds.

Tax Reform Risk

Tax law is subject to change and various historic and current legislative proposals could affect the Funds and their limited partners. Under current law, gains in respect of a general partner's right to Carried Interest generally will be subject to a three-year "holding period" in order to be classified as "long term capital gains," while the corresponding holding period requirement with respect to Fund investors is generally one year. This holding period requirement could affect investment decisions, including the timing and structure of dispositions, and could adversely impact returns for investors. For example, the holding period requirement may incentivize a general partner to cause a Fund to hold an investment for longer than three years in order for the general partner to obtain a preferential tax rate on Carried Interest, even if there are attractive realization opportunities prior to that time. Further, there are currently administrative and legislative proposals to further change the tax treatment of "carried interest" in ways that may be adverse to partners in a general partner. A general partner and the Adviser may take these potential adverse consequences into account in their management and operation of the Funds and in addressing these adverse consequences, the interests of the general partner and the Adviser, on the one hand, may diverge from the interests of the investors, on the other hand.

Israel, Middle East Security, Military and Related Risks

A coordinated attack by Hamas on Israeli citizens on October 7, 2023 has sparked an armed conflict, which is currently ongoing, between Hamas and other Palestinian militant groups and Israel, known as the 2023 Israel-Hamas war. Across the Middle East region, tensions have risen, and the conflict has begun to spill over into Lebanon, Iraq, Syria, and Yemen, including attacks on U.S. presence in those countries. As a result of attacks on container ships sailing through the Red Sea by Iran-backed Houthis, as of February 2024, several global shipping companies have paused all shipping that passes through the Red Sea, potentially severely impacting global trade, particularly in certain industries. There is concern that the Hamas-Israel conflict could continue to expand to involve other regional powers and global actors. While Israel has entered into peace agreements with both Egypt and Jordan, and several other Middle Eastern and North African countries have normalized relations with Israel, this new conflict has created tremendous unrest and uncertainty in the region, which may threaten any such peace agreements. Certain Funds invest a portion of their assets in Israeli or Israeli-related investments so the conflict may have a particularly significant adverse impact and result in significant losses to the Funds in particular related to such portfolio companies that operate in Israel. Any major hostilities involving Israel, continued boycotts of Israeli firms and others doing business in Israel or with Israeli companies, the interruption or curtailment of trade between Israel and its present trading partners, or a downturn in the economic or financial condition of Israel could have a material adverse effect on

such companies' operations and, accordingly, on the prospects of the Funds' investments. The ultimate course of a conflict such as the Israel-Hamas war, and its impact on global economic and commercial activity and conditions, and on the operations, financial condition and performance of a Fund or any particular industry, business or investee country, including the Funds' portfolio companies, in particular such companies in Israel, as well as the duration and severity of such effects, is impossible to predict. This impact may include reductions in revenue and growth, cyber-attacks, unexpected operational losses and liabilities, reductions in the availability of capital and reductions in the availability and productivity of the workforce. It may also limit the ability of the Funds to source, diligence and execute new investments and to manage, finance and exit investments in the future. The conflict could also deter the Funds from making new investments in Israel, and as a result, the Funds could experience lower returns than if they had made such investments, in particular if the conflict resolves more quickly than anticipated. Developing and further governmental actions (military or otherwise), regional spillover, and international negotiations over such conflicts may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to the investment strategy which the Funds intend to pursue, all of which could adversely affect the Funds' ability to fulfill its investment objectives.

Climate Change

A Fund may acquire investments that are located in, or have operations or customers in, areas that are subject to climate change. Any investments located in or with customers in coastal regions may be affected by any future increases in sea levels or in the frequency or severity of hurricanes and tropical storms, whether such increases are caused by global climate changes or other factors. There may be significant physical effects of climate change that have the potential to materially impact a Fund's business and operations. As a result of these impacts from climate-related events, a Fund's investments may be vulnerable to the following: risks of property damage; indirect financial and operational impacts from disruptions to operations from severe weather; increased insurance premiums and deductibles or a decrease in the availability of coverage for investments in areas subject to severe weather; increased insurance claims and liabilities; increase in energy costs impacting operational returns; incorrect long-term valuation due to changing conditions not previously anticipated at the time of the investment; and economic distributions arising from the foregoing.

Regulatory Proposals with Respect to Private Funds and Investment Advisers

The Adviser is subject to regulation by the SEC. In recent years, the SEC has proposed and adopted several new rules and amendments to existing rules under the Advisers Act related to registered advisers and their activities with respect to private funds that fundamentally increase compliance costs and burdens on the Adviser and the Funds. In particular, on August 23, 2023, the SEC adopted rules and amendments (collectively, the "Private Funds Rules") specifically related to private funds. The SEC has also recently proposed other new rules and amendments under the Advisers Act regarding ESG disclosures, safeguarding of client assets, additional Form PF reporting obligations (in addition to those recently adopted), cybersecurity risk governance, the outsourcing of certain functions to service providers, changes to Regulation S-P and the use of predictive data and associated conflicts of interest.

The Private Funds Rules and the other proposed rules, to the extent adopted, are expected to significantly increase compliance burdens and associated costs (which, to the extent permitted under the organizational documents, and consistent with the law and the Private Funds Rules, will be treated as partnership expenses borne by limited partners of a Fund) and complexity and possibly restrict the ability to receive certain expense reimbursements in certain circumstances. This, in turn, also would be expected to increase the need for broader insurance coverage by the Adviser and increase such costs and expenses charged to a Fund and its investors. In addition, these amendments could increase the risk of exposure of the Adviser to additional regulatory scrutiny, litigation, censure and penalties for noncompliance or perceived noncompliance, which, in turn, would be expected to adversely (potentially materially) affect the Adviser and a Fund's reputation, and to negatively impact a Fund in conducting its business (thereby materially reducing returns to investors). There can be no assurance that the Private Fund Rules and any other new SEC rules and amendments will not have a material adverse effect on the Adviser, the Funds, their investments and/or limited partners.

Delayed Schedules K-1

Certain Funds may not be able to provide final Schedules K-1 to limited partners for any given fiscal year until significantly after April 15 of the following year. Such Funds will provide Schedules K-1 as soon as practicable after their receipt of all of the necessary information. Limited partners should be prepared to obtain extensions of the filing date for their income tax returns at the U.S. federal, state and local levels, and such Funds will not be liable for any costs incurred by a limited partner in connection with any such delays.

Effect of Fees and Expenses on Returns

The Funds will bear all expenses relating to their respective operations and will pay the management fees and any fees payable by such Fund to third parties. While it is difficult to predict the future expenses of certain Funds, such expenses may represent a substantial percentage of a Fund's net assets and may vary significantly from period to period. Such expenses and fees will reduce the actual returns to the investors. The expenses and fees will be paid regardless of whether the Funds produce positive investment returns. Certain Funds must make substantial profits to avoid depletion or exhaustion of its assets from these fees and expenses. If a Fund does not produce significant positive investment returns, expenses and fees will reduce the amount of the investment recovered by the investors to an amount less than the amount invested in the Fund by the investors.

Dead Deal Expenses

A Fund's investments may require extensive due diligence activities prior to acquisition, and the related expenses may be quite substantial. Due diligence costs may include among others: feasibility and technical studies; marketing studies; legal costs; and bid preparation and submission costs. Dead Deal Expenses, including the foregoing, will be borne by such Fund even if the applicable prospective investment is not finalized or made by such Fund.

Operational Risk

The Funds depend on the Adviser to develop the appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or from other similar disruptions in the Adviser's operations may cause a Fund to suffer (a) financial losses, (b) the disruption of its business, (c) liability to clients or third parties, (d) regulatory intervention or (e) damage to its reputation. Human error (including, without limitation, trading errors), system failure or other problems with any of the operational processes could result in material losses or costs, which will generally be borne by a Fund.

Systemic Risk

Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which certain Funds interact on a daily basis.

Possibility of Fraud or Other Misconduct of Employees and Service Providers

Misconduct by employees of the Adviser, Consultants or other service providers to a Fund or the Adviser and/or their respective affiliates could result in significant losses for certain Funds. Such misconduct may include (a) binding certain Funds to transactions that exceed authorized limits or present unacceptable risks, (b) unauthorized trading activities, (c) concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses), (d) embezzlement and (e) fraud. Losses could also result from actions by service providers, including, without limitation, failing to recognize trades and misappropriating assets. No assurances can be given that the Adviser or the general partner of a Fund will be able to identify or prevent misconduct by employees or service providers, which misconduct could cause significant losses to certain Funds.

Business Continuity

A disaster or disruption, including those caused by climate change, to the infrastructure that supports any of the cities in which the Adviser operates, or more specifically the offices of the Adviser or where the Adviser stores data, may have a material adverse impact on certain Funds. Although the Adviser has a business continuity plan to prepare for such disasters or disruptions, including those caused by climate change, and certain system redundancies, there can be no assurance that the measures set forth in such plan will be sufficient. In addition, there are certain types of disasters that are not susceptible to risk mitigation and others are simply not foreseeable.

Other Obligations of Adviser Personnel

Adviser personnel devote such time and attention to the management of a Fund and its portfolio companies as is required to discharge their duties. As a result of existing portfolio investments or activities on behalf of a Fund or the Adviser, Adviser personnel may from time to time acquire

confidential information that they will not be able to use for the benefit of a Fund and that may prevent such Fund from taking advantage of opportunities that it may otherwise have been able to.

Limited Regulatory Oversight

While certain Funds may be considered to be similar to an investment company, they are not required to and do not intend to register as such under the 1940 Act in reliance upon a statutory exclusion available to privately offered investment companies, and, accordingly, the provisions of the 1940 Act (which may provide certain regulatory safeguards to investors) will not be applicable. A registered investment company which places its securities in the custody of a member of a national securities exchange is required to have a written custodian agreement, which provides that securities held in custody will be at all times individually segregated from the securities of any other person and marked to clearly identify such securities as the property of such investment company and which contains other provisions complying with SEC regulations. Certain Funds may maintain such accounts at brokerage firms which do not separately segregate such assets as would be required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, the bankruptcy of any such brokerage firms might have a greater adverse effect on a Fund than would be the case if it maintained its accounts in accordance with the requirements applicable to registered investment companies.

Adverse Legal Action; Litigation

The business of the Adviser is subject to extensive and complex regulation. The regulatory bodies with jurisdiction over the Adviser generally have the authority to conduct investigations and administrative proceedings, and to grant or cancel the Adviser's authority to carry on its business. From time to time, in the ordinary course of operations, the Adviser or its affiliates are subject to regulatory inquiries, examinations and investigations from U.S. and non-U.S. governmental agencies, regulatory bodies and securities commissions, which can be costly and occupy significant staff time and resources. Any such inquiry, examination or investigation could lead to civil or criminal proceedings resulting in a censure, fine, penalty and/or other sanction, including asset freezes, the issuance of a cease and desist order or the suspension or expulsion of an individual. Any such inquiry, investigation or enforcement proceeding could have a material adverse impact on certain Funds. In addition, the Adviser and/or certain Funds may be party to civil litigation proceedings related to investments. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments will generally be borne by such Funds.

Antitrust Issues

Portfolio companies of the Funds will be subject to the antitrust and competition rules that apply in those countries or regions in which such companies do business. Failure to comply with such rules could expose the infringing company to sanctions or penalties, including fines and civil damage actions. In some situations, private equity funds or sponsors could be held jointly and severally liable for any sanctions or penalties imposed on a current or previously owned portfolio company for breach of the applicable antitrust rules. In recent years, there have been governmental investigations and lawsuits over whether certain club deals or consortium bids constituted an illegal attempt to collude and drive down the prices of acquisitions. There can be no assurance

that the Adviser or the Funds will not be subject to third-party litigation and/or investigations involving consortium bids.

The U.S. Federal Trade Commission and U.S. Department of Justice Antitrust Division (the “U.S. Agencies”) have also announced certain changes to antitrust enforcement policy that may make enforcement actions with respect to private equity transactions more likely. These changes include additional filing requirements for transactions subject to Hart-Scott-Rodino notification requirements that may significantly increase the costs and burdens associated with such filings, as well as increase the potential for sanctions that may be imposed if a portfolio company or a private equity sponsor fails to comply with the new filing rules. The U.S. Agencies have also proposed new draft merger guidelines regarding enforcement of the antitrust laws with respect to mergers and acquisitions that indicate the U.S. Agencies will investigate and challenge more transactions as unlawful compared to the recent past. Finally, the U.S. Agencies and state antitrust enforcers have also expressed concern with certain business strategies commonly employed by private equity portfolio companies and have initiated investigations and lawsuits against both portfolio companies and their private equity sponsors related to the current and past conduct of those portfolio companies. There can be no assurance that the Funds, the Adviser or the portfolio companies will not be subject to third-party litigation and/or investigations involving current or past transaction activity. In addition, such developments are expected to result in lengthened timelines to closing of a Fund’s investments and increased expenses associated with the antitrust filings related thereto.

No Right to Control the Fund’s Operations

Limited partners will have no opportunity to control the day-to-day operations of a Fund, including investment and disposition decisions. In order to safeguard their limited liability for the liabilities and obligations of a Fund, limited partners must rely entirely on its general partner and the Adviser to conduct and manage, respectively, the affairs of a Fund.

Dependence on Key Personnel

The success of a Fund depends in substantial part on the skill and expertise of the key persons and other employees of the Adviser and its affiliates. There can be no assurance that the key persons or other investment professionals and employees of the Adviser and its affiliates will continue to be employed by the Adviser throughout the life of such Fund. The loss of key personnel could have a material adverse effect on a Fund.

ERISA

If the underlying assets of a Fund were considered “plan assets” of benefit plan investors (as defined in Section 3(42) of ERISA), the Adviser would be considered a fiduciary of such investors. Generally, the fiduciary provisions of ERISA require fiduciaries of a plan subject to ERISA (a) to act for the exclusive benefit of the participants and the beneficiaries of the plans whose assets they manage; (b) to employ the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; (c) to diversify investments so as to minimize the risks of large losses; and (d) to comply with constituent documents of such plans. If the assets of a Fund were considered plan

assets for ERISA purposes, the Adviser would be prohibited from causing such Fund to enter into certain transactions and would need to determine how the payment of the management fee, any administration fees and Carried Interest impacts ERISA. In addition, the ERISA compliance obligations could adversely affect the investment activities of such Fund.

Unspecified Use of Proceeds

With respect to certain Funds, the proceeds of the offering of interests in such Funds will be used by such Funds to make investments that, other than any warehoused investments, if any, as of the date of such offering, have not been selected by the Adviser. Purchasers of interests in such Funds will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by such Funds and, accordingly, will be dependent upon the judgment and ability of the general partner of such Funds and the Adviser in investing and managing the capital of such Funds. No assurance can be given that such Funds will be successful in obtaining suitable investments, or that if such investments are made, the objectives of such Funds will be achieved. Failure to meet investment objectives or to invest a Fund's committed capital could result in diminished returns and opportunity costs to limited partners.

Cybersecurity Risk

The Adviser, the Funds' service providers and other market participants depend on complex and often interconnected information technology and communications systems to conduct business functions. These systems are subject to a number of different threats and other risks that could adversely affect the Funds and their investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and procedures intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the security, confidentiality, integrity and availability of information belonging to the Fund and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, encrypt or otherwise prevent access to these systems of the Adviser, the Funds' service providers and counterparties as well as the data stored by these systems, including investor information. The Adviser and the Funds' service providers may be subject to ransomware or other attacks that could cause a substantial business disruption or loss of availability of data that could prevent the Funds and the Adviser from executing its investment strategy or accessing an account, which could lead to financial losses. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the Adviser's systems to disclose sensitive information in order to gain access to the Adviser's data or that of the Funds' investors or to transfer funds to unauthorized third parties. A successful penetration or circumvention of the security of the Adviser's systems by unauthorized third parties could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Funds, the Adviser or their service providers to incur regulatory penalties, reputational damage, additional compliance costs, increased insurance premiums or financial loss. In addition, the Adviser may incur substantial costs related to investigation and remediation of the cybersecurity incident, increasing and upgrading cybersecurity protections including its administrative, technical, organizational and physical controls, acts of identity theft, unauthorized use or loss of proprietary

information, adverse investor reaction, increased insurance premiums or difficulties obtaining insurance coverage, or litigation, regulatory actions or other legal risks.

Similar types of operational and technology risks are also present for the companies in which the Funds invest, which could have material adverse consequences for such companies, and may cause the Funds' investments to lose value.

