

Item 1. Cover Page

Part 2A of Form ADV - Firm Brochure

SONOMA BRANDS CAPITAL

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This brochure provides information about the qualifications and business practices of Sonoma Brands Capital, (the “Adviser”, “Firm”, or “Sonoma Brands”). If you have any questions about the contents of this brochure, please contact us at (707) 656-2015. 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 Sonoma Brands also is available on the SEC’s website at www.adviserinfo.sec.gov.

Sonoma Brands’ status as an investment adviser registered with the SEC does not imply a certain level of skill or training.

Item 2. Material Changes

In this Item, the Firm is required to discuss any material changes that have been made to the brochure since the last annual amendment. There have been no material changes since that time.

We encourage all recipients to read this Brochure carefully in its entirety.

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Item 4. Advisory Business

The Adviser, a Delaware limited liability company, is based in Sonoma, California, together (where the context permits) with its affiliated general partners of the Funds and other affiliates that provide advisory services to and/or receive advisory fees from the Funds. Such affiliates are currently and would typically be under common control with Sonoma Brands and possess a substantial identity of personnel and/or equity owners with Sonoma Brands.

The Adviser provides investment supervisory services to pooled investment vehicles (each a “Fund”, or collectively the “Funds” or “Clients”) 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 provides growth and expansion capital to both early-stage and established consumer brands. The Funds typically target equity investments of approximately \$5 million to \$15 million in high-growth branded consumer companies with annual revenues between \$5 million and \$30 million. Sonoma Brands believes this represents an attractive opportunity in the marketplace not well served by traditional private equity firms that have raised increasingly larger funds that tend to focus on larger investments in more mature businesses. Sonoma Brands will focus on growth-stage consumer brands, with an emphasis on food and beverage, personal care, household and pet, but will also evaluate opportunities in adjacent consumer categories on an opportunistic basis.

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

Investment advice is provided directly to the Funds, subject to the discretion and control of the applicable general partner, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the advisory agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund, advisory agreements and/or side letter agreements negotiated with investors in the applicable Funds (the organizational and offering documents, advisory agreements and side letters referred to herein as a Funds’ “Governing Documents”).

The Adviser may enter and has entered into side letters or other similar agreements with certain investors that have the effect of establishing rights under, supplementing or altering a Funds’ partnership agreement or an investor’s subscription agreement. Such rights or alterations could be regarding economic terms, fee structures, excuse rights, information rights, investment limitations, co-investment rights, or transfer rights, among others. For the most part, any rights established, or any terms altered or supplemented will govern only the investment of the specific investor and not the terms of a Fund as whole. Certain additional rights but not all rights, terms or conditions may be elected by certain sizeable investors with “most favored nations” rights pursuant to a Funds’ limited partnership agreement.

The information provided in this Brochure about the investment advisory services provided by the Adviser is qualified in its entirety by reference to the Governing Documents.

Sonoma Brands was formed in 2017 and is wholly owned by Jonathan Sebastiani. The Adviser manages a total of \$357,025,399 of Client assets as of December 31, 2023, all of which is managed on a discretionary basis.

Item 5. Fees and Compensation

Below is a discussion of how the Adviser is typically compensated in connection with providing advisory services to its Clients. Because the Adviser may enter into different fee arrangements on a Client-by-Client basis, please ensure you obtain and carefully read and study all applicable offering documents for any Fund or Funds for which the Adviser provides investment advisory services.

The Adviser or its affiliates generally receive management fees or performance fees (or carried interest) or similar performance-based remuneration from a Fund. A Fund, and/or its portfolio companies may also make other payments to the Adviser or its affiliates for services provided to the portfolio companies which, in certain circumstances, reduce the advisory fees payable to the Adviser, and in other circumstances does not reduce the advisory fees payable to the Adviser. Additionally, consistent with the Governing Documents of a Fund, the Fund typically bears certain out-of-pocket expenses incurred by the Adviser in connection with the services provided to the Fund and/or the portfolio companies.

With respect to co-invest Funds, any fees received by the Adviser are generally negotiated on a vehicle-by-vehicle basis, but may include commitment-based fees, performance-based fees or allocations, expense reimbursements or other administrative fees similar to those described below relating to the Funds. Generally, current co-invest opportunities, whether through a co-invest Fund or otherwise, are offered on a no fee, no carried interest basis. Any such management or administrative fees received by the Adviser relating to a co-invest Fund do not offset the management fees paid to the Adviser by the Funds.

Further details about certain common fees and expenses are set forth below.

Management Fee

The Funds typically pay a management fee (deducted directly from a Funds' account) to the Adviser. The management fee is typically assessed at the rate of 2.0% per annum of aggregate commitments of the limited partners and funded on a quarterly basis by each limited partner. For additional information, please refer to the specific offering documents for each Fund(s) which may contain different management fee provisions, management offset provisions and payment structures than that described above.

Performance Allocation

The Adviser or its affiliates typically receive carried interests allocations from each of the Funds of up to 20% of distributable cash of each portfolio investment. Carried interests allocations may be subject to hurdles and/or claw-backs, depending on, among other things, the strategy of the relevant Funds and market returns. For additional information, please refer to the specific offering documents for each Fund(s) which may contain different carried interest provisions and payment structures than that described above.

Organizational Expenses

The Funds will typically bear all costs and expenses incurred in connection with the organization of

the Funds, including legal and accounting fees, printing costs, travel and out-of-pocket expenses, and all costs and expenses incurred in connection with the offering of interests. Such expenses may be subject to certain limitation that are more fully explained in each Funds' applicable offering documents.

Fund Expenses

Funds will typically pay all reasonable costs and expenses relating to its activities, including, without limitation, (i) all fees, costs and out-of-pocket expenses, including travel (at no more than business class rates), directly related to the sourcing, researching, diligencing, acquiring, holding, monitoring and sale of investments and prospective investments, whether or not consummated, in portfolio companies, as applicable, (ii) for transactions not consummated by the Funds, all amounts payable to third parties and all fees and expenses of lenders, investment banks and other financing sources in connection with arranging financing for transactions which are not consummated, and any deposits or draw-down payments which are forfeited in connection with unconsummated transactions, (iii) expenses of any administrators, consultants, custodians, legal counsel, custodians, appraisers, brokers, accountants and other professional service providers (including the audit and certification fees and costs of printing, preparing and distributing reports to the partners), (iv) any insurance, indemnity, litigation, audit and investigation expenses (including all amounts paid in connection with settlements, penalties, fines and judgments, but excluding in any event amounts for which indemnification is not available as described below), (v) all costs and expenses of meetings of the Advisory Board and Partners, any votes or consents of partners or the advisory board, any amendments to or waivers of the Fund agreement or any related agreement (except to the extent such votes, consents, amendments or waivers are undertaken principally for the economic benefit of the general partner or to address tax or matters specific to the general partner), (vi) principal, interest, fees and any other obligations or expenses arising out of any indebtedness, including, without limitation, any fees and expenses incurred as a result of the implementation and utilization of any credit facility, (vii) certain taxes and any fees or other governmental charges levied against the Funds and all related filing fees, and (viii) all fees, costs and expenses of the wind down of the Funds and the general partners and the liquidation of the assets of the Funds in connection therewith.

Other Fees and Potential Conflicts of Interest

The general partners, the Adviser, the principals or their affiliates may receive customary break-up and topping fees, commitment fees, advisory fees, consulting fees, monitoring fees, directors' fees and organizational, set-up, transaction, financing, divestment, investment banking, underwriting, syndication and other similar fees from portfolio companies or prospective portfolio companies as compensation for financial advisory and similar services in connection with the consummating, monitoring, or disposition of investments or from unconsummated transactions, including warrants, options, derivatives and other rights, in each case valued as of the grant date and the terms thereof generally will be determined by each general partner in its sole discretion.

The Adviser may have a conflict of interest to the extent, for example, it is incentivized to make an investment to earn a transaction fee or provide a service to a particular portfolio company to earn a director or monitoring fee. However, the Adviser believes that this potential conflict of interest is mitigated by the management fee offset mechanic, described more fully in each Funds' Governing Documents, and the substantial equity commitment by the Adviser and their principals in each of the Funds.

For some Funds, the Adviser may also be entitled to additional compensation from a portfolio company. In such instances, such compensation is generally capped and does not offset any management fee. Fund investors are urged to carefully review the applicable Funds' Governing Documents to fully understand these types of fee arrangements.

The Adviser and its personnel can also be expected to receive certain intangible and/or other benefits arising or resulting from their activities on behalf of the Funds, which will not be subject to management fee offsets or otherwise shared with the Funds, their investors and/or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses may result in "miles" or "points" or credit in loyalty or status programs, and such benefits will accrue exclusively to the Adviser or its personnel (and not to the Funds, their investors and/or portfolio companies) even though the cost of the underlying service is borne directly by the Funds or their portfolio companies and indirectly by the investors in such Fund.