Data Protection

Privacy and data protection are receiving increased amounts of attention and scrutiny from regulators globally. Among other privacy regimes, a number of data protection laws and regulations have been enacted, including (1) the EU General Data Protection Regulation ("GDPR"), (2) the GDPR as implemented in the United Kingdom, including through the UK Data Protection Act 2018 ("DPA"), (3) the California Consumer Privacy Act (the "CCPA") and other "comprehensive" U.S. state data protection laws, and (4) the Data Protection Law, 2017 in the Cayman Islands (the "DPL"). New data privacy laws have also been proposed in more than half of the states in the U.S. and in the U.S. Congress, reflecting a trend toward more stringent privacy legislation in the U.S. The purpose of these laws is to increase the protection of individuals' rights and freedoms in relation to their privacy and with respect to the collection, processing, storing, sharing and deletion of their personal data. In addition, New York's Stop Hacks and Improve Electronic Data Security Act ("NY SHIELD Act") imposes potential penalties for businesses that fail to develop, implement and maintain reasonable protection for personal information and other U.S. states have adopted statutes specifically imposing data security requirements. These shifting privacy and data protection laws could require the Adviser to modify its data processing practices and policies in certain respects.

Data protection laws like the GDPR, DPA, CCPA, NY SHIELD Act and DPL often require stringent operational requirements and onerous accountability obligations for controllers and processors of personal data, including, for example, expanded disclosures *inter alia* about the usage of personal data, limitations on retention of personal data, implementation of appropriate technical and organizational security measures to protect personal data and higher standards for data controllers to demonstrate that they have obtained valid consent or have another relevant legal basis in place to justify their data processing activities. These laws also include data subject rights, such as the rights to access personal data, to have such data corrected or deleted and to limit processing of personal data, which will require that the Funds have in place the necessary mechanisms to allow individuals to exercise them.

These laws, as well as any laws developed in the future in other relevant jurisdictions, also could cause the Funds' and their investments' costs to increase and result in further administrative costs as part of their compliance efforts, which is likely to reduce capital that can be deployed for making investments. Moreover, if the Adviser or any of the Funds suffers a security breach impacting personal data, there may be obligations to notify government authorities or data subjects, which may divert the Adviser's time and effort and entail substantial expense.

While the Funds and the Adviser intend to comply with their obligations under applicable privacy and data protection laws, they may not be able to accurately anticipate the ways in which regulators and the courts will apply or interpret the laws. The failure by the Funds and/or the Adviser to

comply with applicable privacy and data protection laws could result in negative publicity and may subject them to significant costs associated with litigation, settlements, regulatory action, judgments, liabilities, or (actual or contingent) fines and penalties.

The provisions of the GDPR, DPA, CCPA, NY SHIELD Act and DPL and other existing or new privacy and data protection laws may also apply to the portfolio companies. On the basis that global data protection laws are constantly evolving, portfolio companies may be continually subject to new laws, regulations or standards or new interpretations thereof. These laws could affect the value of the portfolio companies if they incur additional costs and restrict business operations. Similarly to the above, failure by the portfolio companies to comply with applicable requirements may result in governmental enforcement actions, litigation (actual or contingent), fines and penalties or adverse publicity, which could have an adverse effect on their, the Adviser's and the Funds' reputation and adversely affect the business and the value of the Funds' investments.

Risks of Artificial Intelligence ("AI")

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

Risks Related to Other Advisory Services and Other Arrangements

Certain employees of the Adviser provide research, trust, administrative, reporting and similar services to certain senior employees of the Adviser and certain of their family members and estate planning vehicles, in each case with respect to personal investment activities, and such services could potentially present a conflict of interest between the Adviser and a Fund. However, the Adviser believes any potential conflicts of interest are substantially mitigated because (i) the investments are not investments that would be suitable for a Fund, (ii) the investments are reportable by the senior employees of the Adviser and subject to preclearance pursuant to the Adviser's Code of Ethics, (iii) such employees are not involved in the provision of investment advice to a Fund and (iv) such employees do not exercise investment discretion with respect to such personal investment activities.

Additionally, the Adviser previously operated as an investment adviser under common control with Providence. As of November 2020, Providence and the Adviser are no longer affiliates. However, the Adviser maintains certain IT services arrangements with Providence, though such arrangements are expected to conclude during 2024.

See Item 11 for more information regarding conflicts of interest related to these arrangements.

DAC6

On May 25, 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning ("DAC6").

More specifically, the reporting obligation will apply to cross-border arrangements that, among others, satisfy one or more "hallmarks" provided for in DAC6 (the "Reportable Arrangements").

In the case of a Reportable Arrangement, the information that must be reported includes the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market, organize, or make available for implementation or manage the implementation of the Reportable Arrangement and persons that, having regard to the relevant facts and circumstances, know or could be reasonably expected to know that they have undertaken to provide assistance or advice with respect to such Reportable Arrangement (the "Intermediaries"). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

The information reported will be automatically exchanged between the tax authorities of all Member States.

The Grand Duchy of Luxembourg has implemented DAC6 into Luxembourg law by the law of 25 March 2020 (the DAC6 Law) following the text of DAC6 rather closely.

As from January 1, 2021, Intermediaries are in principle required to file information with their national tax authority within thirty days following the day on which:

- the arrangement (i) is made available for implementation, or (ii) is ready for implementation; or
- when the first step in the implementation of the reportable cross-reportable arrangement has been made, whichever occurs first.

In light of the broad scope of DAC6, transactions carried out by the Funds may fall within the scope of DAC6 and thus be reportable (subject however to the way DAC6 will be implemented into national laws).

Russian Invasion of Ukraine

An ongoing military conflict exists between Russia and Ukraine which has caused various disruptions to global financial systems, trade and transport, and food security in certain regions of the world, 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. The U.S. and allied countries have taken steps to prevent certain Russian banks from accessing international payment systems and implemented sanctions on certain Russia exports, including oil and natural gas. Additionally, the U.S. and allied countries have issued sanctions on certain foreign individuals and national leaders who have supported Russia's invasion of Ukraine, restricting such persons from particular transactions in the U.S. and allied countries. Russia's invasion of Ukraine, related cyberattacks, the displacement of persons both within Ukraine and to neighboring countries and the increasing international sanctions could have a negative impact on various economies and business activity globally (including in the countries in which the Funds invest), and therefore could adversely affect the performance of a Fund's investments. It may also limit the ability of a Fund to source, diligence and execute new investments and to manage, finance and exit investments in the future. A portfolio company's ability to recruit and hire personnel may also be limited. Given the ongoing and evolving nature of the conflict and its ongoing escalation (such as Russia's decision to place its nuclear forces on high alert, its potential involvement in the conflict between Israel and Hamas, its recent suspension of its participation in its last nuclear arms treaty and the possibility of significant cyberwarfare against military and civilian targets globally), it is difficult to predict the conflict's ultimate impact on global economic and market conditions, and, as a result, the situation presents material uncertainty and risk with respect to the Funds and the performance of their investments or operations, and the ability of the Funds to achieve their investment objectives. Given the involvement of the broader international community in the conflict, including via the supply of weapons to Ukraine and China's role in proposing various ceasefires, there remains a risk of spread of the conflict beyond Eastern Europe.

Item 9. Disciplinary Information

This item is not applicable to the Adviser.

Item 10. Other Financial Industry Activities and Affiliations

Related General Partners

The Adviser organizes the Funds, which are limited partnerships for which the Adviser (including affiliates of the Adviser) serves as general partner. For a description of material conflicts of interest created by the relationship among the Adviser and the general partners, as well as a description of how such conflicts are addressed, please see Item 11 below.

Affiliated Entities

PSG is affiliated with the entities listed below. PSG has entered into consulting agreements with these entities, pursuant to which they provide certain non-execution ancillary services to PSG, including but not limited to providing sourcing services, research services, non-discretionary investment recommendations, structuring advice and negotiation services, ongoing monitoring and reporting regarding portfolio companies, consulting with portfolio companies, preparing materials for investor reports, providing employees to serve as directors of portfolio companies, and providing employees to vote proxies at portfolio company shareholder meetings.

- PSG Equity LLP (“PSG UK”): a foreign advisory affiliate of PSG organized in the UK and authorized to perform certain activities by the UK Financial Conduct Authority.
- PSG Equity Israel Ltd. (“PSG Israel”): a foreign advisory affiliate of PSG organized in Israel.
- PSG (Canada) Equity ULC (“PSG Canada”): a foreign advisory affiliate of PSG organized in Canada.

In rendering the services described above to its clients, PSG uses the services of certain personnel of PSG UK, PSG Canada and PSG Israel pursuant to “participating affiliate” arrangements. Under such arrangements, each of PSG UK, PSG Canada and PSG Israel is a “participating affiliate” as that term is used in relief granted by the staff of the SEC allowing U.S. registered investment advisers to use investment management resources of unregistered advisory affiliates subject to the supervision of the registered investment adviser. Each participating affiliate’s employees who provide services to PSG’s clients are considered to be “associated persons” of PSG as that term is defined in the Advisers Act for purposes of PSG’s required supervision.

For a description of material conflicts of interest applicable to the Adviser, as well as a description of how such conflicts are addressed, please see Item 11 below.

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

Code of Ethics

The Adviser's Code of Ethics requires each of the Adviser's employees to deal honestly and fairly with all persons with whom he or she has contact. Employees at all times must place the interests of the Funds and their investors first. Employees are required to conduct their personal trading so as to avoid any actual or potential conflicts of interest or any abuse of a position of trust or responsibility. Moreover, employees are not permitted to take inappropriate advantage of their positions. The Code of Ethics includes policies regarding personal trading by the Adviser's employees and members of their immediate families. These policies limit personal trading by employees in a wide range of securities, including common and preferred stock, debt instruments, securities that are convertible or exchangeable for equity or debt securities, and derivative instruments. Employees must report every account in which they have a direct or indirect beneficial interest, other than personal savings or checking accounts that are not able to hold securities of any type, certain cryptocurrency accounts and certain 401ks, and have copies of periodic accounts statements sent by their broker(s) to the Adviser's compliance department. In addition, if they directly or indirectly influence or control trading in the account, they must pre-clear covered securities transactions with the Adviser's compliance department.

A copy of the Code of Ethics is available to any client or prospective client upon request by calling Aaron W. Fine at 617-991-8107 or by emailing Mr. Fine, General Counsel & Chief Compliance Officer of PSG Equity L.L.C., at aaron.fine@psgequity.com.

Valuation of Fund Assets

The Adviser has a duty to value the Funds as provided in and consistent with the organizational documents of the Funds. The Adviser has adopted a policy regarding the valuation of Fund assets. The principal purpose of this policy is to provide a basis for establishing valuations reported by Funds. Performance information for the Funds will be reported to investors based on such valuations.

Certain Funds have portfolio investments, including restricted securities in publicly held companies and privately held investments, which are carried at an estimate of fair value as determined in good faith, pursuant to procedures determined by the valuation committees thereof. In the absence of special circumstances, all portfolio investments, other than restricted and privately held portfolio investments, are fair valued using the observable market value. Market value for unrestricted, publicly traded portfolio investments of the Funds is determined based on the closing price on the exchange on which the security is principally traded. The price of publicly-traded portfolio investments of one Fund or Funds may be impacted by certain investment decisions made by another Fund or Funds, including, but not limited to, decisions to hold, trade, dilute, hedge, short or change its ownership interest in such publicly-traded portfolio investments or in other investments in such Fund or Funds that otherwise impact the price of publicly-traded portfolio investments of the Funds.

Restricted and privately held portfolio investments and other instruments not enumerated above, which may not have readily ascertainable market values, are valued at fair value, which is the estimated amount that would be received upon the sale of the portfolio investment in an orderly transaction between market participants on the measurement date as outlined in ASC 820. In establishing the fair value of portfolio securities, the Adviser takes into consideration, for each portfolio company, some or all of the following: (a) historical and prospective financial performance and key operating metrics, (b) financial and operating benchmarks of guideline comparable companies, (c) conditions of, and outlook for, the specific industry in which the portfolio company operates as well as the overall economy, (d) the portfolio company's stage of operational development and progress in executing its business plan, (e) prices paid in sales of such investments or similar investments in precedent transactions, (f) the price and extent of public trading in similar securities of the portfolio company or comparable companies, (g) the existence of tender offers or acquisition or merger proposals affecting a portfolio company's securities, (h) preferred dividends, liquidation preferences, mandatory redemption rights, conversion rights, participation rights, anti-dilution rights, and registration rights of the subject security, (i) reports prepared by third-party analysts, (j) the impact of fluctuations in foreign currency exchange rates, and (k) other pertinent information determined relevant by the Adviser. However, because of the inherent uncertainty of valuation, the recommended values may differ significantly from values that would have been used had a ready market for the restricted and privately held portfolio investments existed, and may differ significantly from the amounts realized upon disposition, and the differences could be material. Notwithstanding the foregoing, valuations for a particular Fund will comply with the requirements of the relevant Fund's organizational documents.

A valuation committee formed by the Adviser may modify the valuation methods described above if it determines that such modifications are appropriate and reasonable to reflect the value of any securities or other assets or liabilities, and will document the basis for any modifications, in each case, in accordance with the requirements of the relevant Fund's organizational documents.

The Adviser, under the oversight of the general partners of certain Funds and in accordance with such general partners' valuation policies, values the assets of such Funds and interests of investors in accordance with its policies and procedures, which the Adviser may change in its sole discretion and with the principles-based framework of Accounting Standards Codification 820 (ASC 820), formerly Statement of Financial Accounting Standards No. 157 (SFAS 157) of United States Generally Accepted Accounting Principles being, in relation to each asset the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. A valuation committee reviews and approves all portfolio company valuations on a quarterly basis. The value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between the Adviser's valuation and the ultimate sales price or price that a Fund could have achieved if it sold the asset to a third party at the time of such valuation may be material. When estimating fair value, the Adviser will apply a methodology based on its best judgment (including, for instance, determination of when an investment should be written down or written off) that is appropriate in light of the nature, facts and circumstance of the investments. Under certain circumstances, the valuation of investments will affect the amount and timing of the Carried Interest payable by the limited partners and the amount of management fees. The valuation of investments may also affect the ability of the Adviser to raise a successor fund because prospective investors are likely to consider performance of a Fund in making any investment decisions with respect to a successor

fund. There may be circumstances where the Adviser is incentivized to determine valuations that are higher or lower than the actual fair value of investments.

Participation or Interest in Client Transactions

Certain employees and affiliates of the Adviser and certain employees of Providence invest in and alongside the Funds, through the general partners of the Funds, as direct investors in the Funds and, in certain cases, as direct investors in portfolio companies or otherwise. Such personnel may also hold interests in a portfolio company in advance of a Fund acquiring an interest in the same portfolio company and/or may continue to hold such interests after a Fund exits the portfolio company. In certain cases, partners of a general partner may borrow to meet their capital contribution obligations. Additionally, management fees and Carried Interest assessed on such investments are typically substantially reduced or waived entirely by the Adviser, a Fund or its general partner, as applicable. For further details regarding these arrangements, as well as conflicts of interest presented by them, please see “Conflicts of Interest” below.

Investor Due Diligence Information

Due in part to the fact that limited partners and potential investors in a Fund (including limited partners of and potential investors in a Co-Investment Vehicle or purchaser of a limited partner’s interest in a secondary transaction) may ask different questions and request and receive different information or serve on the advisory committee of a Fund, the Adviser provides certain information to one or more limited partner or prospective investors that it does not provide to all of the prospective investors or limited partners. In addition, certain investors in the Funds hold indirect interests in the general partners of certain Funds which results in such investors receiving greater or different information regarding the Adviser and such Funds than other investors who do not hold such interests. Certain investors also serve on advisory committees of one or more Funds and as a result such investors receive information that is not available to investors who serve on no or fewer advisory committees and in certain cases such investors receive information on an earlier timeframe than information is made available to investors who do not serve on or serve on fewer such advisory committee or committees. Certain limited partners of Co-Investment Vehicles who are also limited partners of certain Funds receive co-investment specific reporting and updates that are not received by other limited partners in the Funds.

Conflicts of Interest

The Adviser and its affiliates engage in a broad range of activities, including investment activities for their own accounts and for the accounts of the Funds and providing transaction-related, advisory, management and other services to operating companies, including portfolio companies of the Funds. The Adviser has described various conflicts of interest that may arise in respect of its business, as well as a description of how the Adviser addresses such conflicts of interest, below. The discussion below does not describe all conflicts that may arise.

Resolution of Conflicts

In the case of all material conflicts of interest, the Adviser’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using the Adviser’s best judgment, in

its sole discretion. In resolving conflicts, the Adviser considers various factors, including the interests of the applicable Funds with respect to the immediate issue and/or with respect to their longer term courses of dealing. Certain procedures for resolving specific conflicts of interest are set forth below. When conflicts arise, the following factors may mitigate, but will not eliminate, conflicts of interest:

- (1) Except as otherwise permitted by applicable offering and organizational documentation of a Fund, the Adviser will consider the appropriateness of an investment from the viewpoint of the Fund.
- (2) Conflicts of interest will generally be resolved by set procedures contained in the relevant offering and organizational documents of a Fund, if applicable.
- (3) Generally, each Main Fund establishes an advisory committee, consisting of representatives of limited partners not affiliated with the Adviser. The advisory committees meet as required to consult with the Adviser as to certain potential conflicts of interest.
- (4) Where the Adviser in its sole discretion deems appropriate, unaffiliated third parties may be used to help resolve conflicts, such as the use of an investment banker or valuation firm to opine as to the fairness of a purchase or sale price.
- (5) Prior to subscribing for interests in a Fund, each investor (other than certain third party investors in a Co-Investment Vehicle) receives information relating to significant potential conflicts of interest arising from the proposed activities of the Fund.
- (6) On any issue involving actual conflicts of interest, the Adviser will be guided by its good faith judgment.