Broken Deal Expenses

In connection with pursuing investment opportunities in furtherance of the Funds' investment strategy, the Funds, the Adviser, the general partners and their respective affiliates expect to incur fees, costs and expenses in connection with prospective investments and other transactions that are not consummated, including, without limitation, all due diligence fees, costs and expenses, legal and accounting fees, costs and expenses, fees, costs and expenses of lenders, investment banks and other financing sources in connection with arranging financing for such prospective investment or other transaction, deposits or draw-down payments that are forfeited in connection therewith, and reverse break-up fees or termination fees, expense reimbursement amounts or other amounts payable to the sellers, targets, advisors, service providers or other counterparties or third parties, related to such transaction, or other liabilities or obligations in respect of such unconsummated transactions or investment opportunities (including travel costs and ancillary expenses (which may include business class commercial airfare) in connection therewith (including, without limitation, airfare, ground transportation, accommodations, meals and travel agency fees). The general partner and the Adviser have the discretion to require the Fund to pay 100% of the amount of any broken deal expenses.

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

As stated in Item 5 above, the Adviser or its affiliates receive performance-based fees or carried interest allocations from certain Clients. These payments are subject to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”), in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3, which requires that performance-based fees only be charged to “qualified clients” (as such term is defined in Rule 205-3).

Performance-based fees, in general, may create an incentive for an adviser or its supervised persons to make investments that are riskier and more speculative than would be the case in the absence of a performance-based fee. Such fee arrangements may also create an incentive to favor higher fee-paying clients over other clients in the allocation of investment opportunities. To address these conflicts of interest with respect to any future clients, the Adviser has implemented policies and procedures to ensure that all clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities.

The Adviser manages multiple Clients with similar investment strategies on a side-by side basis. As a result of the foregoing, the Adviser, its principal(s), and/or affiliate(s) may have conflicts of interest in: (i) allocating their time and activity among the multiple Clients; (ii) allocating investments among the multiple Clients; and (iii) effecting transactions among the multiple Clients, including ones in which the Adviser, its principal(s), and/or affiliate(s) may have a greater financial interest. These conflicts of interest may create an incentive for the Adviser to favor a Client in which the Adviser, its principal(s), and/or affiliate(s) have a greater financial interest with respect to allocation of time and activity, limited investment opportunities, or investments that the Adviser regards as more attractive or better performing investments.

To address these conflicts of interest, the Adviser has implemented policies and procedures to ensure that all Clients receive equitable and fair treatment over time with respect to the allocation of investment opportunities. These policies and procedures require the Adviser to at all times allocate investments among the Clients in a manner which it believes to be fair and equitable and prohibit the Adviser from basing an allocation decision on any of the following, or similar, reasons: (i) to generate higher fees paid by one Client over another, or to produce greater fees to the Adviser or any of its affiliates; (ii) to develop a relationship with an existing or potential investor in a Client; (iii) to compensate an investor in a Client for past services or benefits rendered to the Adviser or any employee of the Adviser; or (iv) to induce future services or benefits to be rendered to the Adviser or any employee of the Adviser.

Item 7. Types of Clients

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

The Adviser typically requires a minimum commitment size in the amount of \$5 million for each investor in the Funds. The General Partner of each Funds have in the past and may in the future, in its sole discretion, permit investments below the minimum amounts set forth in the Governing Documents of such Fund.

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

Methods of Analysis and Investment Strategies

Sonoma Brands provides growth and expansion capital to both early-stage and established consumer brands. The Funds typically target equity investments of approximately \$5 million to \$15 million in high-growth branded consumer companies with annual revenues between \$5 million and \$30 million. Sonoma Brands believes this represents an attractive opportunity in the marketplace not well served by traditional private equity firms that have raised increasingly larger funds that tend to focus on larger investments in more mature businesses. Sonoma Brands will focus on growth-stage consumer brands, with an emphasis on food and beverage, personal care, household and pet, but will also evaluate opportunities in adjacent consumer categories on an opportunistic basis.

Risks

Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Interests. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Funds will meet their investment objectives or otherwise be able to successfully carry out their investment program. The Funds' returns may be unpredictable and, accordingly, the Funds' investment programs are not suitable as the sole investment vehicle for an investor. An investor should only invest in the Funds as part of an overall investment strategy. Based on, among others, the factors described below, the possibility of partial or total loss of capital will exist and investors should not subscribe unless they can readily bear the consequences of such loss.

An Investment in the Funds Will Not be Suitable for All Investors

An investment in the Funds requires a long-term commitment with no certainty of return. Portfolio investments may not generate current income. Therefore, the return of capital and the realization of gains, if any, from a portfolio investment generally will occur upon the partial or complete realization or disposition of such portfolio investment. While a portfolio investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Funds' portfolio investments will not occur for a number of years after such portfolio investments are made. There can be no assurances that purchasers of, or realization opportunities for, the Funds' portfolio companies will be found. Further, the terms of any disposition or realization transaction will necessarily be affected by economic and other market conditions at the time. Similarly, the Funds generally will not be able to sell securities of a portfolio company publicly unless the issuer has gone public and such sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, the Funds may be prohibited or limited by contract from selling certain portfolio company securities for a period of time and, as a result, may not be permitted to sell a portfolio investment at a time it might otherwise desire to do so.

An investment in the Funds is suitable only for certain sophisticated investors that have no need for immediate liquidity in their investment, who understand that they may lose all or a significant portion of their invested capital and who have the wherewithal to fund amounts due over time in respect of their commitments. Investors must be willing to bear the economic risk of an investment in the Funds for an indefinite period of time. Any investor interested in an investment in the Funds should conduct

its own investigation and analysis of the product and consult its own professional advisers as to the risks involved in making such an investment.

Restrictions on Transfer and Withdrawal; Lack of Liquidity for Interests

The interests have not been, nor will they be, registered or qualified for sale under the U.S. Securities Act of 1933, as amended (the “Securities Act”), the securities laws of any state of the United States or the securities laws of any other jurisdiction; and, therefore, cannot be resold unless they are subsequently registered under the Securities Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of the interests under the Securities Act or other securities laws will ever be effected. There is no public or private market for the interests and none is expected to develop. In addition, the interests are not transferable and may not be sold, transferred, pledged, mortgaged, charged, assigned, hypothecated or otherwise encumbered except with the prior written consent of the General Partners (which may be withheld by the General Partners in its sole discretion), and subject to the terms and conditions of the Fund agreement. Limited partners may not withdraw capital from the Fund. Consequently, limited partners may not be able to liquidate their investments prior to the end of the Funds’ term.

Dependence on Key Personnel

The success of the Fund depends in substantial part upon the skill and expertise of the principals and the other individuals employed to assist them. There can be no assurance that the principals or other personnel will continue to be members of or employed by the General Partners, the Adviser or one of their respective affiliates. The loss of service to the Funds of one or more principals or other personnel could have a material adverse effect on the success of the Fund. In addition, although the principals will devote such time and attention to the business of the Fund as they reasonably consider necessary to carry out the operations of the Fund effectively, subject to the terms of the Fund agreement, the principals may continue to be involved in certain activities other than the management of the Funds.

Risks in Effecting Operating Improvements

In some cases, the success of the Funds’ investment strategy will depend, in part, on the ability of the Fund to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that the Fund will be able to successfully identify and implement such restructuring programs and improvements.

Consumer Branded Product Industry

The North American consumer branded product industry, which is the focus of the Funds, is very competitive, and has a significant number of competitors. Market success is subject to a number of factors, many of which lie outside the control of the Funds and the Funds’ portfolio companies. In addition, such portfolio companies may face competition from a number of other companies, including ones with greater financial and other resources. Portfolio companies may ultimately be unsuccessful in gaining significant market position or an anticipated market opportunity may not develop as expected. In either case, the Funds’ investment results may be affected in a materially adverse manner.

Growth Company Investments

Fund strategies include investing in early stage or potential high-growth platforms and companies. Such companies may be more volatile due to their limited product lines or services, markets or

financial resources, or their susceptibility to major setbacks or downturns. As a result, such companies may be more vulnerable to general economic trends and to specific changes in markets. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in lower- and middle-market companies, could make it difficult for the Funds to react quickly to negative economic or political developments.

Risks of Early-Stage Investments

The Funds may invest in the securities of smaller, less-established companies. Early stage and development stage companies often experience unexpected problems in the areas of operations, marketing and general management, which, in some cases, cannot be adequately solved. In addition, such companies may require substantial amounts of financing which may not be available through institutional private placements or the public markets. The percentage of companies that survive and prosper can be small. In addition, the securities of such companies may be subject to more abrupt and erratic market price movements than larger, more-established companies, because trading volumes for their securities are generally quite low. Less-established companies tend to have less capital and fewer resources and, therefore, are often more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance. The Funds have not established any minimum size for the companies in which it will invest.

Limited Operating History of Portfolio Companies

The operations of the Funds' portfolio companies will likely depend on the successful development and sales of each portfolio company's respective product offerings and services and the customers' experience. Certain portfolio companies of the Funds may have limited operating histories with their respective products and services for which the Funds can use to evaluate their performance and prospects.

Unspecified Use of Proceeds

Prospective investors will not have an opportunity to evaluate for themselves the relevant economic, financial and other information regarding the investments to be made by the Funds and, accordingly, will be dependent upon the judgment and ability of the General Partners and the Adviser in investing and managing the capital of the Funds. No assurance can be given that the Funds will be successful in obtaining suitable investments or that if such investments are made, the objectives of the Funds will be achieved.

Limited Number of Investments; Lack of Diversity

The Funds are expected to participate in a limited number of investments and the Adviser and the Funds may not be able to identify or acquire an appropriate volume of investment opportunities and, as a consequence, the aggregate returns of the Funds may be substantially affected by the unfavorable performance of a single investment. Because the Funds may only make a limited number of investments and since the Funds' investments generally will involve a high degree of risk, poor performance by one or more of the Funds' investments could materially affect the total returns to investors. On any given investment, loss of all or a portion of the investors' capital is possible. Investors have no assurance as to the degree of diversification in the Funds' investments. The Funds are not required to make investments that are diversified geographically or otherwise. Because the Funds' investments may be concentrated within relatively few industries, sectors, countries or regions, portfolio diversification will be less than would be possible if the Funds were to invest in a

broader range of industries, sectors, countries or regions. Such reduced diversification may increase the volatility of the Funds' returns, and could reduce the Funds' returns relative to more diversified funds to the extent that such industries, sectors, countries or regions do not perform as well as other industries, sectors, countries or regions.

Available Opportunities and Competitive Marketplace

The success of the Funds depends on the availability of appropriate investment opportunities and the ability of the Adviser and the Principals to identify, select, close and exit those investments. There can be no assurance that there will be a sufficient number of suitable investment opportunities to enable the Funds to invest all of its committed capital or that such investment opportunities will lead to completed investments by the Funds. The Funds will be competing with other private equity funds, as well as institutional investors and strategic investors, for investments in prospective portfolio companies. As a result of this competition, there can be no assurance that the Funds will be able to locate suitable investment opportunities, acquire them for an appropriate level of consideration, achieve its targeted rate of return or fully invest its committed capital.

Leverage; Credit Support

The Funds' investments may include companies whose capital structures may utilize significant amounts of leverage. Such investments are inherently more sensitive to declines in revenues and to increases in expenses and interest rates. Although the General Partners will seek to use leverage in a prudent manner, the leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deterioration in the condition of the portfolio companies or their respective industries. Additionally, the securities acquired by the Funds may be the most junior in what may be a complex capital structure and thus subject to the greatest risk of loss. The Funds may also make contingent funding commitments to their portfolio companies and provide credit support for such obligations. Such credit support may take the form of guarantees, letters of credit or pledges of a portion of the commitments to a lender or counterparty. Such funding commitments may be secured by an assignment of the General Partners' right to draw down capital from the investors. Utilization of the credit support will result in fees, expenses and interest costs to the Funds, and may result in an under-utilization of a Funds' capital. In addition, the Funds may make investments for which third-party financing will be desirable but not necessarily available (on desired terms or at all) at the time of investment. Such financing may never become available, or a refinancing may not be able to be completed on desirable terms. This could result in the Funds having a variety of unintended long-term investments or reduced diversification.

Bridge Financing; Over Commitment

The Funds may, in connection with, or in anticipation of, any portfolio investment, make additional investments intended to be of a temporary nature and refinanced, repaid, assigned, redeemed, sold, or disposed of within twelve (12) months. In order to facilitate the acquisition of investments, the Adviser or its affiliates may make (or commit to make), or may cause the Funds to make (or commit to make), an investment in a potential portfolio company with a view to selling a portion of such investment to co-investors or other persons or obtaining financing prior to or within a period after the closing of the acquisition. In such event, the Funds will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms, or that financing may not be available, and that, as a consequence, the Funds may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, or be required to hold a larger than expected investment. Additionally, if such portfolio company were unable to complete

a refinancing, the Funds could have a long-term investment in a junior security and the interest rate on such Bridge Financing may not adequately reflect the risk associated with the unsecured position taken by the Funds. This could result in the Funds having a variety of unintended long-term investments or reduced diversification.

Risks Relating to Due Diligence and Conduct at Portfolio Companies; Fraud

Before the Funds make investments, the General Partners and/or the Adviser will conduct such due diligence as they deem reasonable and appropriate based on the facts and circumstances applicable to the investment. Due diligence may entail marketing studies, business plan development, evaluation of important and complex business, financial, tax, accounting and legal issues as well as background investigations of individuals and feasibility and technical studies. Outside professionals, experts, consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. The involvement of such third parties may present a number of risks primarily relating to reduced control of the functions that are outsourced and may entail significant third-party expenses, which will be borne by the Funds. In addition, if the Funds are unable to timely engage third-party providers, its ability to evaluate and acquire more complex assets could be adversely affected. Due diligence investigations, with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating the investment opportunity. Moreover, there can be no assurance that attempts to identify risks associated with an investment will achieve their desired effect. Potential investors should regard an investment in the Funds as being speculative and having a high degree of risk.

Instances of fraud, material misrepresentations or omissions, professional negligence and other deceptive practices committed by any seller of securities or assets of a portfolio company or such seller's representatives, by a portfolio company or any of its affiliates, members of senior management, employees, officers or directors, or by any other third party may undermine the Adviser's due diligence efforts with respect to such companies and, if such fraud or other action or omission occurs, the Funds may suffer a material loss of capital and the value of the Funds' investments may be adversely impacted. The Funds will rely upon the accuracy and completeness of representations made by various persons in the due diligence process and cannot guarantee such accuracy or completeness.

Accuracy of Third-Party Information

The General Partners and the Adviser may select investments for the Funds, in part, on the basis of information and data made available directly or indirectly by third parties or filed by third parties with various government regulators. The General Partners and the Adviser may not be in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information may not be available.

Uncertainty of Financial Projections

The General Partners will generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. Projected operating results will typically be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General global economic, political and market conditions, which are not predictable, can have a material adverse impact on the reliability of such projections.

In addition, any projections, forecasts and estimates contained herein are forward-looking statements and are based upon certain assumptions that the Adviser considers reasonable. Projections are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the projections will not materialize or will vary significantly from actual results. Projected operating results will often be based on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. Actual results are expected to vary from the projections, and the variations may be material. The inclusion of projections should not be regarded as a representation by the Funds, the General Partners, the Adviser or any of their respective affiliates or any other person or entity of the results that will actually be achieved by the Funds. None of the Funds, the General Partners, the Adviser or any of their respective affiliates and any other person has any obligation to update or otherwise revise any projections, including any revisions to reflect changes in economic conditions or other circumstances arising after the date hereof or to reflect the occurrence of unanticipated events, even if the underlying assumptions do not come to fruition.

Expedited Transactions

Investment analyses and decisions by the General Partners and the Adviser may be undertaken on an expedited basis in order for the Funds to take advantage of investment opportunities. In such cases, the information available to the Funds at the time of an investment decision may be limited, and the Funds may not have access to the detailed information necessary for a full evaluation of the investment opportunity.

Cash and Cash Equivalents

The Funds may hold cash and cash equivalents at any given time during its term. Available cash and cash equivalents may be held in interest-bearing accounts, funds managed by third-party financial institutions or other similar instruments. The Funds' access to its invested cash and cash equivalents may be impacted by adverse conditions in the financial markets, and the Funds are subject to the risk that it may lose assets in connection with bank or other financial institution failures. The balances of accounts with third-party financial institutions can be expected to exceed the Federal Deposit Insurance Corporation insurance limits, or the limits of the deposit insurance regimes of other applicable jurisdictions, as applicable. While the Funds will make efforts to monitor the cash balances in its operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail or other adverse conditions in the financial markets occur.

Early Termination of the Funds

Pursuant to the Funds' agreement, it is possible that the Funds may be dissolved and terminated prematurely, and as a result, may not be able to accomplish their objectives and may be required to dispose of their investments at a disadvantageous time or make an in-kind distribution (resulting in limited partners not having their capital invested and/or deployed in the manner originally contemplated).

Investments Longer than Term

The Funds may make investments that may not be advantageously disposed of prior to the date that the Funds will be dissolved, either by expiration of the Funds' term or otherwise. Although the General Partners expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, the General Partners have a limited ability to extend the term of the

Funds and the Funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of such dissolution. In addition, although upon the dissolution of the Funds the General Partners (or the relevant liquidator) will generally be required to attempt to reduce to cash and cash equivalents such assets of the Funds as the General Partners or such liquidator deems it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding up and the final distribution of proceeds to the limited partners will occur.

Distributions in Kind

Although, under normal circumstances, the Funds intend to make distributions in cash, cash equivalents or marketable securities, it is possible that under certain circumstances (including upon the dissolution of the Funds) distributions may be made in kind and could consist of securities for which there is no readily available public market.

Reinvestment

Under certain circumstances, proceeds distributable (or previously distributed) to the limited partners that constitute a return of capital contributions may be retained and reinvested (or recalled for reinvestment) by the Funds or used (or recalled for use) by the Funds for any other proper purpose. Amounts available for recall will be restored to the limited partners' respective unfunded commitments. Accordingly, a limited partner may be required to fund for investments or expenses during the term of the Funds in an aggregate amount that significantly exceeds its commitment.