In addition, certain provisions of a Fund's governing documents are designed to protect the interests of investors in situations where conflicts may exist, although these provisions do not eliminate such conflicts. While the Adviser endeavors to resolve all conflicts in a fair and impartial manner, there can be no assurance that its own interests will not influence its conduct and decisions. In certain instances, some of such conflicts of interest may be resolved in a manner adverse to a Fund and its ability to achieve its investment objectives.

Potential Conflicts

The potential material conflicts of interest encountered by the Funds and the Adviser include those discussed below, although the discussion below does not necessarily describe all of the conflicts that may be faced by the Funds and the Adviser. Other conflicts may be disclosed throughout this brochure and the brochure should be read in its entirety for other conflicts.

Principal Transactions

Section 206 of the Advisers Act regulates principal transactions among an investment adviser and its affiliates, on the one hand, and its clients, on the other hand. Very generally, if an adviser (or an affiliate) purchases a security from or sells a security to a client, the adviser must disclose the terms of the transaction to the client and obtain the consent of the client prior to engaging in the

principal transaction. In connection with the Adviser's management of its Funds, the Adviser and its affiliates may engage in principal transactions. The Adviser has established certain policies and procedures to comply with the requirements of the Advisers Act as they relate to principal transactions, including that disclosures required by Section 206 be made to the applicable Fund regarding any proposed principal transactions and that any required prior consent is received before executing a principal transaction.

Cross-Transactions

Subject to the terms of the applicable organizational documents of a Fund, a Fund is permitted to enter into cross-transactions. A cross-transaction generally refers to a transaction where one client account managed by the Adviser or its affiliates seeks to acquire an investment that another client account of the Adviser seeks to sell. Cross-transactions may create conflicts of interest because a Fund is on both sides of the transaction. As a general matter, the Adviser on occasion purchases a security or asset for one Fund at the same time as a sale of the same security or asset for another Fund or effects cross-transactions between Funds; however, with respect to the Encore Fund, a primary component of its investment strategy is to purchase investments from the Flagship Funds upon their complete or partial exit from such investments. The Encore Fund and PSG Europe I acquired warehoused investments from affiliates of the Adviser. If required by the organizational documents of the Funds, the consent of each relevant Fund's advisory committee will be required in advance of any such transaction involving one or more Funds. Such transactions may, for example, be effected to rebalance the positions held by the Funds with a view towards achieving uniform results among certain clients in light of differing cash flows due to different amounts of aggregate capital commitments. The valuation of investments transferred between Funds may involve conflicts of interest. For certain rebalancing transactions between a Fund and its associated parallel Funds, in accordance and subject to the organizational documents of the Funds, the general partner of the Funds generally causes such Fund to purchase investments from or sell investments to the parallel Fund at cost, so that their resulting ownership of such investments is generally proportionate to the relative capital commitments of the Fund and such parallel Fund. Cross-transactions between the Flagship Funds and the Encore Fund also present inherent conflicts of interest that are further described below in "Conflicts Related to the Encore Fund."

Continuation Transactions

From time to time the Adviser may determine that it is in the best interest of a Fund holding an investment (the "Selling Fund") to transact with another Fund (the "Purchasing Fund") in order to provide the Selling Fund's investors with an option to either: (1) receive cash proceeds from the Selling Fund's sale or transfer of such portfolio company and/or (2) "roll" (*i.e.*, retain) their indirect interest or exposure in such portfolio company. These types of transactions are often referred to as "continuation transactions." In connection with such continuation transactions, Adviser may require the investors in the Purchasing Fund to make an additional investment in a Fund or commit to invest in a future fund managed by the Adviser. In addition to those conflicts of interest described above under "Cross-Transactions," conflicts of interest arise in these continuation transactions because (i) the Adviser and its affiliates may charge investors in the Purchasing Fund a management fee and Carried Interest (which economics are likely to be different than the Selling Fund) and the transactions have the potential to result in the receipt of additional management fees and Carried Interest by the Adviser and its affiliates; (ii) the Adviser and Adviser personnel are

expected to have the ability to make material investments in the Purchasing Fund, which may cause them to take actions that benefit the Purchasing Fund; (iii) the Adviser is actively involved in negotiating the terms of the sale on behalf of the Selling Fund, on the one hand, and the Purchasing Fund, on the other hand (including allocation of expenses incurred in the transaction); and/or (iv) of the requirement for an investor in the Purchasing Fund to make an investment in a Fund or a commitment to invest in a future fund managed by the Adviser, which (a) incentivizes the Adviser to favor such investors because of the potential for the Adviser and its affiliates to earn additional management fees and Carried Interest with respect to any such investment or commitment to invest, and (b) could affect the price such investors offer to purchase the asset from the Selling Fund. Additionally, conflicts of interest arise in continuation transactions as a result of the allocation of fees and expenses because fees and expenses will be incurred in connection with the transaction and the Adviser might determine to allocate bankers' fees and certain other material fees and expenses solely to selling investors in a Fund (or, in certain cases, to investors remaining in the Fund) and not to the "rolling investors" or "new investors" in the Purchasing Fund or vice versa.

To the extent not addressed in a Fund's organizational documents, the Adviser will address conflicts of interest that arise in connection with continuation transactions as set forth above under "Cross-Transactions."

Conflicts Related to the Encore Fund

It is anticipated that the Encore Fund, any successor fund thereto and certain co-investment Funds will make investments in portfolio companies in which Flagship Funds have an existing investment, and in many cases the Encore Fund is expected to purchase securities directly or indirectly from a Flagship Fund in connection with a complete or partial exit from such portfolio company by such Flagship Fund. This arrangement presents a number of conflicts for both the Encore Fund and the Flagship Funds, and these conflicts may be applicable to the Flagship Funds whether or not they are selling their portfolio companies to the Encore Fund.

One risk of the Encore Fund's participation in an exit by a Flagship Fund is that it could signal to the market the Adviser's view of a portfolio company's intrinsic or long-term value. A desire for the Encore Fund to participate could signal a higher value to the market, whereas an absence of the Encore Fund's participation could signal a lower value. Such signaling could incentivize the Adviser to have the Encore Fund participate in deals that are more desirable from the perspective of the selling Flagship Fund than from the perspective of the Encore Fund, resulting in the Encore Fund participating in less desirable investment opportunities than it would have absent such incentive. In other instances, the involvement of the Encore Fund in an exit could require a lower exit price, and on such basis the Adviser would have an incentive to not involve the Encore Fund in order to elicit a higher price for the exiting Flagship Fund. On the other hand, a Flagship Fund could also be disadvantaged to the extent that the Encore Fund does not participate in one of its exits.

Furthermore, the Encore Fund's interest in the nature of the third party buyer of a portfolio company may diverge from the interests of the exiting Flagship Fund, particularly in the case of a complete exit by such Flagship Fund. The Encore Fund will be interested in the third party buyer being high quality so that the value of the portfolio company will increase over the Encore Fund's

holding period, whereas the exiting Flagship Fund would be expected to focus more on selecting the buyer offering the highest price. Additionally, for the Flagship Funds, there is a risk that the Adviser will be incentivized to negotiate exit deals with third parties in which such parties permit the Encore Fund's participation, potentially requiring less desirable terms, including lower sales prices, for the Flagship Funds than would have been the case absent the Encore Fund's participation.

Additionally, the interests of a selling Flagship Fund will be in direct conflict with the Encore Fund, as the selling Flagship Fund will be incentivized to obtain the highest possible price in connection with such sale. At the same time, the Adviser has an incentive to keep the valuation of a portfolio company low, or have a Flagship Fund exit a portfolio company earlier than it would have otherwise exited, in order for the Encore Fund to benefit from a lower valuation and more returns. Such risks are exacerbated to the extent that the Adviser or its affiliates earn higher fees or Carried Interest with respect to one Fund over another Fund. In such circumstances, the Fund with the lower fees or Carried Interest may experience lower returns than it would have had absent the participation of the other Fund in the exit.

To mitigate potential conflicts of interest, it is expected that the Encore Fund will generally make such investments on the same economic terms, and at substantially the same time, as one or more unaffiliated private equity firms or other third-party investors that are negotiating the price and terms for such investment. In such a case, no consent from the investors or the advisory committee of the Encore Fund or the applicable Flagship Fund will be required for the Encore Fund to make such investment. In addition, no consent from the advisory committee of the Encore Fund or the applicable Flagship Fund will be required in connection with the purchase by the Encore Fund in a pre-initial public offering placement or initial public offering of a portfolio company of a Flagship Fund at the same price, and at substantially the same time, as other participants in such offerings.

In the event that the Encore Fund purchases securities from a Flagship Fund in a transaction that is not conducted alongside a third-party (other than warehoused investments), the Adviser will obtain the consent of the Encore Fund's advisory committee prior to completing such investment. In certain circumstances, the selling Flagship Fund will also be required to obtain consent from its advisory committee. There is no guarantee that the advisory committee of the selling Flagship Fund will provide such consent and as a result, the Encore Fund may not be permitted to participate in certain attractive investment opportunities.

The Encore Fund could also make investments alongside one or more Flagship Funds, including participating in the same or different securities of the same portfolio company, and at the same time or at different times and on the same terms or different terms. The Adviser faces a conflict of interest in determining whether or not and to what extent and on what terms Encore should participate in such transactions, particularly to the extent they bolster the position of the applicable Flagship Fund or Funds.

Each of the Encore Fund and the Flagship Funds will approve of transactions pursuant to distinct investment processes and the general partner of the Encore Fund will have an investment committee that is separate from the investment committee of the Flagship Funds. However, there will be significant overlap in the membership of the investment committee of the Encore Fund and

the membership of the investment committee of the Flagship Funds. In particular, each of Mr. Hastings and Mr. Wilde are members of each such investment committee. Each of the general partner of the Encore Fund and the general partners of the Flagship Funds will make separate decisions as to how to participate in such transactions. Though there are separate investment committees for the Flagship Funds and the Encore Fund, there are situations in which decisions are made by a portfolio company where the vote of the equity holders or board is not sought, or in which the Adviser's investment team does not confer with an investment committee given the nature of the matter, and therefore such decision would be made without the benefit of separate investment committees, and those decisions might preference one fund over another.

In connection with the disposition of an investment, each of the Encore Fund and the Flagship Funds will make a separate determination as to when and on what terms to dispose of such investment. The Encore Fund and a Flagship Fund may reach different conclusions as to when to exit the investment including for reasons such as differences in strategy, term, existing portfolio and liquidity needs. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, the Encore Fund may realize different returns than a Flagship Fund, including materially lower returns. Such different conclusions raise the conflicts discussed below under "Conflicts Related to Purchases and Sales." Such conflicts would also apply in the event that the Encore Fund participates in the pre-initial public offering placement or initial public offering of a portion of the equity of a portfolio company held by a Flagship Fund. In particular, if a Flagship Fund seeks to exit such an investment in advance of the Encore Fund, it would create conflicts in how each Fund manages the joint investment, including decisions around maximizing short-term versus long-term value, and how the other Fund structures its exit.

Additionally, the Encore Fund's purchase of investments from a Flagship Fund, as well as another Fund's disposition of investments to the Encore Fund, are subject to the conflicts and risks described under "Cross-Transactions," "Conflicts Related to Purchases and Sales," "Allocations" and "Follow-On Investments." There is also the potential for the Encore Fund and another Fund to co-invest alongside each other, subject to the risks and conflicts described under "Co-Investments with Third-Parties" and "Allocations." Co-investors alongside the Encore Fund and co-investors alongside the Flagship Funds are generally expected to experience similar conflicts as described above with respect to the Funds alongside which they co-invest.

Conflicts Related to Purchases and Sales

The Adviser, certain employees and affiliates of the Adviser and certain employees of Providence invest in and alongside the Funds through the general partners of the Funds, as direct investors in the Funds and, in certain cases, as direct investors in portfolio companies and otherwise (including holding the investment prior to or after the time a Fund acquires the investment). Such personnel may also hold interests in a portfolio company in advance of a Fund acquiring an interest in the same portfolio company and/or may continue to hold such interests after a Fund exits the portfolio company. These investments can be at different times or on different terms, including price, voting, and liquidity and in differing or non-pro rata amounts. As a result, such persons therefore have additional conflicting interests in connection with managing and realizing these investments. In certain cases, partners of a general partner may borrow to meet their capital contribution obligations. The Adviser and its affiliates' employees are prohibited from "front running" (*i.e.*, purchasing a security for a personal account while knowing that a Fund is about to purchase the

same security, and then selling the security at a profit upon the rise in the market price following the purchase by the Fund). They are similarly prohibited from engaging in short-selling when they have access to confidential information that a Fund is about to sell a particular security. In addition, they are prohibited from “intermarket front-running” (e.g., trading in an option for a personal account when a Fund is trading in the underlying security and vice versa). Nevertheless, if the Adviser, its affiliates, and their employees have made large capital investments in or alongside the Funds, such persons may have conflicting interests from such Funds with respect to these investments (for example, with respect to the availability and timing of liquidity or recommending certain transactions beneficial to current holders). Similar conflicts could apply to personal holdings that are adjacent to or competitors of a portfolio company or potential portfolio company of a Fund.

Conflicts also may arise when a Fund makes investments in conjunction with an investment being made by other Funds, or in a transaction where another Fund has already made an investment. Investment opportunities may be appropriate for Funds at the same time, at different or overlapping levels of a portfolio company’s capital structure. A Fund may be restricted in purchasing or selling investments in public equity securities, where another Fund is deemed an “insider” and has purchased or sold such equity securities within a period of less than six months. These restrictions could prohibit a Fund from taking advantage of certain opportunities, lowering returns. The price of any publicly traded portfolio investment of one or more Funds may be impacted by certain investment decisions made by one or more other Funds, including, but not limited to, decisions to hold, trade, dilute, hedge, short or change its ownership interest in such publicly traded portfolio investments or in other investments in such Fund or Funds that otherwise impact the price of such publicly traded portfolio investments. To the extent such overlapping positions are thinly traded, restricted or more illiquid, sales into the market by one Fund could adversely impact the value of such positions held by another Fund. This would be particularly acute where a Fund held a position that was materially larger than that held by another Fund. A Fund’s concentration in relatively few issuers also magnifies this risk. Additionally, conflicts may arise in determining the terms of investments, particularly where Funds may invest in different types of securities in a single portfolio company. Questions may arise as to whether payment obligations and covenants should be enforced, modified or waived, whether payments should be accelerated, or whether debt should be refinanced. In certain cases, two or more Funds share (i) governance rights or (ii) one or more board members (or the right to appoint such board members), in each case in respect of a single portfolio company. Such shared rights may challenge otherwise independent decision making between or among such Funds regarding such portfolio company, in particular when such portfolio company level decisions are not required to be approved by otherwise separate investment committees.

Decisions about what action should be taken in a troubled situation, including whether or not to enforce claims, whether or not to advocate or initiate a restructuring or liquidation inside or outside of bankruptcy, the terms of any work out or restructuring or other concessions that may be given in such a situation raise conflicts of interest and the Adviser may be incentivized to choose a course of action that benefits one Fund to the detriment of another Fund. In the event that one Fund has a controlling or significantly influential position in a portfolio company, it will have the ability to elect some or all of the board of directors of such a portfolio company, thereby controlling the policies and operations, including the appointment of management, future issuances of securities, payment of dividends, incurrence of debt and entering into extraordinary transactions. In addition,

a controlling Fund is likely to have the ability to determine, or influence, the outcome of operational matters and to cause, or prevent, a change in control of such a company. Such management and operational decisions may, at times, be in direct conflict with other Funds and/or clients of the Adviser's affiliates that have invested in the same portfolio company that do not have the same level of control or influence over the portfolio company.