Risks Upon Dispositions of Investments

In connection with the disposition of an investment in a portfolio company, the Funds may be required to make representations about the business and financial affairs of itself or such portfolio company typical of those made in connection with the sale of a business. It may also be required to indemnify the purchasers of such investment to the extent that any such representation turns out to be inaccurate. These arrangements may result in contingent liabilities of the Funds, which might ultimately have to be funded by the limited partners (either out of unfunded commitments or a return of distributions) to the extent that such contingent liabilities exceed the reserves and other assets of the Funds.

Recourse to the Funds' Assets

The Funds' assets, including any investments made by the Funds and any capital held the by the Funds, are available to satisfy all liabilities and other obligations of the Funds. If the Funds itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Funds' assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Indemnification

The General Partners, the Adviser, the Principals and their respective members, partners, shareholders, directors, officers, employees, agents, affiliates, advisors or other personnel and the members of the Advisory Committee and any limited partner represented by a member of the Advisory Committee in connection with any involvement with the Advisory Committee, will be entitled to indemnification from the Funds except in certain circumstances set forth in the Funds' agreement. All of the assets of the Funds will be available to satisfy these indemnification obligations and Partners may be required to return distributions to satisfy such obligations. Such obligations will survive the dissolution of the Funds.

Risks Relating to Admission of Benefit Plan Investors to the Funds

While investment in the Funds are generally open to institutions, including pension and other funds subject to ERISA, the General Partners intend to limit investment by “benefit plan investors” (within the meaning of Department of Labor regulations as modified by Section 3(42) of ERISA) to less than 25% of each class of equity interests in the Funds. The Funds may require certain representations or assurances from investors subject to ERISA to determine compliance with ERISA provisions, and investors subject to ERISA may be required to invest in a particular parallel fund or any feeder fund.

Uncertain Exit Strategies

Due to the illiquid nature of the investments which the Funds expect to make, there can be no assurances as to what, if any, exit strategy will ultimately be available for any given investment position. Exit strategies which appear to be viable when an investment is initiated may be precluded when the investment is deemed to be ready for realization due to economic, legal, political or other factors. The larger the transaction, the greater the risk to the Funds’ total returns and success if there is uncertainty around the Funds’ exit strategy.

Control Position Risk

The Funds may make investments that allow the Funds to acquire control or exercise influence over management and the strategic direction of a portfolio company. The exercise of control over a company imposes additional risks of liability in circumstances where the limited liability characteristic of business operations of the company may be ignored. In one recent U.S. court ruling, the court held that a private equity fund was liable for the pension withdrawal liabilities of one of its portfolio companies because the private equity fund was engaged in a “trade or business” through its management and operational control of its portfolio company. Thus, the exercise of control over a portfolio company by the Funds could expose the assets of the Funds to claims by such portfolio company and/or its executives, employees, pension beneficiaries, security holders and creditors and liability for environmental damage or clean-up obligations, product defects, failure to supervise management, pension and other fringe benefits, violation of laws and governmental regulations (including securities laws), violation of fiduciary duties to minority owners and other types of liability. While the General Partners intend to conduct the affairs of the Funds in a manner that will minimize the exposure of these risks, the possibility of successful claims cannot be precluded.

Minority Investments

The Funds may make minority investments in entities where the Funds do not participate in the management or otherwise control the business or affairs of such entities or has only limited participation in the management of such entities. The General Partners will monitor the performance of each investment and maintain an ongoing dialogue with each portfolio company’s management team. However, it will be primarily the responsibility of the management of the portfolio company to operate such portfolio company on a day-to-day basis. Although it is the intent of the Funds to invest in portfolio companies with strong operating management that has a successful track record and with significant minority governance, there can be no assurance that a portfolio company’s management team will be able to operate the portfolio company successfully or that the Funds can exercise affirmative controls to effect decisions without the support of management.

Effects of Bankruptcy

While not a core focus of the Funds’ strategy, the Funds may make investments in portfolio companies that are, or may become, the subject of voluntary or involuntary bankruptcy or similar proceedings under applicable laws. Certain risks that are faced in bankruptcy or similar proceedings

that must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the Funds could suffer a loss of all or a part of the value of its investment in a portfolio company. A bankruptcy filing or similar proceeding may adversely and permanently affect a portfolio company. The portfolio company could lose market position and key employees, and the liquidation value of the portfolio company may not equal the liquidation value that was believed to exist prior to the making of the investment by the Funds. In general, bankruptcy laws may be expected to have a variety of adverse impacts on the value of the Funds' investments and the timing and amount of any distributions the Funds are able to receive therefrom. In addition, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Special Risks Associated with Non-U.S. Investments

The Funds may invest a portion of its commitments in portfolio companies that are headquartered and have their principal operations outside of the United States. These investments may involve special risks not typically associated with investments in securities of U.S. issuers, including (a) economic and political factors, such as the risk of expropriation, restrictions on repatriation of profits, and political and social instability; (b) differences among U.S. and foreign practices, including the absence of uniform accounting, auditing, and financial reporting standards in foreign markets, the relatively greater price volatility and illiquidity of foreign securities markets; (c) currency exchange risks, including the cost of converting investment cash flows from one currency into another; and (d) tax-related issues, including the possibility of withholding taxes, confiscatory foreign taxes, and double taxation of income earned overseas.

Currency Risk

Although the functional currency of the Funds will be United States dollars, the Funds may from time to time make investments using currencies other than United States dollars. Unless otherwise agreed to by the General Partners and a limited partner, all capital contributions to be made by the limited partners will be in United States dollars and all cash distributions from the Funds will be denominated in United States dollars. The value of a limited partner's interest or the value of the investments made by the Funds may fluctuate as a result of the impact of economic and political changes on currency exchange rates.

Pension Liabilities

The Funds could face risk of loss from employee pension-related liabilities arising from investments in portfolio companies that maintain or contribute to defined benefit pension plans in the United States and certain other jurisdictions. Under certain circumstances, U.S. courts have held (and certain non-U.S. laws provide) that certain shareholders may be responsible for satisfying certain pension liabilities incurred by their direct and indirect portfolio company investments (including liabilities associated with the portfolio company's withdrawal from a pension plan). While U.S. law is unsettled regarding the circumstances under which an investment fund could be responsible for these types of pension liabilities and the Adviser intends to consider (among many factors) potential pension liabilities in determining whether to invest in a particular portfolio company, it is possible that the Funds could become subject to pension-related liabilities of portfolio companies in which it invests and that such pension liabilities could exceed the value of such investment.

Failure to Make Capital Contributions

The Interests of the Funds may be materially and adversely affected by the failure of a limited partner to meet its contribution or other payment obligations to the Funds (whether arising through a limited partner's default, its excuse or exclusion from one or more investments, or a permitted withdrawal or removal from the Funds). If a limited partner fails to make any contribution or payment to the Funds for any reason, the other limited partners may be required to fund the shortfall, with the consequence that the non-defaulting limited partners may have greater exposure to the Funds' investments or liabilities than they otherwise would. A limited partner's failure to make any contribution or payment to the Funds for any reason could also cause the Funds to be unable to meet the Funds' obligations when due, which could materially and adversely impair the Funds' ability to execute on its investment strategy or to otherwise continue operations. In such event, the Funds may be subjected to significant liabilities or penalties that could materially reduce the returns to the participating limited partners (including non-defaulting limited partners). A substantial default by (or discontinued participation of) one or more limited partners would leave the Funds with less available capital commitments and would limit opportunities for investment diversification and likely reduce returns to the Funds.

Consequences of Failure to Pay Contribution in Full

If a limited partner fails to pay any installment of its commitment, the General Partners may elect to cause the defaulting limited partner to forfeit or transfer (on terms determined by the General Partners) all or a portion of its Interest in the Funds, including any future profits, that otherwise would have been allocable to the defaulting limited partner, and to lose its voting rights with respect to any matter to come before the limited partners. A defaulting limited partner will also remain liable to pay its pro rata share of the Management Fee. The General Partners may require that the remainder of the defaulting limited partner's commitment be cancelled, and may designate a person or entity to assume the entire unpaid balance of the defaulting limited partner's commitment and succeed to all of the rights of the defaulting limited partner's Interest. In addition, the General Partners may pursue any available legal or equitable remedies, with the expenses of collection of the unpaid amount including legal fees, to be paid by the defaulting limited partner. The General Partners will retain the discretion to employ such remedies in respect of a limited partner's default as it may determine on a case-by-case basis in its sole discretion. There is no requirement that remedies be applied consistently among defaulting limited partners, and the General Partners may determine for a variety of reasons to apply different remedies to different defaulting limited partners.

Exclusion

Under certain circumstances, the General Partners may prohibit a limited partner from participating in an investment. Exclusion of any limited partner's participation in one or more investments would reduce the diversification for both the excluded limited partner and the other limited partners and could magnify the adverse impact on the limited partners of any investment's underperformance.