Certain clients of the Adviser and its affiliates may invest in debt, loans and securities of companies in which other clients of the Adviser or its affiliates hold securities, loans or other investments, including equity securities, which may include a controlling position. The involvement of such persons at multiple levels of the capital structure could inhibit strategic information exchanges among fellow creditors and shareholders. Equity holders and debt holders have different (and often competing) motives, incentives, liquidity goals and other interests with respect to a portfolio company. In the event that such investments are made by a Fund, the interests of such Fund will at times conflict with the interest of such other Fund or client of the Adviser's affiliates, particularly in circumstances where the underlying company is facing financial distress. In such instances, it may be in the best interest of the Fund holding debt securities to declare a default, accelerate a loan or take other protective actions, while such actions would harm another Fund's equity investment in the portfolio company. The involvement of such Funds at both the equity and debt levels, or in different levels of the debt structure of an issuer, could cause conflicts of interest or inhibit strategic information exchanges among fellow creditors. In certain circumstances, decisions made with respect to investments held by one Fund could adversely affect the investments of another Fund. For example, a Fund may be prohibited from exercising voting or other rights, and may be subject to claims by other creditors with respect to the subordination of their interest. If additional capital is necessary as a result of financial or other difficulties of a portfolio company, or to finance growth or other opportunities, the Funds may or may not provide such additional capital, and if provided, each Fund will supply such additional capital in such amounts, if any, as determined by the Adviser. In addition, in the event one Fund is unable to fund its additional share of capital (*e.g.*, in the event such Fund does not have sufficient available capital), the other Fund may be obligated to fund more than its share of such amount. In such event, one Fund will gain greater exposure to such investment than may have been intended and the other Fund will be diluted in such investment. In other circumstances, a Fund might be best served by a liquidation of the portfolio company that would result in its debt being paid but leave nothing with respect to such Fund's interest in the portfolio company's equity. It is possible in distressed situations that actions taken by a Fund as a debt holder could materially adversely impact, if not in effect eliminate, any remaining value attaching to equity securities held by such Fund. The reverse would be the case where a Fund holds debt securities of a portfolio company and such Fund acquires equity securities of the same company. Similar considerations could apply if two Funds were to invest in different parts of the debt capital structure of the same portfolio company (for example, if a Fund holds debt securities that are junior to debt securities held by another Fund). The returns of each Fund may be negatively impacted as a result of the foregoing. In circumstances where Funds hold investments in different tranches or classes of a portfolio company's debt and/or equity, the Adviser will attempt to resolve conflicts of interest arising therefrom in good faith, including, to the fullest extent permitted by applicable law, to take steps in respect of such investments to reduce the potential for adversity between Funds, including by causing a Fund to take certain actions that, in the absence of such conflict, it would not take, such as, for example but without limitation (i) remaining passive in a portfolio company restructuring or similar situation (including by electing not to vote or voting pro rata with other security holders), (ii)

divesting investments, (iii) appointing an independent decision-maker, or (iv) otherwise taking an action designed to reduce such adversity. There can be no assurance that any such steps will be taken or will reduce or eliminate such a conflict.

The Adviser and its affiliates may seek to address these conflicts by adopting policies and procedures, which may include limiting investments by a Fund which produce such conflicts (*e.g.*, limiting a Fund's investment to 25% of a particular tranche), limiting voting or roles on creditors' committees, procedures designed to ensure that the teams managing the investments make independent decisions through the enforcement of information barriers and similar procedures, or other procedures in the judgment of the Adviser or its affiliates. To the extent that debt and equity investments are made by the Adviser or its affiliates in cases where walls have not been implemented, such a debt investment could be adversely affected by an equity investment in the same issuer, and such an equity investment could be adversely affected by a debt investment in the same issuer.

In addition, a conflict also arises in allocating an investment opportunity if the potential investment target of one Fund could be acquired by either another Fund or a portfolio company of another Fund, including in cases where a Fund is purchasing part of an investment from another Fund or rolling an existing investment. Investments by more than one Fund in a portfolio company may also raise the risk of using assets of a Fund to support positions taken by other Funds, or that a client may remain passive in a situation in which it is entitled to vote.

Situations could occur in which a Fund could be disadvantaged because of the investment activities conducted by the Adviser and its affiliates on behalf of other Funds. For example, a Fund may be invested in the securities of an issuer which it may then be unable to dispose of for a period of time due to the investment activities of the Adviser and the other Funds. For instance, the Adviser may possess material non-public information related to that issuer or otherwise agree to a "standstill" with the issuer while exploring a transaction with the issuer on behalf of other Funds in which instance such Fund will be prohibited from disposing of such position. There also may be certain instances in which the Adviser, as a result of information received in respect of certain Funds or portfolio companies, may determine to restrict or otherwise limit a Fund's trading in certain securities in which it would otherwise wish to trade or not involve certain investment personnel in certain portfolio companies. Separately, actions taken by the Adviser on behalf of a Fund could result in contractual prohibitions (*e.g.*, non-competes) on the Adviser making certain types of investments on behalf of another Fund, such as investments in certain industries or geographies. Such restrictions could inhibit a Fund's ability to implement its investment strategy to the extent an otherwise attractive investment opportunity within the scope of such a non-compete (or other restrictive covenant) were to arise.

There may be differences in timing of entry into, or exit from, a portfolio company for reasons such as differences in strategy, existing portfolio, return expectations or liquidity needs. Funds that invest in the same portfolio company may invest on different terms, in particular when they invest at different times. In addition, where more than one Fund invests in the same portfolio company, there can be no assurance that such parties will dispose of investments at the same time or on the same terms. For example, because the Adviser may have an incentive to show realized returns in connection with other fundraising activities (including fundraising for a successor fund) and because one Fund's term may expire before the end of another Fund's term, such Funds may have

an incentive to dispose of their respective interests in an investment at different times or on different terms. Investments disposed of at different times will likely be disposed of at different valuations and, as a result, each Fund may realize different returns than other Funds, including materially lower returns.

These variations in timing may be detrimental to a Fund. Alternatively, if the Adviser determines it is advisable for two Funds to exit an investment at the same time and one Fund's term expires sooner than the other Fund's, the Fund with the longer term may dispose of its interest earlier than it ordinarily would have and may, as a result, realize lower returns than it otherwise may have earned on such investment. In addition, investors may receive different consideration (for instance, investors in one Fund may receive cash whereas investors in another Fund may be provided the opportunity to receive distributions in-kind) which may impact the realized return ultimately received by each Fund. The Adviser and its affiliates may also express inconsistent or contrary views of commonly held investments or of market conditions more generally. As such, one Fund could buy a security at the same time another Fund has determined to sell, or one Fund may sell a security at the same time another Fund has determined to buy. Conflicts may also arise between such Funds in relation to whether to pursue add-on opportunities and whether to implement changes to such portfolio company's leadership or operations.

In certain cases, the Funds (i) share governance rights or (ii) share one or more board members (or the right to appoint such board members), in each case in respect of a single portfolio company. Such shared rights may challenge otherwise independent decision making between the Funds regarding such portfolio company in particular when such portfolio company level decisions are not required to be approved by otherwise separate investment committees. To the extent that a portfolio company level decision is made by a board with a shared board member, such decision will be made on behalf of the Funds collectively and not necessarily on an independent basis with respect to each such Fund. Furthermore, if the Funds dispose of their respective investment in the portfolio company at different times, it could cause the Funds that retain their investment to lose or have reduced governance rights in respect of the portfolio company.

In such circumstances described above, the Adviser can take steps to reduce the potential conflicts of interest between the various Funds, including causing a Fund to take certain actions that, in the absence of such conflict, it would not take (*e.g.*, a Fund may divest itself of an asset it otherwise may have retained, the Adviser may establish information barriers, certain matters may be referred to an advisory committee or a third-party, or a Fund may refrain from taking certain actions that may otherwise be to its benefit). Any such steps could have the effect of benefiting one Fund or the Adviser at the expense of another Fund. The Adviser and its affiliates will attempt to resolve any such conflicts in good faith, but there can be no assurance that such conflicts of interest or actions taken by the Adviser or its affiliates in respect of other Funds will not have an adverse effect on the investments made by a Fund. There can be no assurance that the return of a Fund participating in a transaction will be the same and not less than the performance of another Fund participating in the same transaction or the same as it would have been had such other Fund not participated in the transaction or had such conflict not existed. Conflicts of interest related to investments by other Funds or funds managed by the Adviser's affiliates may result in a Fund limiting its participation in certain attractive investment opportunities.

In particular, if a Fund seeks to exit such an investment in advance of another Fund, it would create conflicts in how each Fund manages the joint investment, including decisions around maximizing short-term versus long-term value, and how such Fund structures its exit. Such activity could impact the price of the security, thereby adversely affecting a Fund.

The Funds will, from time to time, enter into equity commitment arrangements whereby, subject to any applicable documentation, a Fund agrees that upon the closing of a transaction with respect to a potential portfolio company, it will purchase equity securities in a transaction. Furthermore, in certain instances certain Funds will also enter into (a) limited guarantee arrangements whereby, subject to any applicable documentation, a Fund agrees that if a transaction with respect to a potential portfolio company is not consummated, it will pay a percentage of the total value of the transaction as a “reverse termination fee” to the seller entity and (b) full guarantee of arrangements where a Fund agrees to close a transaction even if the debt financing for such transaction is not available or has not been funded. While certain Co-Investment Vehicles with investments contractually tied to the Fund are generally obligated to pay their proportionate share of the equity purchase price (whether pursuant to the applicable Funds’ organizational documents or otherwise), such Co-Investment Vehicles are generally not direct parties to the equity commitment arrangements or guarantees and, therefore may not be, obligated to pay their proportionate share of any reverse termination fee, unless otherwise specifically agreed. Therefore, in the unlikely event that a Co-Investment Vehicle defaults on an arrangement with the Fund to pay its proportionate share of the equity purchase price (if any) or such an arrangement does not exist, the Fund would be held responsible for the entire equity purchase price or other applicable obligations.

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

Allocations

Each Fund may pursue investment opportunities (including follow-on investments) similar to those pursued by another Fund. The allocation of investment opportunities will be determined by the Adviser and its affiliates in their good faith judgment and in accordance with the organizational documents of the relevant Funds. Certain of the Funds’ organizational documents provide specific rules about allocations of investment opportunities across Funds or strategies and certain Funds provide for priority in regard to allocation of investment opportunities in certain circumstances.

Subject to applicable investment objectives, guidelines and the Funds’ governing documents (including any specific priorities therein), the Adviser and its affiliates generally allocate investment opportunities taking into account factors such as Fund risk factors or risk tolerances and/or diversification considerations and undertakings, Fund investment restrictions (including

concentration limits), Fund investment guidelines, Fund geographic orientation, the location of (i) the investment assets, (ii) the PSG team managing such assets and (iii) the portfolio company management team, terms and objectives of a Fund, currency or other exposures, relative exposure to short-term market trends, current portfolio composition (including current cash available and/or commitments available (including anticipated co-investment and future capacity for follow-on investments)), whether a Fund has an existing investment in a portfolio company, a Fund's phase in its life cycle (for example, certain opportunities may be over-allocated or under-allocated to a Fund during the beginning or the end of its investment cycle), liquidity requirements, tax or regulatory or legal restrictions applicable to a Fund, the supply or demand of an investment opportunity at a given price level, the level of transaction costs involved in making the investment relative to the amount of capital a Fund has available for the investment, the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals for the Funds, location of management, follow-on pipeline for the portfolio company, the size and nature of the investment and profile of the portfolio company (including size, enterprise value, growth and EBITDA), leverage considerations, the management of any actual or potential conflict of interest, timing to execute, and certain other factors. Where the Adviser allocates investment opportunities based upon the current available capital of investment vehicles, current available capital may include, in the Adviser's discretion, anticipated, target or available leverage, unsettled trades, unfunded commitments, and uncalled capital. Notwithstanding the foregoing, in certain circumstances as determined by the Adviser in its sole discretion, Funds that would otherwise receive an allocation under the policies and principles set out above will not receive such allocation if it would result in an allocation of a de minimis amount. The allocation of co-investment opportunities, including those opportunities allocated to certain Co-Investment Vehicles formed to invest alongside certain Funds, will be subject to the additional considerations, as described further below. Furthermore, there can be no assurance that the application of the policies and principles set out above will result in a Fund participating in all investment opportunities that fall within its investment objectives. The Adviser makes allocation determinations based solely on the Adviser's expectations at the time such investments are made, however investments and their characteristics may change over time and there can be no assurance that an investment may prove to have been more suitable for another Fund in hindsight.

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

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

The Adviser may consider, and reject an investment opportunity on behalf of one Fund and, the Adviser or an affiliate of the Adviser may subsequently determine to have another Fund make an

investment in the same company. A conflict of interest arises because one fund will, in such circumstances, benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund considering the investment. In such circumstances, the benefitting fund or funds will not be required to reimburse the original Fund for expenses incurred in connection with researching such investment.

In addition, the Adviser may consider an investment opportunity for one Fund and then subsequently determine to have another Fund make the investment. In making any such reallocation determination, the Adviser will consider a variety of factors. Conflicts of interest arise in connection with such a reallocation. In addition, a conflict of interest exists because the investing Fund will benefit from the initial evaluation, investigation and due diligence undertaken by the Adviser on behalf of the original Fund for which the investment was initially considered. In certain cases, the determination to reallocate such investment could be expected to occur after a significant period of time has passed and the Fund to which the investment was originally allocated has incurred substantial out-of-pocket expenses in connection with evaluating, investigating and diligencing such investment. The investing Fund typically will not be required to reimburse the original Fund for such expenses. In the event that the investing Fund does reimburse the original Fund for out-of-pocket expenses incurred in connection with evaluating, investigating and diligencing such investment, the investing Fund typically will not pay interest on any such amounts reimbursed to the original Fund. Alternatively, if the investing Fund does pay interest on such amounts to the original Fund, there can be no assurance any such interest will be paid over at the same time as such reimbursement or that the amount of such interest will be sufficient to compensate the original Fund for the time since it deployed capital to pay such expenses. The Adviser experiences conflicts of interest in connection with causing one Fund to incur expenses that may ultimately benefit another Fund (or fund advised by its affiliate), and similarly experiences conflicts of interest in determining the need for, calculating the amount of, and effecting any such reimbursement, as such arrangements may involve the discharge of a liability that one Fund owes to another Fund, and in all such cases these determinations, calculations and terms are not arm's length arrangements and there can be no assurance that the allocation of such expenses is in the best interest of the Funds. There can be no assurance that the amounts reimbursed to the original Fund will be commensurate with the benefit received by the investing Fund.

The Adviser will determine if the amount of an investment opportunity exceeds the amount the Adviser determines would be appropriate for the Funds (after taking into account any portion of the opportunity allocated by contract to certain participants in the applicable deal, such as co-sponsors, consultants and advisers to the Adviser and/or the Funds or management teams of the applicable portfolio company, certain strategic investors and other investors whose allocation is determined by the Adviser to be in the best interest of the applicable Fund), and any such excess may be offered to one or more co-investors pursuant to the procedures included in such Funds' organizational documents/side letter agreements.

Subject to any restrictions in the organizational documents of the applicable Fund, or terms negotiated in any side-letter arrangement, in general: (i) no investor (solely as a result of its investment in a Fund) has a right to participate in any co-investment opportunity; (ii) decisions regarding whether and to whom to offer co-investment opportunities, as well as the applicable terms on which a co-investment is made, are made in the sole discretion of the Adviser or its

affiliates or other participants in the applicable transactions, such as co-sponsors; (iii) co-investment opportunities are typically offered to some and not other investors in the Funds, which may include indirect investors in the general partners of certain Funds, in the sole discretion of the Adviser and its affiliates, and investors may be offered a smaller amount of co-investment opportunities than originally requested, and an investor may be offered fewer co-investment opportunities than other investors in the same Fund or may not be offered one or any co-investment opportunities at all, with the same, larger or smaller capital commitments to such Fund; (iv) certain persons other than investors in the Funds (*e.g.*, third parties), rather than one or more investors in a Fund, may be offered co-investment opportunities, in the sole discretion of the Adviser and its affiliates, (v) co-investors may purchase their interests in a portfolio company at the same time as the Funds or may purchase their interests from the applicable Funds after such Funds have consummated their investment in the portfolio company (also known as a post-closing sell down or transfer) or, in certain cases, may purchase their interests in a portfolio company as part of a Main Fund's partial or full exit from such portfolio company (either directly from the Fund or as part of a recapitalization), and (vi) in certain cases one or more co-investors may sell all or a portion of their interests in a portfolio company before or after, or on different terms than, a Fund sells all or a portion of its interests in the same portfolio company, or may buy from or sell to a Fund. In addition, in exercising the Adviser's discretion to decide how to allocate investment opportunities among its Funds and related vehicles (including co-investment opportunities), the Adviser may consider some or all of a wide range of factors. In certain circumstances, the Adviser may receive compensation or other benefits from a third party for a co-investment opportunity, and such compensation will not be subject to any management fee offset. Additionally, non-binding acknowledgements of interest in co-investment opportunities are not investment allocation requirements and do not require the Adviser to notify the recipients of such acknowledgements if there is a co-investment opportunity. However, in respect of certain Funds, the Adviser has formed and expects to form additional certain standing co-investment vehicles for certain investors to pursue multiple investments alongside a Fund or Funds. The existence of such Co-Investment Vehicles affects the Adviser's decision to offer certain opportunities for co-investment and limits the ability of the Funds or their investors to be offered certain co-investment opportunities.