Mandatory Withdrawal

The General Partners have the authority to require a limited partner to withdraw from the Funds prior to the termination and liquidation of the Funds if the General Partners determine that the continued participation in the Funds of such limited partner could materially adversely affect the Funds or in certain other circumstances as further described in the Funds' agreement (for example, by causing the Funds to be registered as an investment company under the Investment Company Act. A limited partner required to withdraw early from the Funds could suffer a diminution of return or material loss on its investment.

Public Disclosure Obligations

The Funds may be required to disclose confidential information relating to its portfolio investments and its financial results to third parties that may request such information if and to the extent required by federal, state or local law or regulation applicable to the Funds or any of its limited partners, including those limited partners that are public agencies or governmental bodies. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. In addition, in order to comply with regulations and policies to which the Funds, the General Partners, the Adviser, the portfolio companies or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, the Funds, the General Partners or the Adviser may be required to disclose information about the limited partners, including their identities. Such disclosure obligations may adversely affect certain limited partners, particularly limited partners who are not otherwise subject to public disclosure of information relating to the private holdings of funds in which they invest.

Freedom of Information Act

The General Partners or the Adviser may withhold all or any part of the information otherwise to be provided to a limited partner (pursuant to the Funds' agreement or otherwise) under certain circumstances in order to prevent public disclosure of such information under the U.S. Freedom of Information Act ("FOIA"), any governmental public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

Need for Follow-On Investments

Following its initial investment in a given portfolio company, the Funds may decide to provide additional funds to such portfolio company or may have the opportunity to increase its investment in a successful portfolio company. There is no assurance that the Funds will make Follow-On Investments or that the Funds will have sufficient funds to make all or any of such investments. Any decision by the Funds not to make Follow-On Investments or its inability to make such investments may have a substantial negative effect on a portfolio company in need of such an investment or may result in a lost opportunity for the Funds to increase its participation in a successful operation.

Loss of Limited Liability

Although the Funds' agreement will provide that limited partners will have no right to participate in the management of the Funds or to make any decisions with respect to the investments to be made by the Funds, limited partners may lose limited liability in certain circumstances if they are deemed to have taken part in the control or management of the business of the Funds. Limited liability may also be lost as a result of false statements in documents filed under, or other non-compliance with, legislation governing limited partnerships and in jurisdictions where there is a risk of non-recognition of the protection of limited liabilities with respect to creditors of the Funds whose claims derive from liabilities incurred in such jurisdictions.

Liability for Return of Distributions

Generally, the limited partners do not have personal liability for the obligations of the Funds. However, under applicable law, limited partners could be required to return distributions previously made by the Funds if it is determined that such distributions were wrongfully made or in certain other circumstances under the terms of the Funds' agreement. Where a limited partner has received the return of all or part of the amount contributed to the Funds, the limited partner is nevertheless liable

to the Funds or, where the Funds are dissolved, to its creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Funds to all creditors who extended credit or whose claims otherwise arose before the return of the contribution.

Effect of Fees and Expenses on Returns

The Funds will pay management fees and will bear expenses as described in the Funds' agreement, which may reduce the actual returns to investors. Such management fees and expenses are payable whether or not the investments of the Funds are profitable. In addition, each limited partner will generally bear its pro rata share (based on commitments) of organizational and other Fund Expenses incurred by the Funds and any Parallel Funds even though certain expenses may be directly attributable to one or more limited partners or group of limited partners, or a particular Fund vehicle.

Limited Partners Will Not Participate in Management of the Funds

Limited Partners in the Funds will not have the right to participate in the management of the Funds or in decisions made by the General Partners of the Funds on its behalf. As a result, limited partners will have almost no control over their investments in the Funds or their prospects with respect thereto.

Limited Access to Information

Limited partners' rights to information regarding the Funds will be specified, and strictly limited, in the Funds' agreement, although certain limited partners may have the right to additional information pursuant to rights in side letters or similar agreements. In particular, it is anticipated that the General Partners and their affiliates will obtain certain types of material information related to the Funds' investments and prospective investments that will not be disclosed to limited partners because such disclosure is prohibited by contractual, legal or other obligations or the General Partners determine not to disclose such information for other reasons. Decisions by the General Partners to withhold information may have adverse consequences for limited partners in a variety of circumstances. Decisions to withhold information also may make it difficult for limited partners to monitor the General Partners and their performances. Additionally, it is expected that limited partners who designate representatives to participate on the Advisory Committee may, by virtue of such participation, have more information about the Funds and investments in certain circumstances than other limited partners generally and may be disseminated information in advance of communication to other limited partners generally.

Difficulty in Valuing Investment Portfolio

The General Partners will value the portfolio investments of the Funds from time to time at their fair market values. Fund assets that are publicly traded securities for which market prices are readily available will be valued based on their trading prices; however, for almost every portfolio company, there will likely be no public market for its securities. Thus, the valuation of portfolio investments inherently is highly subjective and imprecise and requires the use of techniques that are costly and time consuming and ultimately provide no more than an estimate of value. In establishing the value of the Funds' portfolio investments, the General Partners may also consult with accounting firms, investment banks and other third parties when needed, to assist with the valuation of the Funds' investments. In addition, in certain circumstances as further described in the Funds' agreement, the Advisory Committee may be entitled to object to a valuation and such third-party appraiser may be requested to provide the valuation. The value set by the General Partners may not reflect the price at which the Funds could dispose of its interests in a particular portfolio company at any given time.

Amendment to the Funds' Agreement

The Funds' agreement will provide that the General Partners may amend the Funds' agreement in certain circumstances without the approval of any limited partners. Any such amendments may have an adverse effect on some or all of the limited partners.

Lack of Registration under the U.S. Securities Exchange Act of 1934

The General Partners are not registered as a broker-dealer under the Exchange Act or with the National Association of Securities Dealers, Inc. (the "NASD") and is consequently not subject to the recordkeeping and specific business practice provisions of the Exchange Act and the rules of the NASD to the extent they vary from the applicable provisions of the Advisers Act.

Cyber Security

The Adviser, the Funds, their affiliates, service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. These systems are subject to a number of different threats or risks that could adversely affect the Adviser, the Funds and its investors, despite the efforts of the Adviser and the Funds' service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Funds and its investors. For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Adviser, the Funds' service providers, counterparties or data within these systems.

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 Adviser's data or that of the Funds' investors. A successful penetration or circumvention of the security of Adviser's systems could result in the loss, theft or corruption of an investor's data, a loss of Fund data, a loss of funds, the inability to access electronic systems, overall disruption in operations systems, loss, theft or corruption of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. These threats may also indirectly affect the Funds through cyber incidents with third-party service providers or counterparties. Data taken in such breaches may be used by criminals in identity theft, obtaining loans or payments under false identities, and other crimes that could affect the Funds' investors directly as well as affect the value of assets in which the Funds invests. These risks can disrupt the ability to engage in transactional business, cause direct financial loss and reputational damage, lead to violations of applicable laws related to data and privacy protection and consumer protection or incur regulatory penalties, all or part of which may not be covered by insurance. Cybersecurity risks also result in ongoing prevention and compliance costs. In addition, the Adviser and/or the Funds may incur substantial costs related to forensic analysis of the origin and scope of a cybersecurity breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information and adverse reputational reaction or litigation.

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

Internal Controls and Employee Misconduct

The Adviser has developed internal procedures and practices with the intention of detecting and preventing unauthorized trading, the misappropriation of the Funds' property, and other misconduct and violations of law by employees of the Adviser and other agents of the Adviser. There can be no assurance, however, that such procedures and practices will be effective. Any violation of such procedures and practices, including acts of fraud and dishonesty by employees or agents of the Adviser, or even unsubstantiated allegations of such misconduct, could result in material losses or costs, which generally will be borne by the Funds.

Legal, Tax and Regulatory Risks

The regulatory considerations affecting the ability of the Funds to achieve its investment objectives are complicated and subject to change and can result in significant compliance costs and expenses.

In addition, other legal, tax and regulatory changes could occur during the term of the Funds that may adversely affect the Funds. For example, from time to time, the market for private investment fund transactions has been adversely affected by a decrease in the availability of senior and subordinated financing for transactions, in part in response to regulatory pressures on providers of financing to reduce or eliminate their exposure to such transactions. In addition, private investment funds and their investment advisers may be subject to increased regulation, taxation or other scrutiny by regulators or other market participants. There can be no assurance as to whether any such scrutiny or initiatives will have an adverse impact on the private investment fund industry generally or on the Funds, the General Partners or the Adviser, including the ability of the Funds to take the measures necessary to effect operating improvements or restructurings of portfolio companies or otherwise achieve its objectives.

Other Regulatory Concerns

The Funds are not required to, and does not intend to, register as an investment company under the Investment Company Act in reliance upon the exclusion from registration provided in Section 3(c)(7) thereof, which limits the availability of Interests to persons who are qualified purchasers as defined in Section 2(a)(51) of the Investment Company Act, or Section 3(c)(1) thereof, which limits the number of beneficial owners of the Interests to not more than 100 persons.

The performance of the Funds' investment portfolio could be materially adversely affected if the Funds, the General Partners or the Adviser is deemed to be an investment company under the Investment Company Act, due to the various burdens of compliance therewith and certain legal prohibitions imposed on registered investment companies. Neither the Funds nor its counsel can assure limited partners that the Funds may not become subject to such regulation.