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

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

such as the willingness or ability of the potential co-investor to respond promptly and/or affirmatively to potential investment opportunities previously offered by the Adviser and the expected amount of negotiations required in connection with a potential co-investment commitment;

- The character and nature of the co-investment opportunity (including the potential co-investment amount, structure, geographic location, tax characteristics and relevant industry);
- Actual or expected level of demand for participation in such co-investment opportunity;
- The extent to which a potential co-investor has been provided a greater amount of co-investment opportunities relative to others;
- Whether the potential co-investor has made commitments to a Co-Investment Vehicle set up to invest alongside a Fund;
- Whether the potential co-investor would pay or bear management fees, administration fees, Carried Interest or other fees or expenses in respect of the co-investment;
- The Adviser's perception of whether the investment opportunity may subject the potential co-investor to legal, regulatory, competitive, confidentiality, reporting, public relations, media or other burdens that make it less likely such potential co-investor would act upon the investment opportunity if offered;
- Whether the Adviser believes, in its sole discretion, that allocating investment opportunities to a potential co-investor will help establish, recognize, strengthen and/or cultivate relationships that may provide indirectly longer-term benefits (including strategic, sourcing or other similar benefits) to existing or future funds or the Adviser, including making capital commitments to such Funds;
- Whether the potential co-investor agrees to make a commitment to another Fund (including any commitment to a future fund, in connection with the applicable co-investment or in connection with the co-investor's participation in a secondary transfer of interests in a Fund);
- Any interests a potential co-investor has in any competitors of the portfolio company;
- The Adviser's evaluation of whether a particular potential co-investor has provided value in the sourcing, establishing relationships, participating in diligence and/or negotiations for such potential transaction or is expected to provide value to the business or operations of a portfolio company post-closing including operating, monitoring, or providing certain expertise and whether the potential co-investor has an existing position in the portfolio company;
- Whether the potential co-investor would require any governance or consent rights that would complicate the transactions (or, alternatively, whether the potential co-investor would be willing to defer to the Adviser and assume a passive role in governing a portfolio company);
- The ability of a potential co-investor to hold an investment for longer periods of time;

- Any confidentiality concerns the Adviser has that may arise in connection with providing the potential co-investor with specific information relating to the investment opportunity in order to permit such potential co-investor to evaluate the investment opportunity; and
- The Adviser's evaluation of whether the profile or characteristics of the potential co-investor may have an impact on the viability or terms of the proposed investment opportunity and the ability of the Funds to take advantage of such opportunity (for example, if the potential co-investor is involved in the same industry as a target company in which a Fund wishes to invest, or if the identity of the potential co-investor, or the jurisdiction in which the potential co-investor is based, may affect the likelihood of a Fund being able to capitalize on a potential investment opportunity).

The factors above are not listed in order of importance or priority and the Adviser is not required to, and may not, consider all of the factors described above in any particular investment and some factors may be more or less important depending upon the nature of the particular investment and attendant circumstances. The Advisor expects that these factors will result in the Adviser favoring certain co-investors over others with respect to the frequency with which the Adviser offers them co-investment opportunities. The Adviser also expects to allocate certain co-investors a greater proportion of an investment opportunity than others as a result of these factors.

Any intra-Fund allocations will be done in accordance with the organizational documents for such entities, and these allocations are generally expected to be made on a pro rata basis.

The Adviser or its affiliates has established dedicated Co-Investment Vehicles for specific investors in order to facilitate investments by the relevant investors as co-investment parties alongside a Fund or Funds, and such Co-Investment Vehicles can have different rights and/or terms than the Funds and/or other co-investors. Such rights can include the right to exit the investment earlier than or after the Fund or Funds it invested alongside. Any such vehicle has been, and will be, established at the Adviser or its affiliates' sole discretion and the Adviser and its affiliates have no obligation to offer a similar opportunity to any other investor.

If the Adviser determines to offer an investment opportunity to one or more potential co-investors, including other Funds and/or third-party investors, there can be no assurance that the Adviser will be successful in offering a co-investment opportunity to one or more potential co-investors, in whole or in part, that the closing of such co-investment will be consummated in a timely manner, that the co-investment will take place on the terms and conditions that will be preferable for the Fund or that expenses incurred by the Fund with respect to the syndication of the co-investment will not be substantial. Because syndicated co-investments are typically sold to co-investors at the Fund's cost, the selling Fund is exposed to the risk that the co-investment has increased in value and thus the Fund is receiving less than fair market value in exchange for the investment. This risk is typically mitigated by the fact that co-investments are usually syndicated within a relatively short period of time following acquisition by the Fund. Further, it is possible that a potential co-investor may experience financial, legal or regulatory difficulties and may, from time to time, have economic, tax, regulatory, contractual or other business interests or goals that are inconsistent with those of a Fund and as a result, may take a different view from the Adviser as to appropriate strategy for an investment or may be in a position to take a contrary action to a Fund's investment objective. If the Adviser is not successful in offering a co-investment opportunity to one or more

potential co-investors, in whole or in part, the Fund may consequently hold a greater concentration and have more exposure in the related investment opportunity and bear more costs and expenses than was initially intended, which could make the Fund more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. A Fund will also bear any expenses associated with a co-investment (and its corresponding Co-Investment Vehicle, if any) that is ultimately not syndicated, including costs and expenses associated with marketing and organization of a co-investment. In cases where a proposed transaction is not syndicated by a Fund to a prospective co-investor, regardless of whether a Co-Investment Vehicle has been formed, all expenses incurred in making the proposed but not consummated syndication are generally borne, depending on the facts and circumstances, solely by such Fund and other participating Funds (other than co-investment vehicles) that were pursuing such proposed syndication. Moreover, an investment by a Fund which is not syndicated to co-investors as originally anticipated could significantly reduce such Fund's overall investment returns.

In many circumstances, co-investors may acquire an interest in an investment after a Fund has made such investment. With respect to such post-closing sell downs, co-investors typically agree to purchase their interests from a Fund at a purchase price equal to the Fund's cost of such investment. In certain cases, co-investors may agree to other pricing mechanisms, such as fair value. Co-investors also typically agree to bear their pro rata portion of any fees and expenses that the Adviser determines in its sole discretion are related to such investments (including borrowing costs and any investment expenses). In such circumstances, a Fund may (or may not) charge the applicable co-investors interest for the time period the investment was held by such Fund.

The appropriate allocation between Funds of expenses and fees generated in the course of evaluating and making investments which are not consummated, such as out-of-pocket fees associated with due diligence, attorney fees and the fees of other professionals, will be determined by the Adviser and its affiliates in their good faith discretion based on expected participation in such investment (although, as discussed, prospective co-investors are generally not expected to bear Dead Deal Expenses). Expenses related to consummated investments will generally be allocated by invested capital or shares owned among a Fund and any other entities participating in such investment. In a transaction in which one or more Funds sell all or a portion of their interests in a portfolio company and another Fund purchases a portion of such interests, all expenses relating to the sale will be allocated to the selling Fund or Funds and all expenses relating to the acquisition of a Fund's portion of the investment will be allocated to such purchasing Fund or Funds, as determined by the general partner in its good faith discretion. Fund expenses that are not associated with any investment generally are allocated among the Funds in a fair and equitable manner as determined in the Adviser's reasonable discretion and in accordance with any expense sharing agreements.

Certain Funds may sell down an interest in their portfolio companies to co-investors. Subject to the applicable organizational documents, the Adviser generally charges a co-investor (such as a Fund investor or third party) interest costs for the time period between the closing of the applicable Fund's investment in a portfolio company to the date of the transfer of interests in such portfolio company to the applicable co-investor; provided, however, that the Adviser reserves the right to waive or not charge such interest in its sole discretion.

In addition, a potential conflict may arise between limited partners of a Fund in the event that a limited partner requests to transfer its interest in a Fund in a secondary transaction. Subject to any restrictions in the organizational documents of the applicable Fund, or terms negotiated in any side-letter arrangement, the Adviser or applicable general partner may identify certain, but not all, limited partners and/or the Adviser or its affiliates to potentially acquire the interest being transferred.

In addition, to the extent the Adviser has discretion over approving a secondary transfer of interests in a Fund pursuant to such Fund's organizational documents, or is asked to identify potential purchasers in a secondary transfer, the Adviser will do so in its sole discretion, and is permitted to take into account a variety of factors, including but not limited to its own interests including:

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

Management of the Funds

The Adviser manages a number of Funds that have investment objectives similar to each other. The Adviser expects in the future to sponsor, form or manage one or more additional investment funds with investment objectives substantially similar to, different (and potentially conflicting) from or overlapping with those of the current Funds, including other managed entities focusing on investments with a different target size, different target return, different asset class, different strategy and/or different liquidity profile, in specific industries and/or in specific geographic regions, or with a substantial focus on positive environmental, social or governance impact. Allocation of available investment opportunities between Funds will give rise to conflicts of interest. See "Allocations" above. Certain officers and employees of the Adviser may have differing interests from the Fund with respect to such investments (for example, with respect to the availability and timing of liquidity). The Adviser may give advice, or take actions with respect to, the investments of one or more Funds that may not be given or taken with respect to other Funds with similar investment programs, objectives or strategies. As a result, Funds with similar strategies may not hold the same securities or achieve the same performance. In addition, a Fund

may not be able to invest through the same investment vehicles, or have access to similar credit or utilize similar investment strategies as another Fund. These differences may result in variations with respect to price, leverage and associated costs of a particular investment opportunity. In addition, it is expected that employees of the Adviser responsible for managing a particular Fund will have responsibilities with respect to other Funds and funds managed by the Adviser's affiliates, including funds that it expects to establish in the future. Conflicts of interest arise in allocating time, services or functions of these employees among Funds. See also the Adviser's response to the section entitled "Other Potential Conflicts" below which describes other activities undertaken by employees of the Adviser.

In addition, the Adviser receives and generates various kinds of portfolio company data and other information, including related to financial, industry, market, business operations, trends, budgets, customers, suppliers, competitors and other metrics, some of which is sometimes referred to as "big data." This information may, in certain instances, include material non-public information received or generated in connection with efforts on behalf of one Fund's investment (or prospective investment) in a portfolio company. As a result, the Adviser is better able to anticipate macroeconomic and other trends, financial opportunities, enhance and improve operations of portfolio companies, and otherwise develop investment strategies. The Adviser also intends to utilize such data for purposes of identifying new investment opportunities for the Funds. In certain cases, information from a portfolio company owned by a Fund may enable the Adviser to better understand a particular industry and develop and execute investment strategies for itself and for other Funds that do not own an interest in such portfolio company. In such cases, neither the Fund or the portfolio companies from which such information came will receive any compensation or benefit. Portfolio companies may incur incremental expenses in collecting and organizing information requested or required to be furnished to the Adviser (which expenses are indirectly borne by the Funds).

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

Indebtedness of the Adviser

The Adviser and its affiliates are party to certain credit facilities secured by, among other things, the rights to certain management fees payable to the Adviser by such Fund as well as distributions associated with a general partner's equity interests in the Funds. These credit facilities could create certain conflicts of interest for the Adviser and the general partners of the Funds. The agreements related to the Adviser's facilities require the Adviser, among other things, to maintain minimum levels of revenue and profitability, and failure to do so would result in an event of default under the agreements. Provisions under these credit facilities could create an incentive for the Adviser to reduce operating expenses, such as paying lower salaries or bonuses, reducing numbers of employees (or not replacing departing employees) or failing to invest in appropriate firm infrastructure such as technology, so as to avoid such events of default. Certain provisions could also create an additional incentive for the Adviser to hold investments for a longer period of time than the Adviser otherwise would in absence of such provisions in order to charge increased management fees for a longer period of time where management fees are calculated based on invested capital. Selling investments at a later date could ultimately reduce returns to investors. Furthermore, if the Adviser were no longer entitled to (or did not expect to) receive distributions or management fees, or were to receive less distributions or management fees, from a Fund as a result of a default (or expected default) or mandatory prepayment under the agreements, it could create a conflict of interest for the Adviser because it would have an incentive to allocate time, services or functions to the Funds for which it continues to receive or receives more distributions or management fees and away from the Funds from which it is no longer receiving distributions or management fees.

The lenders under these credit facilities have certain minority lender protections or protections typically afforded to a financing provider and associated with protecting a financing provider's economic interests relating to such financing, including certain negative covenants, however, no such lender will have authority over day-to-day operations or investment or operational decisions of the Adviser, the general partners or any employee or principal as they relate to any Fund.

Such lenders also will receive a variety of information about the Adviser and the Funds, including certain information and notices in advance of receipt by limited partners. However, such lenders are not limited partners in the Funds.

Follow-On Investments

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

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

Additionally, the Adviser at times will make a follow-on investment in a portfolio company because such follow-on investment protects the rights and/or investment made by the original investing Fund (or another Fund) or for reputational or strategic reasons, even when such portfolio company's value has decreased since the time of the original investment. In certain circumstances such follow-on is made by a Fund or Funds that did not make the original investment. Such follow-on could also be made in different parts of the capital structure and on different terms than the original investment. As a result, the benefit of the follow-on will, from time to time, benefit and/or accrue to other Funds and/or the Adviser at the expense of the Fund making the follow-on investment. This presents a conflict of interest for the Adviser in determining to make a follow-on investment because one Fund is essentially bolstering the position of another Fund with respect to the portfolio company. This conflict is in many cases mitigated by Fund-level restrictions regarding investing in portfolio companies owned by other Funds.

Related Services

The Adviser and its affiliates will typically perform Related Services for, and in some circumstances receive fees, including Other Fees, from, actual or prospective portfolio companies or other investment vehicles of the Funds. Such fees will be in addition to the management fee and Carried Interest paid by such Fund to the Adviser. These fees may create a conflict of interest between the Adviser and the Funds and their investors because the amounts of these fees may be substantial and the Funds and their investors do not have an interest in these fees. However, the Adviser typically reduces the management fee by a percentage of the amount of such fees received, which is set forth in the organizational documents of each Fund and/or disclosed in the offering documents of each Fund. The Adviser determines the amount of these fees for Related Services in its own discretion, subject to agreements with sellers, buyers, and management teams, the board of directors of or lenders to portfolio companies, and/or third party co-investors in its transactions. Consistent with the Funds' partnership agreements or other organizational documents, the Adviser may also incur expenses, and a majority-owned portfolio company typically will, and a minority-owned portfolio company may, reimburse the Adviser for such expenses including without limitation, travel and travel-related expenses, which may include expenses for chartered or first class travel, premium accommodations, meals and entertainment expenses (including, as applicable, closing dinners and mementos, cars and meals, social and entertainment events with portfolio company employees, customers, clients, borrowers, brokers and service providers), expenses relating to training programs, meetings or other events (whether or not such programs, meetings or events are attended by portfolio company personnel), expenses relating to hiring portfolio company personnel (including background checks, recruiting and relocation expenses),

indemnification expenses, certain legal expenses (including legal costs associated with reviewing financing documents and agreements, whether on behalf of a portfolio company borrower or a lender) and similar out-of-pocket expenses, as well as consulting fees and other cash and non-cash compensation and expenses, incurred by the Adviser in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the sharing or offset arrangements described above and are permitted to be retained by the Adviser. This creates a conflict of interest between the Adviser and its affiliates and the Funds and their investors because the amounts of these reimbursements may be substantial and the Funds and their investors generally do not have an interest in these reimbursements. Because certain expenses are paid for by a Fund and/or its portfolio companies or, if incurred by the Adviser, are reimbursed by a Fund and/or its portfolio companies, the Adviser may not necessarily seek out the lowest cost options when incurring (or causing a Fund or its portfolio companies to incur) such expenses, which could result in lower returns to investors. In many cases with respect to the implementation of such arrangements, there is not an independent third-party involved on behalf of the relevant portfolio company. Therefore, a conflict of interest may exist in the determination of any such fees and other related terms in the applicable agreement with the portfolio company. Please see “Accelerated Monitoring Fees” below and Item 5 above for additional information regarding Related Service fees.

Diverse Membership

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

Business with and among Portfolio Companies and Investors and Prospective Investors

Given the collaborative nature of the Adviser’s business and the portfolio companies in which the Funds have invested, there are situations where the Adviser is in the position of recommending the services of a portfolio company to other portfolio companies. The Adviser generally has a conflict of interest in making such recommendations, in that the Adviser has an incentive to maintain goodwill between it and the existing and prospective portfolio companies for the Funds, while the products or services recommended may not necessarily be the best or most economical available to the portfolio companies held by the Funds.

The Adviser may have an incentive to recommend, where applicable, the products or services of certain investors or prospective investors in the Funds or their related businesses to the Funds or their portfolio companies for use or purchase, even though the products or services recommended

may not necessarily be the best, or most economical, available to the Funds or the portfolio companies.

Certain portfolio companies may provide services or products to the Adviser, the Funds, certain Fund investors or prospective investors even though such products or services may not necessarily be the best, or most economical, available to the Adviser, the Funds, or such investors or prospective investors. This creates a conflict of interest, as the Adviser may have an incentive to cause such a portfolio company to favor the Adviser, the Funds, or those investors or prospective investors relative to other portfolio company clients or customers in terms of pricing or otherwise, which could adversely affect the portfolio company's profitability to the Fund. Additionally, the portfolio company could recommend to its clients or customers that they invest in a Fund.

Current and former officers, directors and executives of portfolio companies invest in certain Funds as limited partners; however, they are permitted to receive better economic terms than other limited partners. While the Adviser believes this aligns portfolio company management teams with the interests of the Funds and their investors, the Adviser may, in certain circumstances, be incentivized to take (or refrain from taking) certain actions with respect to a portfolio company in order to maintain the goodwill with such portfolio company management team investor such that they continue to invest with the Adviser.

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

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

From time to time a Fund's portfolio companies will be counterparties or participants in agreements, transactions or other arrangements with other portfolio companies of such Fund or other Funds. These agreements, transactions and other arrangements will involve payment of fees and other amounts, none of which will result in any offset to the management fee. Such agreements, transactions and other arrangements will generally be entered into without the consent or direct involvement of the Funds and/or the Adviser or the consent of any advisory committee.

The Adviser and/or its affiliates may engage in business with certain service providers, including for example, investment bankers, outside legal counsel and pension consultants, who are investors in Funds and/or who provide services (including mezzanine and/or lending arrangements) to the Adviser, the Funds, the portfolio companies and/or businesses that are competitors of the Adviser. Such engagement may be concurrent with an investor's admission to a Fund, or during the term of such investor's investment in the Fund. This creates a conflict of interest, as the Adviser may give such investor preferred economics, enhanced information or other terms with respect to its investment in a Fund or may have an incentive to offer such investor co-investment opportunities that it would not otherwise offer to such investor absent the service provider relationship. The Adviser and certain of its affiliates may also solicit and receive donations from service providers in connection with philanthropic activities that the Adviser sponsors. The Adviser will have a conflict of interest with the Funds in recommending the retention or continuation of a service provider to the Funds or a portfolio company if such recommendation, for example, is motivated by a belief that the service provider will continue to invest in Funds, will continue to make donations, or will provide the Adviser information about markets and industries in which the Adviser operates or is interested or will provide other services that are beneficial to the Adviser and/or will provide financial sponsorship of events held by the Adviser (such as transaction closing dinners or outings, charitable contributions, or informational summits or training events for the Adviser or portfolio company personnel). There is a possibility that the Adviser, because of such belief or for other reasons, may favor such retention or continuation even if a better price and/or quality of service could be obtained from another person. The Adviser, a general partner or portfolio company of a Fund may from time to time utilize the services of investors and their affiliates, as it deems appropriate.

In addition, it is possible that portfolio companies could transact with one another, including portfolio companies of different Funds, and a Fund could transact with a portfolio company owned by another Fund, including purchasing an asset from, or selling an asset to, a portfolio company or Fund. This creates a conflict of interest as the interests of the purchasing or selling Fund (or portfolio company thereof) differ from those of the counterparty portfolio company or Fund. In addition, the Adviser and its affiliates have in the past and may, from time to time, hire part-time or full-time employees (including interns) who are associated with an investor, portfolio company or service provider. In addition, the Adviser and its affiliates have in the past and may, from time to time, second personnel who are associated with an investor, portfolio company or service provider. Although the Adviser uses reasonable care to mitigate any potential conflicts of interest with respect to each particular situation, there is no guarantee the Adviser can control all such conflicts of interest and there may be a continuing appearance of a conflict of interest (including, for instance, preferential hiring practices).

While less common, from time to time, a Fund could hold an investment in a different layer of the capital structure of a portfolio company than an investor or another party with which the Adviser

has a material relationship. In such circumstances, the Adviser could have an incentive to cause the Fund or the portfolio company to offer more favorable terms to such parties (including, for instance, financing arrangements) than it would absent such relationship, which could ultimately lower returns to investors in the Fund.

Positions with Portfolio Companies

Personnel of the Adviser serve as directors of, or observers on, boards of certain portfolio companies of the Funds and in certain cases with respect to companies that are not investments of the Funds. While conflicts of interest may arise in the event that an individual's fiduciary duties as a director conflict with those of the Fund, it is expected that interests will generally be aligned. However, such positions could impair the ability of a Fund to buy the securities of an issuer or to buy or sell the securities at an opportune time in the event a director is in possession of material nonpublic information by virtue of his or her role on the board, which would have an adverse effect on the Fund. Furthermore, personnel of the Adviser serving as a director to a portfolio company owe a fiduciary duty to the portfolio company, on the one hand, and the relevant Fund, on the other hand, and such personnel of the Adviser may be in a position where he or she must make a decision that is either not in the best interest of the Fund, or is not in the best interest of such portfolio company or another portfolio company of a Fund. Personnel of the Adviser serving as directors may make or fail to make decisions for a portfolio company that negatively impact returns received by a Fund investing in the portfolio company. In addition, to the extent an employee serves as a director on the board of more than one portfolio company, such employee's fiduciary duties between the two portfolio companies may create a conflict of interest. A director's decision may subject the Adviser, its affiliates or a Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities law claims, antitrust claims and other director-related claims. In general, the Funds will indemnify the Adviser, its principals, employees and other personnel, including Consultants, from such claims. Employees of the Adviser serving in a director or observer role with respect to a portfolio company of a Fund are required to remit any remuneration they may receive as directors to the applicable Funds and/or such amounts reduce management fees. In addition, employees of the Adviser have in the past left, and may in the future leave the employment of the Adviser or its affiliates and become an officer, employee, or consultant of a portfolio company, which shifts the burden of compensating such persons from the Adviser to the applicable portfolio companies, and any amounts received by such persons as an employee or other service provider of the portfolio company will not reduce the management fee but will be borne by the portfolio company and therefore indirectly by the applicable Fund or Funds. Further, such former employees of the Adviser could, in certain cases, become senior advisors or operating partners (including concurrently with being an officer, employee or consultant of a portfolio company) or at some point in the future return to the Adviser as full-time employees. Employees of the Adviser are prohibited from receiving consulting, management or other fees personally from portfolio companies while they are employed by the Adviser.

From time to time personnel of the Adviser may also be asked to serve as directors of, or observers with respect to, certain entities in which a Fund has fully exited its ownership interest and/or following the termination of such employee's employment or other relationship with the Adviser. In such circumstances, any compensation or fees received with respect to such exited investment and/or by such former employee are not subject to the management fee offset described above, or

otherwise shared with the Funds and/or investors. If such other fees or benefits were earned prior to the date of such Fund's investment in a portfolio company, they will not be subject to the management fee offset described above.

In addition, the Adviser or its employees or former employees, or Consultants may continue to receive other fees or benefits from a portfolio company after a Fund has fully exited its ownership interest (for instance, in respect of consulting arrangements or discounts). In such circumstances, any fees or benefits received with respect to such exited investment are not subject to the management fee offset described above, or otherwise shared with the Funds and/or investors.

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

Side Letter Agreements; Advisory Committee Rights

The Adviser enters into side letter arrangements with certain investors in a Fund providing such investors with different or preferential rights or terms, including but not limited to (i) different or preferential fee and carry structures, (ii) other preferential economic rights, information and reporting rights, to the extent permitted by applicable law, (iii) excuse or exclusion rights, (iv) waiver of certain confidentiality provisions, (v) co-investment rights, (vi) liquidity or transfer rights, (vii) certain rights or terms necessary in light of particular legal, tax, regulatory or policy requirements of a particular investor, (viii) additional obligations and restrictions with respect to structuring particular investments in light of the legal, tax and regulatory considerations applicable to a particular investor, (ix) rights to make future investments in other Funds, (x) rights to use of the investor's name, and (xi) veto rights. However, in general, the organizational documents and side letter agreements for the Funds contain a most favored nations provision which allows investors or certain groups of investors, subject to the limitations set forth therein, the right to elect to obtain such rights, where applicable. Further, a general partner or the Adviser may determine in its sole discretion to bear certain costs and other obligations specific to a limited partner, such as travel and travel-related costs for meetings, based upon the circumstances of such limited partner's investment in a Fund, including the costs and other obligations related to vehicles formed to facilitate such limited partner's participation in a Fund. Investors will have no recourse against a Fund 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, to the extent permitted by applicable law. In addition, side letter arrangements with certain investors of the Funds impose additional restrictions on investing in certain types of assets, issuers, geographies or industries in order to meet certain legal, tax, regulatory, internal policy or other requirements of such investors. While these restrictions are intended to apply solely to such investors, they may ultimately restrict a Fund from making certain investments or increase the amount of capital required of participating limited partners in order to fund such investments. This could result in some investors being over exposed to investments from which they were not excluded, and being under exposed to certain other investments, on a relative

basis from the exposure they would have had absent such exclusions. Also, as a result of being excluded from certain investments, excluded investors will be over exposed on a relative basis, to investments from which they are not excluded. The consequence for all investors is that such exclusions could negatively impact their individual performance in the Fund, and could materially alter the risk profile of an investor's investment in a Fund.

The Main Funds that have had a closing have established advisory committees. These advisory committees generally consist of senior personnel of certain limited partners of the applicable Fund, or in certain cases, individuals otherwise affiliated with such limited partners, such as third-party advisors. Although the advisory committees are intended to act as the representative of the limited partners, the interests of the members of an advisory committee may not be aligned with the interests of other investors as a result of conflicting business interests. A conflict of interest exists given that some, but not all limited partners are permitted to designate a member to the advisory committee. Such limited partners who designate members to serve on a Fund's advisory committee benefit from the receipt of preferential information and the ability to approve certain decisions of the general partner with respect to the Fund. Such decisions include the ability to approve conflicts of interests with respect to the Adviser and the applicable Fund, which could be disadvantageous to certain investors, including those investors who do not designate a member to the advisory committee. Members of the advisory committee may have various business and other relationships with the Adviser and its partners, employees and affiliates. These relationships may influence the decisions made by such members of the advisory committee. Certain limited partners who appoint advisory committee members have indirect ownership interests in the general partners of certain Funds, and other advisory committee members may have other business interests that conflict with those of the Funds. As a result of their interests in such general partners of such Funds or other conflicting business interests, such members have potential conflicts of interest when exercising their right as members including due to the cross-fund nature of certain Fund investments and there is no guarantee that such rights will be exercised in the interests of other investors in the applicable Fund. Furthermore, the advisory committee cannot be expected to have expertise in investing in software or technology-enabled businesses, and certain of its determinations may, in fact, adversely affect the performance of a Fund.

In addition, members of one Fund's advisory committee may also be members of another Fund's advisory committee or have an interest as a co-investor in a company or in a warehouse that is the subject of an advisory committee vote. In such instances, a conflict of interest exists because the Funds on which such overlapping advisory committee members serve may have conflicting interests and such advisory committee members may be requested to provide their consent with respect to such conflicts of interest and will not recuse themselves from any such vote. Such members who serve on more than one advisory committee also receive more information about a Fund or the Adviser than investors who serve on fewer or no advisory committees.

Conflicts Relating to the General Partner and the Adviser

Each general partner of a Fund is a related person of the Adviser. The Adviser generally may, in its discretion, contract with any related person of the Adviser (including but not limited to a portfolio company of a Fund) to perform services for the Adviser in connection with its provision of services to the Funds. When engaging a related person to provide such services, the Adviser

may have an incentive to recommend the related person even if another person may be more qualified to provide the applicable services and/or can provide such services at a lesser cost.

The Adviser generally may, in its discretion, contract directly with, or recommend to a Fund or to a portfolio company thereof (in response to a solicitation for a recommendation or otherwise) that it contract for services with (i) a related person of the Adviser (including but not limited to a portfolio company of a Fund) or (ii) an entity with which the Adviser or its affiliates or a member of their personnel has a relationship or from which the Adviser or its affiliates or a member of their personnel otherwise derives financial or other benefit. When making such a recommendation, the Adviser may, because of its financial or other business interest, have an incentive to recommend the related or other person even if another person is more qualified to provide the applicable services and/or can provide such services at a lesser cost.

Adviser personnel and other related persons of the Adviser, its affiliates and Consultants have made and may make capital investments in or alongside certain Funds. These investments may be at different times or in non-pro rata amounts, or in different classes or levels of the capital structure. Such persons therefore have additional conflicting interests in connection with these investments.

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

In addition, Adviser personnel invest in Funds and therefore participate indirectly in investments made by the Funds in which they invest. Such interests will vary Fund by Fund and may create an incentive to allocate particularly attractive investment opportunities to the Fund in which such personnel hold a greater interest. The existence of these varying circumstances presents conflicts of interest in determining how much, if any, of certain investment opportunities to offer to a Fund.

The Adviser, its affiliates and Adviser personnel may buy or sell securities or other instruments that the Adviser has recommended to Funds. Subject to certain limitations set forth in a Fund's governing documents, the Adviser, its affiliates, and officers, principals and employees of the Adviser and its affiliates also may buy securities in transactions offered to but rejected by Funds. A conflict of interest may arise because the Adviser, its affiliates and Adviser personnel will, for some investments, benefit from the evaluation, investigation, and due diligence undertaken by the Adviser on behalf of the Fund. In such circumstances, the investing personnel generally will not share or reimburse the relevant Fund(s) and/or the Adviser for any expenses incurred in connection with the investment opportunity.

In addition, certain Adviser personnel buy securities and hold interests as passive investors in other types of investment vehicles (including private equity funds, venture capital funds, hedge funds, real estate funds and other similar investment vehicles) which may include potential competitors of the Funds and/or which may invest in similar industries and sectors as the Funds (including investments for purposes of sourcing future investment opportunities). Such Adviser personnel have a conflict of interest with respect to their personal investment holdings. There could be situations in which such investment vehicles invest in the same portfolio companies as the Funds,

and there may be situations in which such investment vehicle purchases securities from, or sells securities to, a Fund. The investment policies, fee arrangements and other circumstances of these investments may vary from those of the Funds. In the event Adviser personnel make an investment with the intent to source future investments for the Funds, there is a greater likelihood that the Funds will make investments in the same portfolio companies in which Adviser personnel hold an interest as described above. Such personnel may be incentivized to cause a Fund to act in a manner that benefits such other investment vehicles and indirectly, themselves as investors in such investment vehicles.

There could also be certain situations where such employees glean investment ideas from such vehicles and establish relationships with investment advisers to such vehicles that may be used to benefit a Fund. Such employees and principals may have a conflict of interest with respect to their activities conducted on behalf of the Adviser, including to the extent that they are afforded benefits with respect to such personal investments, such as reduced fees and/or carry or other preferential treatment as enticement for or to build goodwill with the Adviser. Notwithstanding the forgoing, the Adviser and its employees and principals are under no obligation to use information or relationships they gain as a result of such investments for the benefit of a Fund and in certain cases may be contractually prohibited from doing so.

Additionally, certain employees of the Adviser have family members that are actively involved in industries and sectors in which the Funds invest or have business, personal, financial or other relationships with companies in such industries and sectors (including service providers described below) or other industries, which gives rise to conflicts of interest. For example, such family members might be officers, directors, personnel or owners of companies which are actual or potential investments of the Funds or other counterparties of the Funds and the portfolio companies. Moreover, in certain instances, the Funds or the portfolio companies may purchase or sell companies or assets from or to, or otherwise transact with companies that are owned by such family members or in respect of which such family members have other involvement. The fees for services provided by service providers or other counterparties associated with such family members may or may not be at the same rate charged by other third-party service providers and the Adviser is not required to select service providers who may have lower rates (or to engage in any benchmarking of such fees). In most such circumstances, the Funds' organizational documents will not preclude the Funds from undertaking any of these investment activities or transactions in such industries or sectors.

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

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

The general partner of a Fund may, in its discretion, under certain circumstances elect to increase its commitment to such Fund prior to the final close of the Fund without the consent of the limited partners. Any increased commitment by the general partner will dilute the interests of the limited partners. Although the general partner may pay interest in respect of prior capital contributions in the same manner as is paid by the limited partners, the general partner has information about the Fund's investments, including regarding their valuation and performance expectations, which the limited partners do not have and that information may inform its decision whether to increase its capital commitment. Therefore, the general partner has a conflict of interest in deciding to increase its subscription because a decision to increase its subscription may result in the general partner receiving value that would have otherwise benefitted limited partners.