In addition, Section 13 of the Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder, the "Volcker Rule") generally prohibits certain "banking entities" from engaging in proprietary trading, or from acquiring or retaining an ownership interest in, sponsoring or having certain relationships with "covered funds", unless pursuant to an exclusion or exemption under the Volcker Rule. The Funds intends to rely on the exemption provided for in Section 3(c)(7) or Section 3(c)(1) of the Investment Company Act and is therefore likely to be considered a "covered fund" for purposes of the Volcker Rule, absent any applicable exclusion from the definition. Each purchaser of the Interests of the Funds must make its own determination as to whether it is subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain any such Interests. Investors in the Interests of the Funds are

responsible for analyzing their own regulatory position and none of the Funds or any of its affiliates makes any representation to any prospective investor or purchaser of such Interests regarding the treatment of the Funds under the Volcker Rule, or to such investor's investment in the Interests of the Funds on the date of issuance or at any time in the future.

Regulatory Status

Following the closing of the Funds, the Adviser will register as an investment adviser pursuant to the Advisers Act and, as such, will be subject to the provisions of the Advisers Act. Failure to comply with the requirements imposed on the Adviser as a consequence of its prospective registration may have a significant adverse effect on the Adviser's ability to perform its duties to the Funds. The Adviser's ability to source and execute transactions for the Funds may also be adversely affected by negative publicity arising from any regulatory compliance failures or other inappropriate behavior attributed to or any other publicity related to the Adviser, any affiliate of the Adviser or any of their respective investment professionals.

Changes in Applicable Law

The Funds must comply with various legal requirements, including requirements imposed by anti-money laundering laws, securities laws, commodities laws, tax laws, pension laws and other applicable laws, rules and regulations of the United States and other jurisdictions. Should any of those laws change during the term of the Funds, the legal requirements to which the Funds and the limited partners may be subject could differ materially from current requirements and may materially and/or adversely affect the Funds. Furthermore, the U.S. securities laws applicable to the Interests, the Funds, the General Partners or the Adviser (including, without limitation, the Securities Act, the Investment Company Act, the Exchange Act and the Advisers Act) are constantly under review by persons involved in the legislative process and by the SEC, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes. These laws may be modified by legislative, judicial or administrative action at any time.

Revisions to applicable securities laws and other laws and interpretations thereof could adversely affect the Interests, the Funds, the General Partners, the Adviser or their respective affiliates and, in that regard, could require modifications to the Funds' intended investment program or increase compliance costs of operating the Funds. Other jurisdictions are similarly reviewing their respective laws, regulations and policies with respect to private investment funds and their investment advisers and any changes thereto may have an adverse effect on the Interests, the Funds, the General Partners, the Adviser or their respective affiliates.

In addition, proposals for legislation further regulating the financial services industry are continually being introduced in the U.S. Congress and in state legislatures, and President Donald Trump has signed orders and announced plans to reform regulations created pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). For example, on May 24, 2018, President Trump signed into law a financial services regulatory reform bill that received bipartisan support, the "Economic Growth, Regulatory Relief, and Consumer Protection Act" (the "Economic Growth Act"). The Economic Growth Act makes certain modifications to post-financial crisis regulatory requirements that apply to banking organizations of all sizes. While such legislation will result in significant modifications to certain aspects of the Dodd-Frank Act and other post-financial crisis regulatory requirements, given that the immediate effect of such legislation remains uncertain, prospective investors should be aware that changes in the regulatory and business landscape as a result of the Dodd-Frank Act, and future legislation and regulation, including the cost of complying

with additional laws and regulations, could have an adverse impact on the Funds, the General Partners, the Adviser or on the market value of the Interests.

Global Economic Conditions; Market Dislocation

General global economic conditions may affect the Funds' activities. Interest rates, general levels of economic activity, fluctuations in the market prices of securities and participation by other investors in the financial markets may affect the value of investments made by the Funds. Instability in the securities markets may increase the risks inherent in portfolio investments made by the Funds and instability in the fixed income markets may cause significant dislocations, illiquidity and volatility in the structured credit, leveraged loan and high yield bond markets, as well as in the wider global financial markets. To the extent the Funds' portfolio companies participate in such markets, the results of their operations may suffer. In addition, certain market events may have an adverse impact on the availability of credit to businesses generally and could lead to an overall weakening of the U.S. and global economies. Any resulting economic downturn could adversely affect the financial resources of the Funds' portfolio companies and their ability to make principal and interest payments on, or refinance, outstanding debt when due. In the event of such defaults, the Funds could lose both invested capital in and anticipated profits from such portfolio companies.

In addition, current global economic conditions may materially and adversely affect (i) the ability of the Funds, its portfolio companies or their respective affiliates to access the credit markets on favorable terms or at all in connection with the financing or refinancing of investments; (ii) the ability or willingness of certain counterparties to do business with the Funds or its affiliates; (iii) the Funds' exposure to the credit risk of others in its dealings with various counterparties (for example, in connection with joint ventures or the maintenance with financial institutions of reserves in cash or cash equivalents); (iv) consumer spending and demand for the products and services offered by the Funds' portfolio companies; (v) growth opportunities for the Funds' investments; (vi) the Funds' ability to exit its investments at desired times, on favorable terms or at all; (vii) availability of reliable insurance on favorable terms or at all; and (viii) the ability of the Funds' limited partners to meet their obligations to the Funds in a timely manner or at all.

National and global market and economic conditions may deteriorate during the term of the Funds, and such conditions could deteriorate materially and for an extended period of time. Market fundamentals across many continental European economies have worsened over the last several years, and it is possible that some period of market dislocation will exist during the term of the Funds. National and global concerns about future economic growth, lower consumer sentiment, rising unemployment, changes in demographics, lower consumer sentiment, market instability, inflationary pressures, fluctuating oil prices, adverse developments in the credit markets and mixed corporate earnings may present significant challenges to the national and global economies and equity markets. Any of the foregoing could have a material adverse impact on the Funds.

Market Discussion and Economic Outlook

The market outlook, trends, opportunities and other matters presented in this Memorandum reflect the Adviser's current view, which is based on various estimates and assumptions, including about future events. The estimates and assumptions are subject to uncertainties, changes and other risks, many of which may be beyond the Adviser's control and any of which may cause the actual financial and other results to be materially different from the results expressed or implied herein. There can be no assurance that such market outlook, trends, opportunities and other matters will materialize.

Natural Disasters, Terrorist Acts and Similar Dislocations

Upon the occurrence of a natural disaster such as flood, hurricane, or earthquake, or upon an incident of war, riot or civil unrest, the impacted country may not efficiently and quickly recover from such event, which can have a materially adverse effect on portfolio companies and other developing economic enterprises in such country. Terrorist attacks and related events can result in increased short-term economic volatility. U.S. military and related actions in Afghanistan and Iraq, other events in the Middle East, and terrorist actions worldwide could have significant adverse effects on U.S. and other economies and securities markets. The effects of future terrorist acts (or threats thereof), military action or similar events on the economies and securities markets of countries cannot be predicted. Such disruptions of the global financial markets could affect interest rates, ratings, credit risk, inflation and other factors relating to the Funds' investments.

Disease and Epidemics Risk

The impact of disease and epidemics may have a negative impact on our business, our Funds, their portfolio companies and their performance and financial position. Coronavirus, renewed outbreaks of other epidemics or the outbreak of new epidemics could result in health or other government authorities requiring the closure of offices or other businesses and could also result in a general economic decline. For example, such events may adversely impact economic activity through disruption in supply and delivery chains. Moreover, our operations and management of the portfolios could be negatively affected if personnel are quarantined as the result of, or in order to avoid, exposure to a contagious illness. Similarly, travel restrictions or operational issues resulting from the rapid spread of contagious illnesses may have a material adverse effect on business and results of operations. A resulting negative impact on economic fundamentals and consumer confidence may negatively impact market value, increase market volatility, cause credit spreads to widen, and reduce liquidity, all of which could have an adverse effect on the Funds and their underlying portfolio investments. The duration of the business disruption and related financial impact caused by a widespread health crisis cannot be reasonably estimated. The extent to which the coronavirus (or any other disease or epidemic) impacts business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

Bank Failure/Liquidity Issues

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect the Adviser and the Funds' current and projected business operations and financial condition. Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Inflation, and resulting rapid increases in interest rates, have led to a decline in the trading values of previously issued government securities with interest rates below current market interest rates. Certain financial institutions holding significant positions in these government securities have accumulated substantial unrealized losses, which has impaired or could impair the ability of such institutions to meet customer and other liquidity needs. The FDIC, in conjunction with the U.S. Department of Treasury and the Federal Reserve Board, has taken efforts to stabilize this

deteriorating situation. Despite these efforts, concerns about the overall financial health and stability of the U.S. banking sector remains high, with many bank stocks trading at significantly lower prices than they did before the crisis began. Further governmental intervention may be required to stabilize the U.S. banking sector in the future if additional U.S. banks, particularly larger banks, appear to be at a risk of failure; it is unclear, however, whether the government would intervene in such circumstances and, if it did, whether such governmental intervention would be sufficient to forestall a full-blown banking crisis.