Operating Partners, Consultants, Senior Advisors and Other Service Providers

Certain services required by a Fund (including some services historically provided by the Adviser or its affiliates to the Funds) may, for certain reasons including efficiency and economic considerations be outsourced in whole or in part to (1) third parties or (2) licensed software, in each case in the discretion of the Adviser or its affiliates. The Adviser and its affiliates have an incentive to outsource such services at the expense of the Funds to, among other things, leverage the use of Adviser personnel. Such services may include, without limitation, deal sourcing, asset management, information technology, data processing, client relations, administration, investor reporting, marketing and marketing-reviews, accounting, valuation, trading, legal, client services, compliance, corporate secretarial and tax support, senior executive services, director services and other similar services. Outsourcing may not occur universally for all Funds and accordingly, certain costs may be incurred by a Fund for a third-party service provider that are not incurred for comparable services by other Funds. In the event a service provider is paid an annual retainer, the value provided to the relevant Fund and/or portfolio company by such service provider may vary year to year and there can be no assurance that the annual retainer paid will be commensurate with the value provided by the service provider. The decision by the Adviser to initially perform a service for a Fund in-house does not preclude a later decision to outsource such services (or any additional services) in whole or in part to a third-party service provider in the future and the Adviser may have no obligation to inform such Funds or investors of such a change. Such services may also supplement or be performed alongside services performed by the Adviser. In addition, certain internal service providers (such as internal accountants) may "shadow" or otherwise review the reports of other services provided by such third parties. The costs and expenses of any such third-party service providers will be borne by the relevant Funds.

In addition to the full-time investment professionals of the Adviser, the Adviser and its affiliates also from time to time engage or arrange for the engagement and retention by a Fund or a portfolio company of Consultants who are not current employees or affiliates of the Adviser (but may be former employees or affiliates of the Adviser, Providence or their respective affiliates). The Consultants assist with identifying and evaluating new transactions, serve as executives or board members of portfolio companies, provide strategic insights related to portfolio company or

portfolio management matters, financial and structuring advice, investor relations services and perform other services (including with respect to matters related to social, environmental and governance issues) for the Adviser, the Funds or the portfolio companies. While Consultants may be referred to as “Operating Partners” or “Senior Advisors” they are not employees (but may be former employees) of the Adviser or any of its affiliates, but rather consultants engaged by the Adviser or by or on behalf of a Fund or a portfolio company of a Fund. Such Consultants may provide services exclusively to the Adviser and the Funds. In certain cases, a Consultant may be a former employee of the Adviser but may remain a member of one or more general partners of the Funds.

The compensation (including, without limitation, salary and bonuses) of such Consultants is generally apportioned among the applicable Funds and/or the portfolio company (or companies) with respect to which such Consultant provides services, has provided or is expected to provide services; however, in certain circumstances, the compensation of such Consultants is borne partially or fully by the Adviser. Such compensation may be linked to the performance of the applicable portfolio investment, portfolio company or a Fund’s investments therein. A Fund’s share, if any, of any retainers, success fees, salaries, bonuses or other fees charged by Consultants (“Consultant Fees”) will be treated as a Fund expense borne by the Fund (whether paid by the Fund directly or by the Adviser or its affiliates and subsequently reimbursed by the Fund). While the Adviser believes such Consultant Fees are reasonable for the relevant services provided, Consultant Fees may not always be comparable to costs, fees and expenses charged by other third parties. In addition to such fees, a Fund or the applicable portfolio company will also generally bear any travel costs or other out-of-pocket expenses incurred by the Consultants in connection with the provision of their services. Office, accounting, network, administration and other support benefits may be provided by the Adviser to the Consultants without charge to a Fund or the applicable portfolio company. If a service provider provides services to a Fund on the property of the Adviser, such Fund may also be responsible for any overhead, rent or other fees, costs and expenses charged by the Adviser in connection with an on-site arrangement.

Consultants may be granted the right to participate alongside a Fund in transactions for which they provide advice. Such co-investment rights may result in the Fund investing less capital than it otherwise would have in such transactions. In addition, such Consultants may invest, including on preferred economic terms, directly in a Fund as limited partners.

Consultants may also serve on the boards of portfolio companies or as employees or consultants of portfolio companies in an operations capacity. Any directors’ fees, salaries, Consultant Fees, other cash compensation, stock options or other compensation received by a Consultant in such capacities will be borne by the portfolio companies and indirectly by a Fund, will not be deemed paid to or received by the Adviser or its affiliates and therefore will not result in an offset to the management fee payable by a Fund.

While conflicts of interest may arise in the event that a Consultant’s fiduciary duties as a director conflict with those of a Fund, it is expected that the interests will be generally aligned. In addition, to the extent a Consultant serves as a director on the board of more than one portfolio company, such Consultant’s fiduciary duties between the two portfolio companies may create a conflict of interest.

Decisions made by a Consultant may subject a Fund to claims it would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, a Fund will indemnify the Adviser and its partners, principals and employees from such claims.

In addition, Consultants of the Adviser serving as directors may make decisions for a portfolio company that negatively impact returns received by the Fund investing in the portfolio company.

From time to time, the Adviser may recruit an executive or management team to pursue a new “platform” opportunity expected to lead to the formation of a future portfolio company on behalf of a Fund. In other instances, a new platform could be formed to recruit an executive or existing or newly formed management team to build out such platform through acquisitions and organic growth. In certain circumstances, such platform employees may include former employees of the Adviser, former executives of past PSG portfolio companies, or current or former Consultants to a Fund and the Adviser and its affiliates. The structure of each platform and the engagement of personnel will vary, including whether a management team’s services are exclusive to the platform, whether the platform consists of integrated or separate underlying operating companies and whether the executive or members of the management team are employed directly by the platform or indirectly through a separate management company established to manage such platform. Platform structures may change during the investments’ holding period, for instance, in connection with restructurings or dispositions. The management team of a platform investment may provide services with respect to other investments, including platform investments, of the Fund or more than one Fund, or provide the same or similar services for unaffiliated parties and the management team of a platform investment may also be invested directly in the Fund or other affiliates of the Adviser. The services provided by the platform management team could be similar to, and in some cases overlap with, the services provided by the Adviser to the Fund. The Fund will bear the expenses of the management team or portfolio company, as the case may be, including any overhead expenses, management or other fees, employee compensation (including cash compensation, profits-interest and performance fees), diligence expenses or other related expenses in connection with backing the management team or the build out of the platform company. Such expenses may be borne directly by the Fund as operating expenses or indirectly as the Fund bears the start-up and ongoing expenses of the newly-formed platform portfolio company. Such costs and expenses will not offset the management fee and are in addition to management fees and other compensation (e.g., Carried Interest) received by the Adviser or its affiliates. To the extent that the Fund and any other affiliates of the Adviser invest in the same platform company, the expenses associated with such platform company will be borne by the Fund and such other affiliates of the Adviser pro rata based on aggregate capital invested by each entity in the platform company and its underlying portfolio companies.

Further, where a portfolio company is a platform arrangement that provides for one or more portfolio investment opportunities in one or more underlying operating companies identified by the platform (such portfolio company, a “Platform Arrangement”), a Fund and one or more other Funds may invest in one or more such portfolio investment opportunities, either jointly or separately, with such investment decisions generally being made by a Fund and such other Fund independently, subject to the allocation considerations described in the section “*Allocations*”. With respect to such platform investment opportunities, each Fund generally will only aggregate the economics arising out of such Fund’s own portion of interests in the underlying operating

companies in which such Fund invests, and generally will not aggregate the economics arising out of another Fund's portion of interests in the underlying operating companies in which such other Funds invest. This may result in additional conflicts between the interests the Funds that invest in such Platform Arrangement, leading to disposition or acquisition decisions with respect to one or more underlying operating companies that may be detrimental to a Fund.

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

Conflicts Related to Fee Structure

Because the management fee may be payable through the liquidation of a Fund, there is a fixed investment period after which capital from limited partners may only be drawn down in certain limited circumstances and the Adviser's management fee is based upon the capital invested by the Funds, this timing may create an incentive to defer the realization of investments and/or deploy capital when the Adviser would not otherwise have done so.

The fact that the Carried Interest received by the Adviser from the Funds is based on the performance of the Funds also creates an incentive for the Adviser to cause the Funds to make investments that are more speculative than would be the case in the absence of performance-based compensation. However, this incentive may be tempered somewhat by the fact that losses will reduce the Fund's performance and thus may reduce or eliminate the Adviser's receipt of Carried Interest. In addition, the method of calculating Carried Interest may result in conflicts of interest between the Adviser and its affiliates, on the one hand, and the investors, on the other hand, with respect to the management and disposition of investments, including the timing and sequence of such dispositions. Further, the manner in which management fees are charged may create an incentive for the Adviser to favor holding investments for long periods of time in order to increase the amount of management fee it is entitled to receive.

The partners of the general partner are also subject to special U.S. federal income tax rules to which limited partners are not subject. Such rules generally require a Fund to hold investments for more than three years for Carried Interest recipients to be entitled to preferential long-term capital gains rates and contain complex rules regarding when a general partner's capital interest in a Fund is subject to these rules. As a result of the foregoing, the general partner may be incentivized to operate a Fund, including to hold and/or sell investments, in a manner that maximizes or accelerates its entitlement to Carried Interest or takes into account the tax treatment of its Carried

Interest (including to hold investments longer or otherwise structure dispositions to provide long-term capital gains treatment for carry recipients, including by operating a Fund in a manner intended to comply with any new requirements under future legislation for any of the carried interest to be entitled to preferential capital gain treatment). Further, certain general partners have the ability to defer Carried Interest (for various reasons, including managing to avoid a potential clawback). Such deferral may result in a different mix of taxable income being recognized by the limited partners and the general partner than if no such deferral had occurred, which may be adverse to particular limited partners. In the case of an investment by a parallel fund through a “blocker” structure, limited partners of the parallel fund may avoid U.S. federal income tax from a sale of the blocker. When such investment has been held by a Fund for three years or less, such Fund’s general partner may be incentivized to structure the sale as an asset sale (including for the portion of such investment held through a blocker, which may result in taxable gain being realized by the blocker).

Certain portions of the Carried Interest in respect of certain Funds are allocated to third-party investors in the general partners of such funds. Certain portions of the Carried Interest are also allocated to former personnel. Given that these arrangements inherently shrink the overall carried interest pool available, they could affect the Adviser’s ability to recruit and retain personnel. However, the Adviser does not believe that these arrangements have had any negative impact on its ability to recruit and retain personnel in the past and does not currently anticipate any future impact.

Fund Level Borrowing

The Funds from time to time borrow funds or enter into other financing arrangements for various reasons, including to pay fund expenses, to settle liabilities, to pay management fees, to pay organizational expenses, to make or facilitate new or follow-on investments, to make payments under or secure hedging transactions, to cover any shortfall resulting from an investor’s default or exclusion or to fund capital contributions at the closing of an investment. The Funds may also use fund facilities to issue letters of credit, guarantees, equity commitment letters and other types of credit enhancements in support of a transaction or portfolio company. If a Fund borrows in lieu of calling capital to fund the acquisition of an investment, the borrowing would be used for all limited partners in such Fund on a pro-rata basis, including the general partner. The Funds will also utilize subscription facilities to benefit co-investment parties. For example, a Fund will borrow to fund a co-investor’s pro rata share of an investment or expense related to an investment. While the Adviser expects that all parties participating in an investment (including the general partner and any co-investor) will bear their pro rata share of the interest expenses but not necessarily origination, negotiation and other costs allocable to the extension of credit, the Fund will bear a disproportionate amount of the credit risk in incurring the debt on behalf of the other parties. In addition, credit facilities for certain Funds are available to provide borrowed funds directly to the portfolio companies of such Funds, in which case such borrowed funds would only be guaranteed by such Funds. In such instances, the Funds would bear all of the liability for the borrowed funds in the event of a default by a portfolio company. To the extent a certain Fund becomes unable to borrow, or loses a line of credit, such inability to borrow could adversely impact the Fund’s operations to the extent the Fund needs to access borrowed funds.

Although borrowings by a Fund or portfolio company have the potential to enhance overall returns that exceed such Fund's or portfolio company's cost of capital, such borrowings may increase the potential exposure of such Fund to a particular investment above the level that a Fund would typically have had an investment been limited to equity. Any such borrowings will further diminish returns (or increase losses on capital) to the extent overall returns are less than a Fund's cost of capital. In addition, borrowings by a Fund are, in most cases, secured by capital commitments made by investors to such Fund as well as in certain cases by such Fund's assets and the documentation relating to such borrowings provides that during the continuance of a default under such borrowings, the interests of the investors may be subordinated to such Fund-level borrowing. Moreover, tax-exempt investors should note that the use of leverage by a Fund may cause the realization of "unrelated business taxable income."

To the extent a Fund uses borrowed funds in advance or in lieu of capital contributions, or a portfolio company borrows funds directly through such Fund facility, such Fund's investors generally make correspondingly later capital contributions, but the Fund will bear the interest on such borrowed funds. As a result, a Fund's use of borrowed funds will impact the calculation of net performance metrics (to the extent that they measure investor cash flows) and may make net IRR and net MoM calculations higher than they otherwise would be without fund-level borrowing, as these calculations generally depend on the amount and timing of capital contributions as well as the level of the organizational structure at which such borrowed funds are borrowed or deployed. In certain interest rate environments, the interest will accrue on any such outstanding borrowings at a lower rate than any preferred return, which such preferred return will begin to accumulate when capital contributions to fund an investment or to repay borrowings used to fund an investment are actually made to the relevant Fund. Thus, while the Fund will bear the expense of borrowed funds, to the extent that interest accrues at a lower rate than any preferred return, such borrowings can also increase the Carried Interest received by the Fund's general partner or could result in the Fund's general partner receiving Carried Interest earlier than it would otherwise have by decreasing the amount of distributions from the Fund that are required to be made to Fund investors in satisfaction of any preferred return. A general partner therefore has a conflict of interest in deciding whether to borrow funds because the general partner may receive disproportionate benefits from such borrowings. Furthermore, the use of Fund-level borrowing for investment purposes is treated as invested capital for purposes of calculating the relevant Fund's management fee at certain times during a Fund's life cycle. Therefore, investors pay management fees on borrowed amounts used to fund an investment even though such amounts would not accrue a preferred return as described above.

The use of Fund-level borrowings will differ based on available credit facility capacity, contractual terms, market environment and other specific circumstances applicable to each Fund and each such credit facility. Therefore, as the subscription credit facilities utilized by the Funds may have different terms, while certain Funds may be invested in the same investment, and while the valuation of such investment would be consistently determined pursuant to the relevant organizational documents, the respective proceeds ultimately realized by each such Fund's investors from such investment can, in certain circumstances, differ as a result.

To the extent a subscription facility is due upon demand by a lender, such a demand may be issued at an inopportune time at which liquidity is generally constrained, potentially resulting in greater defaults as a result of such liquidity constraints and/or investors facing similar capital calls in

multiple funds and being unable to satisfy all such demands simultaneously. The batching of capital calls may amplify the magnitude of potential defaults by investors as a result of there being fewer but larger capital calls. Moreover, the existence of a subscription facility may impair an investor's ability to transfer its interest in a Fund as a result of restrictions imposed on such transfers by the lender.

Accelerated Monitoring Fees

While generally limited to instances where a Fund invests in a portfolio company alongside another sponsor who has a management agreement with such portfolio company providing for the acceleration of certain fees and the general partner of such Fund determines in its good faith discretion that the Fund's limited partners would benefit from such Fund's participation thereof, there may be certain circumstances (such as the occurrence of an initial public offering or strategic exit) which may accelerate the payment of fees under the management agreement with a portfolio company. To the extent any such management agreement has a prolonged term (which can exceed ten years and/or be subject to automatic extensions and renewal), the effect of any such acceleration may be substantial, particularly in the event such circumstances occur early in the life of a Fund's portfolio investment in such portfolio company.

Luxembourg

Certain of the Funds invest via a Luxembourg platform, comprised of one or more Luxembourg-incorporated and tax resident limited liability companies. Those companies collectively maintain an office in Luxembourg and employ a team of local qualified professionals who are integral to the investment process for such Funds. The Luxembourg platform also has boards of directors comprised mostly of Luxembourg residents that makes investment, asset management and disposition decisions with respect to such investments, with the Adviser acting in an advisory capacity thereto, and the Funds have the power to appoint and replace directors. As a result, the Funds will indirectly bear a portion of the organizational and operating fees, costs (including personnel compensation and their associated costs and expenses, office space and furnishings, utilities, IT support and infrastructure, software and other similar expenses), expenses and liabilities (including those associated with entity formation and maintenance, administration, investment-specific custodial services, the preparation and distribution of investment-related tax reports and forms, and opening and maintaining bank accounts) of the existing Luxembourg platform, as determined by the Adviser in its sole discretion. The compensation paid by the Funds and their portfolio companies to Luxembourg qualified employees and directors is not subject to the management fee offset.

Funding of the General Partner Commitment

All or a portion of any of the general partner commitment to a Fund may be financed by one or more third-parties, which financing may be in the form of debt or a preferred equity arrangement. The providers of certain of such financings are expected to have priority over the initial distributions from applicable Funds that otherwise would have been distributed to limited partners of the general partner (including employees, principals and partners of the Adviser and its affiliates) participating in the financing until the debt is repaid or certain performance hurdles are achieved (which could be based on multiples, internal rates of return, a combination of multiples

and internal rates of return or other pre-agreed criteria). Any such structured financing may contain performance hurdles or other economic provisions that are different from those that a general partner is subject to under a partnership agreement at the Fund-level. Such differences could create different economic incentives for a general partner and could influence the decisions made by a general partner with regards to a Fund. In particular, a structured financing, including those discussed above in *“Indebtedness of the Adviser”*, that subordinates the right of such participating persons to receive distributions in favor of the providers of such financing may create or exacerbate an incentive for a general partner (and specifically, such participating persons) to take actions that it otherwise would not have taken in its management of such Fund (such as making more speculative investments or disposing of investments at a price or time that otherwise would not have been considered), or to refrain from taking actions that it otherwise would have taken (including with regards to follow-on investments and the timing of dispositions of investments), in each case, in the absence of such financing. Such financing could also put such participating persons in a position, when facing certain levels of losses in the portfolio, where they have less incentive to continue to give the same level of time and attention to a Fund than they would have in the absence of such financing. However, the Adviser believes that such issues are mitigated by the fact that a significant amount of each general partner commitment is expected to be funded in cash by employees, partners and principals of the Adviser and its affiliates (including those that participate in such financing) directly outside of such levered financing, provided that certain such persons may also borrow separately to fund a portion of their indirect funding obligations to a Fund.

One or more providers of such general partner commitment financing arrangements described in the preceding paragraph are expected to be investors or prospective investors in the Funds (or affiliates of such investors or prospective investors) which may cause the interests of each such investor to be substantially different from the interests of the other limited partners and could affect how such investor votes in its capacity as a limited partner of a Fund. Please see *“Business with and among Portfolio Companies and Investors and Prospective Investors”* for additional disclosure regarding potential conflicts of interests arising out of a general partner’s and its affiliates engaging in business with investors or prospective investors.

Any providers of such financing are expected to receive minority protections or protections typically afforded to a financing provider and associated with protecting a financing provider’s economic interests relating to such financing, however, no such provider of such financing is expected to have authority over day-to-day operations or investment or operational decisions of a general partner or any employee or principal as they relate to a Fund.

Relationship with Providence

The Adviser was originally established as an affiliate of Providence in 2014. On November 17, 2020, Providence’s equity interests in the Adviser were redeemed. While the Adviser and Providence are otherwise independent, unaffiliated organizations, the Adviser and Providence currently have resource sharing and services sharing arrangements, however currently such arrangements are limited to IT services. The Adviser and Providence expect to conclude these transition arrangements during 2024.

Certain employees of the Adviser have grants of carried interest in and associated distributions from Providence-managed funds. Such economic interests could create conflicts between the Adviser and Providence, however those conflicts should be substantially mitigated by the fact that such employees of the Adviser are no longer providing services to Providence and as a general matter such employees also have received carried interest grants with respect to the Funds.

Until December 15, 2021, the Adviser and the Funds maintained jointly with Providence and certain of its affiliates a directors and officers and errors and omissions liability insurance policy. As a result of the nature of the joint coverage provided under the policy, there was a risk that claims made against Providence or its affiliates would deplete the coverage under the joint insurance policy otherwise available to cover claims made against the Adviser and/or the Funds. As a result, liabilities of the Adviser and/or the Funds that would otherwise be covered by the aforementioned insurance policy could be borne uninsured by the Funds and their limited partners, and therefore the Funds and their limited partners remain subject to the risk of such liabilities that they would not be subject to if the Adviser and Providence had maintained separate insurance policies. As of December 15, 2021, PSG maintains its own dedicated directors and officers and errors and omissions liability insurance policies covering claims made against the Adviser and its affiliates on or after that date. With respect to any claims arising before December 15, 2021, or future claims that relate back to claims made under the historic shared policies, there remains a risk that claims made against Providence or its affiliates or jointly against Providence and its affiliates and the Adviser and its affiliates could limit coverage otherwise available to the Adviser and the Funds. The Adviser believes that this risk in relation to Providence is likely diminished by the passage of time because the historic shared policies apply only to claims that were made before December 15, 2021, or that relate back to claims before that date.

Certain personnel who will no longer be employed by or providing services to PSG and the Funds will maintain their current grants of carried interest and are eligible to receive cash distributions associated with such Carried Interest. As a result, PSG and the Funds have Carried Interest being allocated to personnel who are no longer providing services for the benefit of the Funds and PSG and as a result, there is less Carried Interest available to incentivize current personnel and to recruit and maintain new personnel than would otherwise be the case in the absence of such arrangements. This smaller pool of Carried Interest available to incentivize personnel could adversely affect a Fund's performance or PSG's business generally, although the Adviser does not believe that it will.

Additionally, the participation of certain employees and principals of the Adviser in carried interest of Providence's funds or accounts could create conflicts of interest in any transaction between a Fund and a Providence fund or account, or between their portfolio companies, including similar to those described under "Cross-Transactions." Conflicts could also arise to the extent that PSG and Providence invest in portfolio companies that compete with one another or do business with one another. There is no guarantee that such conflicts will not impair the returns of the Funds.

Other Potential Conflicts

The organizational documents of a Fund establish complex arrangements among the Funds, the Adviser, investors, and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been

contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the organizational documents of a Fund may be broad, unclear, general, conflicting, ambiguous, and vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision in the relevant organizational documents. While the Adviser will construe the relevant provisions in good faith and in a manner consistent with its fiduciary duty and legal obligations, the interpretations used may not be the most favorable to a Fund or its investors.

The Adviser, its affiliates and the Funds will often engage common legal counsel and other advisers in a particular transaction, including transactions in which there may be conflicts of interest (*e.g.*, cross transactions and other related-party transactions). Members of the law firms engaged to represent the Funds may be investors in a Fund and may also represent one or more portfolio companies or investors in a Fund. In the event of a significant dispute or divergence of interest between Funds and the Adviser and/or its affiliates, the parties may engage separate counsel in the sole discretion of the Adviser and its affiliates. Moreover, in litigation and certain other circumstances separate representation may be required.

The Adviser, its affiliates and the Funds and portfolio companies engage other common service providers. The Adviser, its affiliates and the Funds may be charged varying amounts for such services or may have different fee arrangements for different types of services provided. For instance, fees for various types of work in certain circumstances depend on the complexity of the matter, the expertise required and the time demands of the service provider. As a result, to the extent the services required by the Adviser or its affiliates differ from those required by the Funds and/or their portfolio companies, the Adviser and its affiliates could pay different rates and fees than those paid by the Funds and/or their portfolio companies. Nevertheless, a conflict of interest could still arise between the Adviser, on the one hand, and the Funds and portfolio companies, on the other hand, in determining whether to engage such service providers, including the possibility that the Adviser may favor the engagement or continued engagement of such persons if it or its affiliates receives a benefit from such service providers, such as lower fees, that it or its affiliates would not receive absent the engagement of such service provider by the Funds and/or the portfolio companies.

The Adviser may in its discretion have, and may, in its discretion, cause the Funds and/or their portfolio companies to have, ongoing business dealings, employment relationships, other arrangements or agreements with persons who are former employees or executives of the Adviser or the Adviser's affiliates. The Funds and/or their portfolio companies bear, directly or indirectly, the costs of such dealings, employment relationships, other arrangements or agreements. In such circumstances, there may be a conflict of interest between the Adviser and the Funds (or their portfolio companies) in determining whether to engage in or to continue such dealings, employment relationships, other arrangements or agreements, including the possibility that the Adviser may favor the engagement or continued engagement of such persons even if a better price and/or quality of service could be obtained from another person.

Investors may be introduced to the Adviser, or may be brought into a Fund, by a third-party service provider from which the Adviser or an affiliate purchases products or services or to which the Adviser or an affiliate may make payments.

The Adviser has in the past and may, from time to time in the future, cause one or more Funds to purchase, and/or bear premiums, fees, costs and expenses (including any expenses or fees of insurance brokers) for, insurance to insure the applicable Funds, the applicable general partner, the Adviser and/or their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties against liability in connection with the activities of the Funds. This may include a portion of any premiums, fees, costs and expenses for one or more “umbrella” or other insurance policies maintained by the Adviser that cover one or more Funds and/or the Adviser (including their respective directors, officers, employees, agents, representatives, members of the advisory committee and other indemnified parties). The Adviser will make judgments about the allocation of premiums, fees, costs and expenses for such “umbrella” or other insurance policies among one or more Funds and/or the Adviser on a fair and reasonable basis and consistent with the Funds’ governing documents. A different allocation could result in a Fund bearing lower (or greater) premiums, fees, costs and expenses for insurance policies. Coverage limitations within such policies create the risk that claims against the Adviser and its affiliates which are satisfied within an applicable period could limit coverage otherwise available to the Adviser and the Funds.

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

Certain third parties have contractual arrangements whereby they receive Carried Interest in respect of certain Funds. Given that these arrangements inherently shrink the overall Carried Interest pool available, they could affect the Adviser’s ability to recruit and retain personnel. However, the Adviser does not believe that these arrangements have had any negative impact on its ability to recruit and retain personnel in the past and do not anticipate any future impact.

Certain portfolio companies of the Funds are, or have been, counterparties or participants in agreements or arrangements with the Adviser, its affiliates, and/or other portfolio companies of the Adviser’s clients, to receive favorable procurement terms, including fees, rebates, discounts or

other financial benefits. For example, the Adviser has in the past and may in the future provide the opportunity for portfolio companies to enter into agreements regarding group procurement (which may depend on the volume of services purchased) that result in rebates and/or discounts being paid or extended to the Adviser, its affiliates or a portfolio company. Where the Adviser benefits from such arrangements, certain discounted amounts may be subject to management fee offsets.

If a Fund purchases in the secondary market at a discount debt securities of a company in which a Fund has, for example, a substantial equity interest, (a) a court might require a Fund to disgorge profit it realizes if the opportunity to purchase such securities at a discount should have been made available to the issuer of such securities, or (b) a Fund might be prevented from enforcing such securities at their full face value if the issuer of such securities becomes bankrupt. The effect of these transactions will vary from jurisdiction to jurisdiction.

Item 12. Brokerage Practices

The Adviser has complete discretion to determine the broker or dealer to be used and the commission rates to be paid in instances where a broker or dealer is used. Generally, investments are not purchased or sold through a broker, dealer or underwriter.

When executing transactions on behalf of the Funds through a broker, dealer or underwriter, the Adviser's objective will generally be to obtain the most favorable commission and the best price obtainable on each transaction in light of the quality of execution provided. As such, brokers, dealers and underwriters are selected primarily on the basis of their execution, capability and trading expertise.

In order to monitor best execution, the Adviser's Chief Compliance Officer will periodically monitor broker-dealers to assess the quality of execution of brokerage transactions effected on behalf of the Adviser and each applicable Fund.

Aggregation of Trades

The Adviser may aggregate (or bunch) the orders of more than one Fund for the purchase or sale of the same publicly traded security. Portfolio managers and traders may employ this practice because larger transactions can enable them to obtain better overall prices, including lower commission costs or mark-ups or mark-downs. The Adviser may combine orders on behalf of Funds with orders for other funds for which it or its affiliates have trading authority, or in which it or its affiliates have an economic interest. In such cases, if an order is not filled at the same price, the Adviser and its affiliates generally allocate the publicly traded securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants and pursuant to the terms of each Fund's organizational documents. While the Adviser believes combining orders in this way will, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a Fund than if such Fund had been the only account effecting the transaction or had completed its transaction before the other participants.

The securities available for purchase or sale by certain Funds may be reduced at times as a result of such order aggregation by the Adviser. When orders for publicly traded securities are not entirely filled, allocations shall be made based upon the Adviser's procedures for the allocation of

investment opportunities. Where aggregate trades have been filled during the course of the trading day at different prices, the costs of the publicly traded securities to each client will be averaged priced to the extent possible. See the Adviser's response to Item 11 above for more information regarding conflicts of interest related to investment and trading discretion.

Item 13. Review of Accounts

The investments made by the Funds are generally private, illiquid and long-term in nature. Accordingly, the review process is not directed toward a short-term decision to dispose of securities.

However, the Adviser closely monitors the portfolio companies in which the Funds invest and generally maintains an ongoing oversight position in such companies (including, in many cases, representation on the board of directors of such companies).

Reviews occur regularly and are conducted by the Adviser's deal teams and senior management. Moreover, the Adviser has a separate group designated to monitor portfolio company performance for the Funds (the "Portfolio Operations Group"). The Portfolio Operations Group provides a second level of review of each Fund portfolio company on an ongoing or a periodic basis. The Adviser bears the compensation of the Portfolio Operations Group.

The Adviser provides written quarterly unaudited reports and written annual audited reports to the limited partners of the Funds. Moreover, the Adviser provides quarterly letters to the limited partners of the Funds.

Item 14. Client Referrals and Other Compensation

For details regarding economic benefits provided to the Adviser by non-clients, including a description of related material conflicts of interest and how they are addressed, please see Item 11 above.

The Adviser and its affiliates from time to time engage in a broad range of activities, including providing Related Services to actual and potential portfolio companies of the Funds. Such Related Services are complementary to the investment supervisory services provided by the Adviser. Time spent on Related Services varies from investment to investment.

In addition, the Adviser and its related persons, in certain instances, receive discounts on products and services provided by portfolio companies of Funds.

The Adviser notes that from time to time it engages one or more persons to act as a placement agent for a Fund in connection with the offer and sale of interests to certain prospective investors. Such persons generally will receive a fee, in part in an amount equal to a percentage of the capital commitments for interests in a Fund that are accepted by the Fund's general partner with respect to such prospective investors, and are eligible for reimbursement of expenses. Such fees will be negotiated individually between the Adviser and such person.

Item 15. Custody

This item is not applicable to the Adviser.

Item 16. Investment Discretion

The Adviser typically has the discretion to determine, without consent of the Funds or the investors in the Funds, the particular securities or instruments to be bought and sold in accordance with the terms and conditions of the applicable organizational documents of each Fund. The Adviser will provide investment advice to the Funds, subject to certain limitations and restrictions on the Funds as to, for example, diversification and type of permitted investments. Funds will typically make direct investments in companies, although the Adviser may in its discretion form a special purpose vehicle with respect to particular investments.

Co-Investment Vehicles and Alternative Investment Vehicles are generally established in order to invest alongside or in the place of one or more Main Funds in a particular investment opportunity or opportunities, and the Adviser typically has limited discretion to invest the assets of the Co-Investment Vehicles or Alternative Investment Vehicles independent of these limitations as set forth in the organizational documents of the Co-Investment Vehicles or Alternative Investment Vehicles and the applicable Main Fund.

Item 17. Voting Client Securities

It is the Adviser's fiduciary duty to vote proxies and consents in the best interests of the Funds and the overriding principle of the Adviser's proxy voting is to maximize the financial interests of the Funds. It is the policy of the Adviser in voting proxies to consider and vote each proposal with the objective of maximizing long-term investment returns for the Funds.

The Adviser has established guidelines regarding the voting of proxies on routine, non-routine, corporate governance and social issues. The Adviser may, however, vote in a manner that is contrary to the general guidelines if it believes that it would be in a Fund's best interest to do so. All proxies, unless voted in accordance with the Adviser's general guidelines on routine, non-routine, corporate governance and social issues, will require a mandatory conflicts of interest review, which will include consideration of whether the Adviser, any investment professional or other person recommending how to vote and/or the Adviser's affiliates and their clients has an interest in how the proxy is voted that may present a conflict of interest. The Adviser is not required to vote a proxy if the cost of voting a particular proxy due to special translation, delivery or other requirements would outweigh the benefit of voting for the Fund. Situations may arise in which more than one Fund invests in the same company. In those situations, two or more Funds may have different investment strategies, investment objectives, investment styles, terms or investment committees or may otherwise have differing considerations with respect to the company. As a result, the Adviser may cast different votes on behalf of different Funds.

The Adviser uses a proxy advisory service for recordkeeping and voting mechanics and performs due diligence on such provider related to such services on a regular basis. The Adviser does not currently use a proxy voting service, however, in the future, the Adviser may determine to engage such service. In such case, the Adviser will perform due diligence on such provider in connection with the engagement and on a regular basis.

The Adviser will retain all books and records relating to its proxy voting activities on behalf of client accounts in accordance with the requirements of Rule 204-2(c)(2) under the Advisers Act. Copies of the Adviser's proxy voting policies and procedures and relevant proxy logs are available to any client or prospective client by calling Aaron W. Fine at 617-991-8107 or by emailing Mr. Fine, General Counsel & Chief Compliance Officer of PSG Equity L.L.C., at aaron.fine@psgequity.com.

Item 18. Financial Information

This item is not applicable to the Adviser.

Item 19. Requirements for State-Registered Advisers

This item is not applicable to the Adviser.