Even if, ultimately, market concerns about the financial health and stability of U.S. and global banking sectors are successfully addressed, many observers believe that the risk of a recession occurring in the U.S., and perhaps in other major global economies, has increased because of the recent events in the banking sector. Relatedly, these events may prompt the Federal Reserve Board and other central banking authorities to slow down the pace of future increases in benchmark interest rates, which could make it more difficult for the U.S. and other governments to mitigate inflationary pressures in the economy and contribute to a period of higher inflation.

It is likely that, if the banking sector situation continues to deteriorate, the U.S. and/or other global economies would be adversely affected, including the possibility of recession, the duration and severity of which are difficult to predict. Among other things, a weakening in the macroeconomic situation could make it more difficult for the Funds to identify and source investments; finance and other consummate investments which are sourced or refinance existing investments; and dispose or otherwise monetize investments at attractive valuations. In addition, it is possible that the incidence of Fund investor capital call defaults may increase. The cumulative effect of the foregoing could adversely impact the value of Fund holdings and overall Fund performance.

The events described above present several potential risks including to: (i) investment advisers, general partners and their related entities, (ii) the funds which they manage, (iii) fund limited partners; (iv) the portfolio companies in which funds make and hold investments; and (v) founders and senior management teams of portfolio companies.

Custody Risk: If a bank has custody of Fund assets and the bank goes into receivership, the receivership could adversely impact the safekeeping of those assets and the ability to retrieve and secure such assets, and the Fund may experience delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets. To mitigate this risk, the Adviser tries to select custodians with a strong balance sheet and significant capital base by conducting due diligence on financial stability including a review of the bank's financial statements, credit ratings, and any other information regarding the bank's financial health. In addition, the Adviser monitors the custodian's financial health periodically by reviewing the information described above. The Adviser will also, to the extent possible, diversify custodian risk by using multiple custodians to reduce the impact of a single custodian's failure. The Adviser has developed a contingency plan outlining the steps that will be taken to protect the Funds' assets and to transfer them to another custodian.

Adviser/General Partner Risk: If the Adviser, a Fund general partner or related party has a banking relationship with the bank (for example, a payroll account), the Adviser's ability to manage or operate a Fund consistent with its past business practices could be negatively impacted, potentially resulting in a disruption in operations. The Adviser plans on mitigating this risk by

monitoring the financial condition of its banking relationships and, where appropriate and practicable, maintaining more than one banking relationship.

Portfolio Company Risks: Portfolio companies of a Fund typically have their own banking or other relationships with banks and other financial institutions that present many of the same risks described above. In addition, a Fund portfolio company that is unable to access a credit line because its bank is in receivership may require bridge or other temporary financing from a Fund to meet its payroll or other obligations. Such transactions may reduce the capital availability of the Fund to make other investments and may result in overall reduced returns to the Fund. Moreover, if a letter of credit or other form of credit support was being provided to a portfolio company by a bank that goes into receivership, such portfolio company may be in default of other obligations it may have requiring such letter of credit or credit support to be maintained.

Item 9. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser or the integrity of adviser's management.

The Adviser is not aware, after having conducted due diligence on the firm and its management persons, of any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of the Adviser's advisory services or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

The Adviser is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. Currently, no employees of the Adviser are registered representatives of a broker-dealer.

Neither the Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

The Adviser's principals or affiliates may from time to time become members of and make capital contributions to the Funds. In the view of the principals, this aligns the interests of the principals and its affiliates with the Funds and its investors and does not result in any conflicts of interest between the Adviser and the Funds. Additionally, the principals are also bound by the Adviser's Code of Ethics as discussed in Item 11 below.

Certain of the Adviser's personnel and other individuals engaged by the Adviser serve on the board of directors for portfolio companies in which the Funds of the Adviser invests. These personnel and other individuals engaged by the Adviser may also receive compensation in connection with their service on the board of directors. In certain cases, this compensation will not be allocated back to the Funds or offset the management fee and will be retained by the personnel or other individuals receiving said compensation. Fund investors are urged to carefully review the applicable Funds' Governing Documents to fully understand these types of compensation arrangements.

The Adviser does not recommend or select other investment advisers for its Clients.

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

For the purposes of this Item 11, references to the “Fund” or “Funds” shall include any successor investment fund that may be established by the Adviser, the general partners or affiliates of the Adviser or the general partners.

Sonoma Brands has adopted a Code of Ethics (the “Code”) that sets forth standards of conduct that are expected of Sonoma Brands’ principals and employees and addresses conflicts that may arise from personal trading and outside business activities. The Code subjects each principal and employee to appropriate restrictions on activities and investments, and provides information on certain prohibited transactions, Sonoma Brands’ internal review and compliance procedures, including quarterly and annual reporting requirements, and well-defined rules of business conduct, which are all intended to prevent or detect potential conflicts of interest. The Code also includes policies and procedures to prevent the misuse of material non-public information in Sonoma Brands’ possession. Strict compliance with the Code and applicable securities laws is a condition of employment with Sonoma Brands, and each principal and employee are obligated to individually read and retain a copy of the Code, as well as certify that he or she has read and understands the Code. Sonoma Brands reviews compliance with the Code on an ongoing basis, and employees may be subject to disciplinary actions as severe as dismissal for certain infractions.

Sonoma Brands and its affiliates may come into possession from time to time of material nonpublic or other confidential information. Under applicable law, Sonoma Brands and its affiliated persons would be prohibited from improperly disclosing or using such information for their personal benefit or for the benefit of any person, including the Funds. Accordingly, should Sonoma Brands or any of its affiliates come into possession of material nonpublic or other confidential information with respect to any public company, the Funds may not be able to initiate a transaction that they otherwise might have initiated and may not be able to sell an investment that they otherwise might have sold.

Sonoma Brands’ Principal and personnel are limited partners or General Partners of the Funds. Therefore, the Adviser may be deemed to recommend to Funds or buy or sell for Funds, investments in which the Adviser has a material financial interest.

The principal and Adviser personnel have made capital commitments to the Funds. Such amounts may be invested pro rata with the members of the Funds in all Fund portfolio investments. In the view of the principal, this aligns the interests of the principal with the Funds and its investors and does not result in any conflicts of interest between the Adviser and the Funds.

All employees who are access persons (as defined by the Advisers Act) are required to submit an initial, and thereafter, annual, holdings report, as well as quarterly transaction reports or equivalent brokerage statements, detailing the securities held, purchased or sold during the relevant period, except as otherwise exempted by the Advisers Act. In addition, all employees must pre-clear securities trades in an initial public offering or private placement, to ensure that potential conflicts of interest are adequately identified and addressed in a timely manner, and in securities maintained on Sonoma Brands’ restricted list, which consists of securities of companies that Sonoma Brands has determined its employees should not be trading, generally because Sonoma Brands may be in possession of material non-public information relating to such company. The trading restrictions of the Code do not apply to (i) purchases or sales in any discretionary managed account over which an employee has no direct or indirect influence or control, or ability to direct any investment decision,

(ii) purchases that are part of any automatic dividend reinvestment plan or direct investment program, and (iii) purchases effected upon the exercise of rights issued by an issuer pro-rata to all holders of a class of securities to the extent such rights were acquired from such issuer, sales of such rights.

The Code also includes, among other things, requirements that all employees (i) conform their business conduct to applicable state and federal laws and regulations, and (ii) obtain pre-approval of any outside business activities that involve a time commitment that could reasonably be expected to have an adverse effect on the employee's work at Sonoma Brands or conflict with the limited partnership agreement of any Funds or provide for material compensation to the employee.

Sonoma Brands has also adopted a compliance program, which includes, among other things, a records retention and communication policy, an information security program intended to protect the confidentiality of the information retained by Sonoma Brands and policies designed to ensure compliance with applicable laws and regulations.

The foregoing policies are designed to comply with SEC requirements that registered investment advisers have a Code of Ethics. Sonoma Brands' Code of Ethics is available for review upon request. You may request a copy of the Code by contacting our Chief Compliance Officer, Shahir Amin at (707) 656-2015 or shahir@sonomabrands.com.

Potential Conflicts of Interest

Co-Investments

The Adviser serves as investment manager to certain co-invest Funds that invest alongside the Funds in certain portfolio companies and also, from time to time, may offer certain investors or other persons the opportunity to co-invest directly in a portfolio company. The Adviser intends that such co-invest Funds invest at the same time as the Funds. However, from time to time, for strategic and other reasons, a co-invest Fund may subsequently purchase a portion of an investment from a Fund. Such co-invest Funds typically dispose of their investments in the applicable portfolio company at the same time and on the same terms as the Funds making the investment. In certain circumstances, a co-invest Fund or other co-investor may evaluate a potential investment alongside a Fund. If the potential investment or co-investment is not consummated, the full amount of any expenses relating to such potential but not consummated investment will typically be borne entirely by the primary Fund or Funds allocated such investment rather than the co-invest Fund or other co-investor.

In circumstances where an entire investment could be made by a Fund, the Adviser may still allocate a portion of such investment to one or more co-invest Funds or other co-investors in accordance with such Funds' partnership agreement and the Adviser's allocation policy if, for example, the Adviser believes in its good faith judgment that the full investment would unreasonably limit the diversification of the applicable Fund or that a particular co-investor would add value to the Funds or the investment.

Investors that participate in co-investments, whether directly or through a co-invest Fund, may be in a position to obtain additional information regarding the applicable portfolio company that may not generally be available to investors in the Funds. In addition, co-investors' interests are not always aligned with the Funds' interests and, if third party investors co-invest directly into a portfolio company, the Adviser's ability to control or influence such third parties will likely be more limited

than if the co-investors were participating in a vehicle managed by the Adviser.

The Adviser frequently makes investments on behalf of the Funds with the expectation that co-investors will participate in the investment. In the event that the Adviser is not successful in offering a co-investment opportunity to potential co-investors, in whole or in part, one or more Funds will consequently hold a greater concentration and have a larger exposure in the related investment opportunity than was intended, which could make such Funds more susceptible to fluctuations in value resulting from adverse economic and/or business conditions with respect thereto. Moreover, an investment by the Funds which is not syndicated to co-investors as anticipated could significantly impact the Funds' overall investment returns.

Portfolio Company Representation

Principals and employees of the Adviser serve as directors and officers of certain portfolio companies and, in that capacity, will be required to make decisions that they consider to be in the best interests of such portfolio company and their respective shareholders. In certain circumstances (for example in situations involving bankruptcy or near-insolvency of a portfolio company), actions that may be in the best interests of the portfolio company may not be in the best interests of the Funds, and vice versa. Accordingly, in these situations, there may be conflicts of interests between an individual's duties as an employee of the Adviser and an individual's duties as a director of such portfolio company.

Diverse Membership

The investors in a Fund will be subject to different legal, tax, and regulatory regimes. For example, investors generally will include taxable and tax-exempt entities and will be organized in various jurisdictions. The nature and diversification of the Funds' investments, as well as the manner in which such Funds make, structure, hold and exit such investments may therefore lead to a more favorable legal, tax or regulatory outcome for some investors. In selecting investments appropriate for a Fund, the Adviser will consider the investment objectives of the investing Funds as a whole, not the investment objectives of any of the Funds' investors individually. To the extent that the Adviser is able to structure certain investments based in part of the investors' respective legal, tax and regulatory constraints, we will not take into account such interests as they relate to each individual investor.

Item 12. Brokerage Practices

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

If the Adviser sells publicly traded securities for a Fund, it is responsible for directing orders to broker-dealers to effect securities transactions for accounts managed by Sonoma Brands. In such event, the Adviser will seek to select brokers on the basis of best price and execution capability. In selecting a broker to execute client transactions, the Adviser may consider a variety of factors, including: (i) execution capabilities with respect to the relevant type of order; (ii) commissions charged; (iii) the reputation of the firm being considered; and (iv) responsiveness to requests for trade data and other financial information.

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

Consistent with the Adviser seeking to obtain best execution, brokerage commissions on client transactions may be directed to brokers in recognition of research furnished by them, although the Adviser generally does not make use of such services at the current time and has not made use of such services since its inception. Such research services could include economic research, market strategy research, industry research, company research, fixed income data service, computer-based quotation equipment and research services and portfolio performance analysis. As a general matter, research provided by these brokers would be used to service all of the Adviser’s Funds. However, each and every research service may not be used for the benefit of each and every Fund managed over time by the Adviser, and brokerage commissions paid by one Fund may apply towards payment for research services that might not be used in the service of such Fund. Research services may be shared between the Adviser and its affiliates.

The Adviser currently does not engage in soft dollar transactions but may engage in soft dollar transactions in the future in accordance with the limitations of Section 28(e) of the Securities Exchange Act of 1934, as amended.

The Adviser does not anticipate engaging in significant public securities transactions; however, to the extent that the Adviser engages in any such transactions, orders for purchase or sale of securities placed first will be executed first, and within a reasonable amount of time of order receipt. To the extent that orders for Funds are completed independently, the Adviser may also purchase or sell the

same securities or instruments for several Funds simultaneously. From time to time, the Adviser may, but is not obligated to, purchase or sell securities for several client accounts at approximately the same time. Such orders may be combined or “batched” to facilitate obtaining best execution and/or to reduce brokerage commissions or other costs. Batched transactions are executed in a manner intended to ensure that no participating Fund of The Adviser is favored over any other Fund. When an aggregated order is filled in its entirety, each participating Fund generally will receive the average price obtained on all such purchases or sales made during such trading day. To the extent such orders are not batched, they may have the effect of increasing brokerage commissions or other costs.

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

Item 13. Review of Accounts

Oversight and Monitoring

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 companies in which the Funds invest, and the Adviser's Chief Compliance Officer periodically checks to confirm that each Funds are maintained in accordance with its stated objectives.

Reporting

The Adviser will furnish to the limited partners of the Funds on an annual basis; (i) audited financial statements, (ii) valuations of the Funds' portfolio investments as of such year, together with a brief narrative report as to the status and operations of the Funds, and (iii) descriptive investment information for each portfolio investment.

Item 14. Client Referrals and Other Compensation

The Adviser does not receive any economic benefit, including sales awards or prizes, from any third party for providing advisory services to the Funds. Any arrangement to compensate a person or entity for soliciting business or potential Clients for the Adviser must be first proposed to, and approved, by the CCO. The CCO will maintain a file of approved solicitors. Such file will contain (i) the name of the solicitor, (ii) the date on which the solicitor was approved by the CCO, (iii) the date on which the Company engaged the solicitor, if any, and (iv) a copy of the solicitation agreement between the solicitor and the Adviser.

Other Adviser Compensation

As more explicitly explained in the Funds' Governing Documents and in Item 5 above, the Adviser and certain of its employees and other service professionals engaged by the Adviser receive a pre-determined amount of annual compensation by portfolio companies of the Funds. However, this compensation is subject a management fee offset more particularly described in a respective Funds' offering documents. Fund investors are urged to carefully review the applicable Funds' Governing Documents to fully understand these types of compensation arrangements.

Item 15. Custody

The Adviser is deemed, under Rule 206(4)-2 of the Advisers Act, to have custody of the assets of the Funds due to its access to funds, authority to deduct fees and other expenses from the Funds and services by the Adviser's affiliates as General Partners of the Funds. The Firm intends to comply with all aspects of the Custody Rule by holding all applicable assets and securities of the Funds with qualified custodians.

As noted in Item 13 above, Fund investors receive annual financial statements audited by an independent public accounting firm. Fund investors are urged to carefully review these statements.

Item 16. Investment Discretion

The Adviser has discretionary authority to manage the investment portfolios of each of the Funds. Investment advice is provided directly to the Funds, subject to the direction and control of the general partner of each Fund, and not individually to the investors in the Funds. Services are provided to the Funds in accordance with the Governing Documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the Governing Documents of the applicable Fund.

Item 17. Voting Client Securities

The Adviser does not generally engage in proxy voting as its investment strategy involves making investments for Clients to invest in private equity investments. However, under limited circumstances, the Adviser may hold public equities securities after a private investment is taken public. In those instances, a Client may hold such public securities and have discretionary authority to vote proxies for those securities. When this occurs, the Adviser follows a proxy voting policy to ensure that proxies voted on behalf of the Clients are voted to further the best interest of each Client pursuant to Rule 206(4)-6 under the Advisers Act.

The policy establishes a mechanism to identify and address any material conflicts of interests that arise between the Adviser and a Client with respect to a proxy voting decision. Further, the policy establishes how Clients and their investors may obtain information on how the proxies have been voted. A complete proxy voting policy and procedures are available to Clients and their underlying investors upon request.

Generally, in the absence of an identified material conflict of interest, the Adviser determines how to vote after studying the proxy materials and any other materials that may be necessary or beneficial to voting. The Adviser then votes proxies in a manner that it believes reasonably furthers the best interests of each Client and its investors and is consistent with the investment philosophy as set forth in the Offering Documents. The Adviser will generally vote in favor of matters that follow an agreeable corporate strategic direction, support an ownership structure that enhances shareholder value without diluting management's accountability to shareholders and/or present compensation plans that are commensurate with enhanced manager performance and market practices.

If a proxy vote creates a material conflict between the interests of the Adviser and a Client, the Adviser will resolve the conflict before voting the proxies. In doing so, the Adviser will take steps reasonably designed to ensure that a decision to vote the proxy was based on its determination of the Client's best interest.

Furthermore, the Adviser maintains records of (i) all proxy votes that are made on behalf of a Client; (ii) all written requests from each of the Client's underlying investors regarding proxy voting information and history; and (iii) all responses (written and oral) to investors' requests. Such records are available to each Client and its underlying investors upon request.

You may contact our office at (707) 656-2015 for any questions about a particular solicitation.

Item 18. Financial Information

The Adviser does not require prepayment of management fees more than six months in advance or have any other events requiring disclosure under this item of the Brochure.

The Adviser is unaware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its clients. The Adviser has not been the subject of a bankruptcy petition at any time during the past ten years.